



Israel Discount Bank Limited

London Branch

TERMS OF BUSINESS

FOR

PRIVATE BANKING

Terms of Business

1 Introduction

These Terms of Business ("the Terms"), together with the completed Client Agreement, make up the legal agreement between us and you.

"We", "us", "our" and "IDB" refer to the UK branch of the Israel Discount Bank Limited. "You" and "your" refer to the signatory or signatories to the Client Agreement, including any participant to a joint account and any authorised representatives, permitted assigns, successors or personal representatives.

TDWCS LLP ('TDWCS') supplies certain outsourced investment services to IDB and is also a party to this agreement. Under the terms of their agreement with us, TDWCS shall place reliance and act upon the warranties, representations and indemnities that you give in this agreement.

Schedule 1 sets out the conditions governing the bank deposit account which you will open with us as part of the private banking arrangement. Schedule 2 contains our internal policies on Best Execution and Conflict of Interest.

Please keep a copy of these Terms for your records.

We have attempted to draft these Terms in clear and simple language. If, however, there are sections you are unsure about, please contact us or a financial adviser.

2 Regulatory Status

IDB is incorporated in Israel. Our Head Office is at 27 Yehuda Halevi Street, Tel Aviv, Israel.

Our UK branch is registered in England and Wales, branch number BR005734. Our primary place of business is at Nightingale House, 65 Curzon Street, London W1J 8PE. We are authorised and regulated by the Financial Services Authority ('FSA'), 25 North Colonnade, London, E14 5HS, under registration number 204668.

TDWCS is registered in England and Wales, number OC301316. Its registered office is at Exchange Court, Duncombe Street, Leeds LS1 4AX. TDWCS is authorised and regulated by the FSA under registration number 214206, and is also a member of the London Stock Exchange.

These Terms are subject to FSA Rules and any other duty or liability we may have to you under the regulatory system.

3 Your classification

For the purposes of FSA Rules, we will treat you as a Retail Client, as defined under the FSA Conduct of Business Sourcebook (COBS). If we propose to classify you differently, we will advise you accordingly and inform you of the implications. Retail Customer status allows you the highest level of protection under FSA Rules.

4 Services

You appoint us and in return we agree to provide you with comprehensive private banking services embracing a range of distinct investment activities, including receipt and transmission of orders, investment advice, arranging deals in investments and other services we may determine.

The range of investments includes shares, warrants, debentures, certificates representing certain securities, futures, options, units, contracts for differences, government and public securities, rolling spot forex contracts, units, rights to interests and such other investments we may determine.

Unless specifically stated prior to the transaction, we shall act as an agent on your behalf.

Advice

We do not accept any responsibility for the suitability of your investments, except where we have given you investment advice as defined below. In order to ensure any advice meets your requirements, your objectives should be communicated within the Client Agreement. We have regard to these as far as possible.

We offer investment advice on your request, but you accept that we do not undertake formal research into individual businesses, but rather inform you of what is available, and the consensus of market opinion. We cannot assess the composition of your portfolio other than that we undertake when reviewing the suitability of any recommendation.

We shall not enter into any arrangement for your account at our own discretion or without prior reference to you, unless within the context of a discretionary portfolio management service.

You agree that any communication you may receive from TDWCS or any other party in connection with these Terms would not constitute investment advice.

Execution only service

We normally execute transactions as agent on your behalf, but we reserve the right to transact as principal. We undertake to abide by our Best Execution Policy set out in Schedule 2, although you may elect to give us alternative specific instructions.

We are not obliged to execute any particular transaction or instruction, nor need we give any reason for not doing so. If we decline an instruction, however, we will try promptly to notify you.

We will accept limit orders in accordance with the rules of the Exchange.

We undertake to warn you if any derivatives or other complex products which we execute on your behalf are inappropriate for your circumstances. In return, you undertake to provide us with sufficient information about your circumstances when opening the account, and to advise us of any changes. We reserve the right to decline a trade, should you choose to ignore our warning. You accept that our view on appropriateness does not imply suitability for advisory purposes.

Discretionary Management

We may if requested introduce you to discretionary portfolio management services. These will be provided by a third party portfolio manager and governed by separate agreements.

Any communication which we make with you will abide by FSA regulations. By agreeing to these Terms, you indicate your willingness for our employees to visit or telephone you between 8:00am and 9:00pm, or any other time if mutually agreed.

5 Instructions

Instructions should be in writing to IDB, or, where supported by a completed indemnity form, by fax, telephone and e-mail. Third parties may also give instructions, upon signature by you of a third party mandate. We reserve the right not to act if we are not satisfied that an instruction is not genuinely from you.

We are not obliged to acknowledge any instruction, or to confirm before execution, unless otherwise agreed. We will however send you a Confirmation of any completed transaction on the next working days. You should notify us within five working days of any error or query, otherwise we shall assume the Confirmation is accurate. We shall not be liable for any loss where you fail to notify us.

We may regard your instructions or communications as binding, however transmitted. You in turn will be bound by any contracts, obligations, costs and expenses which we properly incur on your behalf.

Any instruction to us should be precise and accurate. Amendments, confirmations or repetitions should be clearly identified. We reserve the right to ask for reconfirmation before execution. Once placed, your instruction becomes an order and shall be irrevocable unless we agree to allow you to make an amendment.

You accept that we shall not be liable to you for any delay in responding to instructions, and you agree to indemnify us for any losses we incur by placing reliance on such instructions.

6 Settlement

Transactions should be settled as indicated on the Confirmation. You undertake to maintain sufficient credit balance within your bank account at IDB on settlement day. Where the currency of your stock is different to that of your bank account, any currency risk in respect of overseas currencies shall be borne by you.

We are not obliged to settle a transaction where we have acted as your agent unless funds are held by us. We reserve the right to sell any security we have bought on your behalf, or buy any we have sold, or to undertake analogous transactions in similar alternative securities in circumstances where you do not honour a trade. You are liable for any consequential loss that we incur.

We reserve the right to decline a trade unless the stock is held in custody by us prior to sale, free of any third party lien, charge or encumbrances.

7 Fees and Expenses

IDB will charge commission for its services, and notify you of them in writing. Commission will also be identified on the Confirmation and payable at settlement.

We may receive commission paid to us by certain product suppliers. We commit to disclosing this commission to you. Where we act as principal however, we transact with you at an agreed price and we shall not disclose to you any cost to us in marching or closing our own position.

You are responsible for any tax, brokerage charge, transfer fee, registration fee, stamp duty and any other expenses properly incurred by us in providing these services.

TDWCS or any other party we instruct reserve the right to deduct from your account any outstanding balances, including any debit interest due to them, in the event that IDB is unable to complete settlement.

We reserve the right to amend our charges and will give 30 days' notice of doing so.

8 Client Money

In this clause, the term "Client Money" has the same meanings as in the FSA Rules.

We do not expect to hold Client Money for you. We will hold your money as your banker in an account with ourselves, or as otherwise agreed. You should refer to Schedule 1 for terms applying to our bank accounts.

TDWCS or another broker may hold client money for short periods, normally less than a day, pending transfer to your bank account with us. TDWCS will normally hold such money in a client bank account, segregated from its own funds, but pooled with other client money in an account linked with IDB.

TDWCS may also deposit at a bank outside the UK, under local regulation. UK protections will not therefore apply. Funds with such banks will only be held for completion of a specific transaction. Certain overseas banks may not confirm that these funds are held in trust; in the event of the insolvency of the overseas bank, your funds could therefore be treated differently than in the UK.

9 Custody

We are able to provide safe custody and administration for your investments. We will normally deposit your investments with TDWCS, but may elect another third party.

You authorise us to register assets in our name or any other permitted arrangement under FSA Rules. Uncertificated securities will normally be registered in the name of TDWCS's nominee company. Overseas securities may however be held in TDWCS's name, or that of another custodian, in jurisdictions outside the UK. There may be different settlement, legal and regulatory requirements overseas, and different practices for the separate identification of safe custody assets. TDWCS cannot in these circumstances guarantee full segregation.

Investments held in the name of a nominee or custodian will be pooled with those of other customers. Your holding may not be identifiable by separate certificates or electronic entries. In the event of custodian default, you may be required to accept loss on a pro-rata basis. Where corporate events affect pooled holdings, we may allocate the benefits in such fair and equitable manner as we consider.

We shall keep records of any security in custody in order to identify ownership. We shall require any third party custodian also to identify in its records any securities belonging to our customers.

In the event of the failure of a custodian, leading to a shortfall in security in pooled assets against records, you will accept loss on a pro-rata basis. Neither we

nor TDWCS accept liability for default by other nominees.

In certain extremely restricted circumstances, if required by local regulation, securities may be recorded in your own name.

Bearer instruments will not be held by TDWCS, but by eligible third parties in line with FSA rules. Neither we nor TDWCS accept responsibility for the obligations of third party custodians, other than in the case of our or TDWCS's fraud, negligence or wilful deceit. TDWCS however accepts responsibility for the acts of its own nominee.

You accept that investments may be subject to a lien by a third party settlement agent or custodian.

You may in writing, and at your own cost, request the return of assets.

Subject to reasonable efforts on our behalf to contact you, if we have received no instruction for six years, we reserve the right to sell the assets in custody. They retain a claim on us for the funds.

We undertake to send statements regularly, in accordance with FSA Rules. Valuations will be at mid-market rates on the relevant dates

10 Dividends, Distributions and other Rights

We shall be responsible for collecting income and for the communication to you of notices about corporate actions. Any income deriving from your investments will be deposited in your account, unless you have agreed otherwise.

Where investments are held on a pooled basis, some shareholder benefits specifically accruing to small investors may be lost.

You retain responsibility for the possession and exercise of all rights, including voting, unless you have agreed otherwise with us. We agree to relay to the custodian your decisions regarding conversion and subscriptions, takeovers or other reorganisations, and voting rights. In the absence of any instruction from you, we reserve the right to exercise the rights as we see fit. We cannot accept responsibility for claiming any entitlement or benefits you may have under a taxation treaty.

11 Potential Conflicts of Interest

We are part of a large group (known as "Associates") which is involved in securities issuance and distribution, research, trading, investment management and collective investment schemes, as well as banking services. Certain conflicts of interest may therefore arise. We set down in Schedule 2 our policy for managing such conflicts.

While we undertake to manage conflicts to the best of our ability, you accept that we may provide services in circumstances where potential conflicts remain. You allow us to transact for our own beneficial interests and waive any claim to a share in any profit. You are not entitled to disclosure of fees earned by us other than those payable by you. We are under no duty to use market intelligence obtained in another section of the bank as investment advice to you.

12 Default Remedies

You warrant that any deposits or securities held for your account are your beneficial property, or have been transferred with the legal and beneficial owners' unconditional consent and free from any lien, except where held by IDB as security for banking facilities.

If you fail to make any payment or to deliver investments to us or any of our Associates at due time, or to TDWCS or any other broker that we have instructed on your behalf, we reserve the right without prior notice to realise any assets or collateral which we hold, or any debts due to you from us or any other party. We may also close out contracts and set-off against the amount due. We may value your obligations as we reasonably consider appropriate, including by translating obligations in different currencies into a common currency. Any balance remaining after the exercise of these rights shall be payable to you upon request.

Any overdue balance is subject to interest until paid. Such interest will be calculated at a rate we shall notify to you.

When acting as our intermediary, TDWCS are entitled to a Power of Sale, lien or right of set-off over your investments, including, through consolidation, of all or any or your accounts, in order to meet outstanding amounts due to them. TDWCS will exercise this as they determine. Through this contract you grant them a first fixed charge with full title guarantee and grant a pledge over and a general lien and right of set-off with respect to any securities held to your account (including without limitation the benefit of all contractual rights and obligations and any proceeds of sale), as continuing security for meeting your obligations to them.

TDWCS may also exercise the above rights in event of your insolvency.

For the avoidance of doubt, any asset held for you may be retained or realised. We or TDWCS may close any open position and debit your account for any loss incurred. We will give you notice of this course of action. We will not be liable for legal or other costs, or any taxation cost borne by you, while we or TDWCS shall not be held liable for the choice of asset.

13 Information

When requesting a transaction, you rely on your own judgement, unless we have advised you specifically. Simple explanation of the terms of an investment, or its past performance, or providing a copy of IDB's research recommendation, does not of itself amount to advice.

Our advice, unless otherwise agreed in writing, is confined to the merits of the relevant investment and we will not be responsible for tax, legal or accountancy matters. You should take advice on these subjects independently.

14 Exemptions from Liability

Unless due to gross negligence, wilful default or fraud, we or our affiliates, nominees, directors, officers, employees and agents will not be liable to you for any loss, whether direct or indirect, however arising, including potential depreciation in the value of your assets or loss of income.

We will also not be liable for the insolvency or acts and omissions of any broker, nominee, custodian, settlement agent, securities depository, product provider or other third party (including any Associate) undertaking business with you under these Terms. We will, if requested, transfer to you our potential rights against such persons.

We will not be liable for any loss suffered by you in connection with these Terms arising from:

- a) your actions or decisions, or information you have provided, including any investment decisions you make without our advice, or deals which you have instigated where we have warned you that it is inappropriate; or
- b) any act or failure to act by an unaffiliated broker-dealer or other third party unless due to our proven gross negligence, wilful default or fraud.

We will not be liable to you for any loss you may incur as a result of your error or that of your representatives and agents in transmitting an order or instruction to IDB.

You acknowledge that we have made no representation, promise, warranty or guarantee that your portfolio or any product on which we advise you will achieve any performance target, and that, if given, would be outside our authority and is void. Where we have advised, we are not liable for poor performance, unless resulting directly from our proven gross negligence, wilful default or fraud.

TDWCS will not be liable to you when they act properly on our instructions.

Nothing in these terms however shall act to exclude or restrict any liability we or TDWCS may owe to you under the regulatory system

15 Indemnity

During the life (and after termination) of these Terms, you will indemnify us, our affiliates and their directors, officers, employees and agents, and, when acting for us on your behalf, TDWCS against any loss, liability, cost (including legal fees), claims and demands whatsoever which may be suffered or incurred in connection with services under these Terms, or, in connection with any claim, costs arising, except where caused by their gross negligence, wilful default or fraud.

Nothing in these Terms requires you to indemnify or compensate us to any extent prohibited under FSA Rules.

The obligation of each party to make payments in the due currency will be enforceable as an alternative or additional cause of action if actual receipt falls short of the full amount of the appropriate currency. This right will not be affected by any other judgement under these Terms.

16 Representations and Warranties

You warrant that at all times:

- a) you have all requisite power, authority and approvals to enter into these Terms. You confirm that only you have an interest in your account(s) with us, and do not act as an agent or trustee, unless disclosed to and acknowledged in writing by us,
- b) in relation to your acceptance of these Terms, you are not relying upon any statements, representations, promises or undertakings by us outside these Terms,
- c) you confirm that any information given by you, including but not limited to that in the Client Agreement, is true, complete, accurate and not misleading. There are no other facts about which we reasonably should be aware,
- d) your agreement to these Terms will not contravene any borrowing, charging or other powers or restrictions granted or imposed under any law or document to which you or your assets are subject,
- e) you will inform us in writing if performance under these Terms could adversely affect your tax position. In the absence of any such written notice, we will assume that there are no such constraints on our services.

Your declarations will be valid throughout the life of these Terms, or until related debts are paid.

17 General

Commencement

These Terms take effect on delivery. Even if you do not sign and return requisite documents, we shall assume that you accept these Terms should you ask us to render you any service covered under the Terms.

Amendment

We may amend or supplement these Terms by sending you written notice. An amendment due to a change of applicable law may take effect immediately or as we specify. Any other amendment will, unless we have received your written objection, take effect with at least 10 business days' notice (unless in the circumstances it is impractical to give such notice) and at least 30 days' before in the case of a change in fees and commission.

You may notify us in writing of changes to your investment objectives and restrictions, to take effect upon receipt, provided that we have a reasonable time to react. We are not obliged to follow any unlawful amendment, or which cannot reasonably be implemented or which is outside our normal scope. In such cases, where we reject your instruction, we shall seek to give notice, and shall have no responsibility for doing so.

Termination

Any party may terminate these Terms, without penalty, subject to the settlement of any outstanding transactions, by giving written notice. However, any termination by TDWCS would not affect your agreement with us, but may be assumed by a new broker. We will inform you if this happens. If you wish to exercise your right to terminate, you should write to our UK Registered Office at the address on page 2 of these Terms.

We may (but are not bound) to act on the directions of your personal representatives, upon production of identity or other formalities we may request. We are not liable for claims over your assets for complying with such directions. Upon notice of your death, we will terminate the Agreement but, pending directions from your personal representatives, we will continue to hold your assets and money.

Termination will not affect transactions already initiated, or outstanding rights (including our right to collateral). These Terms will continue to apply until all transactions and liabilities have been settled. Termination will not affect any provision of these Terms which is intended to survive termination.

Laws and Regulations

We shall be entitled without notice to take any action we think appropriate to comply with any laws, rules and/or regulations or any jurisdiction ("**applicable regulations**"). If there is any conflict with these Terms, the latter will prevail.

Entire Agreement

These Terms supersede any previous written or oral agreement we may have on this particular subject, and, unless expressly stated, form the entire contract. Other agreements may continue to govern other forms of business with the group or our affiliates, as may any agreements you may sign with product suppliers.

You acknowledge that you have not been induced to enter into these Terms by any representation, warranty or undertaking not expressly incorporated here. Where permitted under law, and except in the case of fraud, you agree that your only remedies in relation to any representation, warranty or undertaking in connection with these Terms shall be for the latter's breach (or any documents entered into in their connection), to the exclusion of all other rights and remedies (including those in tort or under statute).

Assignment and Agents

Our rights under these Terms may be assigned to any Affiliate without your consent. Your rights under these Terms are personal to you and not capable of assignment. We may employ agents we select on terms we think appropriate and we may sign and perform (in any capacity) any agreement we think fit with an agent.

Waiver of Immunity

You agree to waive immunity to the fullest extent permitted under the relevant jurisdiction, if entitled to immunity under these Terms. This waiver includes service of process, jurisdiction, suit, judgement, execution, attachment (whether before judgement, in aid of execution or otherwise) or legal process.

Data Protection and Privacy

We will treat your personal data as confidential. Unless expressly set out in the Client Agreement, we shall not disclose, transfer or sell data to any third party for any purpose without your written consent.

You agree that we may contact you for the purposes of discussing investments or marketing. We may do so directly by telephone, fax, or otherwise without your express invitation. You acknowledge that such communication would not be a breach of your rights under the Telecommunications (Data Protection and Privacy) Regulations 1998.

We may make enquiries with credit reference agencies, who will keep a record of such requests. However, we will only disclose information about you to such agencies in the event of financial default. Agencies' information may be used by other lenders to assess your creditworthiness, or that of your household.

Taxes

You are responsible for payment of your taxes, claiming exemption from withholding or other taxes, filing tax returns and providing tax authorities with information about your business with us, except where required under statute. We will endeavour to forward any tax documents concerning you that we may receive. We do not provide tax advice - your tax affairs are your own responsibility. You will inform us in writing if any acts contemplated by these Terms could adversely affect your tax position. In the absence of any such written notice, we will assume that there are no such constraints on our services.

Telephone Taping

Telephone conversations will normally be recorded. We shall have complete discretion over the retention or destruction of these recordings.

Severability

Each provision of these Terms is severable. Should any become invalid, void, voidable or unenforceable, or contravene any applicable regulations, the remaining provisions are not affected.

No Waivers

Any failure or delay in exercising any right or remedy under these Terms shall not constitute their waiver. No single or partial exercise of a right or remedy under these Terms shall prevent further exercise.

18 Force Majeure

We shall not be liable for the consequences of events beyond our control (including any change in regulations). This includes without limitation any failure or breakdown of transmission, communication or computer facilities, postal or similar industrial action, or default an exchange, clearing house and/or broker.

19 Joint Clients

Where there are joint clients:

- a) any instruction, notice, demand, acknowledgement or request under these Terms may be given in accordance with the

- authority with the Client Agreement. We need not challenge its authority. Any person within this authority may also terminate the agreement, giving effective and final discharge in respect to our obligations. We reserve the right to require joint written instructions or a court order at any time concerning transfer of funds, investments or other property, or any other transactions governed by these Terms.
- b) your liabilities under these Terms are joint and several. We are not concerned about your respective obligations to each other;
 - c) on the death (if a person) or dissolution (if applicable) of any one of you, the surviving party shall notify us. We may treat the survivor(s) as the only person(s) entitled to your assets, and
 - d) we or TDWCS may discharge their obligations to the joint parties by payment to any one of them.

You agree to notify us of the termination of any joint arrangements, through divorce, separation or otherwise.

20 Trustees

Where we provide services pursuant to these Terms for one or more trustees, you:

- a) will notify us in writing of any changes in trustee(s) of the relevant trust; and
- b) confirm that, on the basis of legal advice, you are satisfied that each of the trustees has requisite powers to enter into these Terms.

21 Rights of Third Parties

Any of our associates, employees, directors, officers or agents, or TDWCS and their associates, may enforce these Terms, conferring a benefit on them as if they were a direct party. Even though the Terms confer such benefits, you and we are free to terminate or vary this agreement without the consent of any third party beneficiary.

22 Notices

Any notices, instructions, demands, confirmations, contract notes or requests ("**Notices**") may only be given in writing unless expressly agreed otherwise. Any Notice in writing may be given as follows:

- a) by post (first class or, where appropriate, by air mail). It will be considered delivered seven business days after posting. Proof of correct address and first class stamp or,

where appropriate, air mail will be sufficient proof of delivery;

- b) by personal delivery. Evidence that it was delivered to the correct address will verify delivery;
- c) by telex or facsimile transmission. It will be considered delivered on arrival or, if transmitted by us, upon transmission. A correct number or destination, supported with answer back, (in the case of telex) will be sufficient proof of delivery;
- d) by electronic mail to such electronic mail address as you shall specify in writing (the "E-Mail Address"). It will be deemed delivered on sending. Proof of delivery shall be proof of sending to the E-Mail Address. We are not obliged to make any communication by electronic mail.

Where communications are issued by electronic mail, you agree that we need not seek an acknowledgement. We are not liable to you for late or failed delivery (for whatever reason). We will send hard copy communications if required under the FSA Rules.

If, in circumstances where we have addressed such communications correctly, and they are delivered to or are seen by a third party, you agree that we have not breached any duty of confidentiality. We shall not be liable for any loss, claim, cost, expense or other liability suffered by you as a result, unless required under FSA Rules.

Communications from you will be deemed received only if actually delivered in accordance with this section.

Any contract note, confirmation, account or other statement which we give in writing will, in the absence of manifest error, be deemed correct, conclusive and binding on you, unless you object in writing within ten business days of despatch.

23 Complaints

IDB operates a customer complaints procedure. You may submit a written complaint to our Complaints Officer at our registered office. Your complaint will be dealt with in accordance with FSA Rules and our internal procedures. If after eight weeks your complaint cannot be resolved to your satisfaction, you may refer your complaint directly to the Financial Ombudsman Service. Further details are available upon request.

24 Investor Compensation

IDB is a member of the Financial Services Compensation Scheme (the "**Scheme**"). The Scheme protects only certain claimants and types of claim, and

is not available in respect of any overseas affiliates. Protected investment business on behalf of most private customers is limited to 100% of the first £50,000.

Payments in respect of protected banking deposits are set out in Schedule 1.

Details of the Scheme are available on request or at the Scheme's official website at www.fscs-org.uk.

25 Governing Law and Jurisdiction

These Terms and any related pre-contractual discussions, are governed by, and shall be construed in accordance with, the laws of England and Wales.

You hereby submit to the exclusive jurisdiction of the courts of England and Wales in relation to any dispute arising out of these Terms. We retain the right to take proceedings in any other court having jurisdiction.

This section is without prejudice to any separate agreement with any of our affiliates to submit to arbitration.

26 Communication in English

All written communication that we send you in relation to these Terms shall be in English.

Schedule 1

Bank Account Terms and Conditions

Introduction

“We”, “us” and “our” refer to the UK branch of the Israel Discount Bank Limited. “You” and “your” refer to the account holder, including any participant to a joint account and any authorised representatives, permitted assigns, successors or personal representatives.

We are your service provider as designated under relevant legislation. Our address is Nightingale House, 65 Curzon Street, London W1J 8PE. Other contact information may be obtained from our website www.israeldiscountbank.co.uk.

We are authorised and regulated by the Financial Services Authority under Registration Number 204668. Our authorised status and permitted range of business may be verified on their website www.fsa.gov.uk.

1 Opening an Account

You should complete and sign our Application Form. This document, along with these Terms and Conditions, creates a contract between us and gives us authority to operate your account. We have separate forms for personal and for corporates, partnerships and trust customers.

We will ask you for information about your identity, and we will normally ask for documentation to verify this, in accordance with standard UK banking practice. Your account officer will advise you of our precise requirements.

The Bank reserves the right to decline an application.

2 Operating the Account

The bank may open accounts in joint names. Each party to the account must complete and sign the Application Form. We will accept instructions from any single party, unless you specifically request otherwise.

If an account is to be operated by anyone other than the account holders, a Third Party Mandate must be completed and signed. We will normally ask this person to provide identification.

If you wish to use a telephone, e-mail and/or fax facility to transmit instructions, you must sign an Authorisation and Indemnity Form.

We do not accept cash credits into your account, nor do we allow you to withdraw money in cash. You

may credit an account by transferring funds in a different currency. We will undertake conversion at the prevailing market exchange rate.

We ask you to notify us if you change address, or change your name through marriage or other reasons.

We will send you statements as requested on the Application Form. We ask that you check these promptly and inform us of any errors or omissions. We do not charge for a first statement but will charge for additional statements.

3 Types of Account

Current Accounts

Access to funds is by payment order, although a sterling chequebook may be issued at our discretion.

A cheque will be considered “out of date” if more than 6 months old. We reserve the right however to make payment, and at our discretion to seek verification of authenticity before doing so. You agree to write cheques legibly and fully in permanent ink, and not to pre-sign any blank cheques. You should not post-date a cheque, but we reserve the right to honour such a cheque. You should not change any printed wording, including the ‘Account Payee only’ crossing. You should report to us if a chequebook is mislaid or stolen.

Current accounts are available in all major currencies.

No interest is given on Current Account balances. No minimum balance is required, but accounts that fail to maintain a credit balance during any quarter may be subject to a charge.

Call Accounts

Call accounts are available in sterling, US dollars and Euros, subject to minimum balance requirements. Interest is paid monthly in arrears. The rate is available on request.

Private Banking Accounts

We will open an Account for our Private Banking customers for settlement purposes. You should always maintain this account in credit, ensuring also that there are sufficient funds for the future settlement of investment transactions we have executed (unless we specifically agree an overdraft facility). You

authorise us to debit this account for settlement. We agree to credit the account with the proceeds of investment sales, and any dividends or any other cash receipts.

Funds may be withdrawn on demand, and interest is paid monthly in arrears.

Notice Accounts

Further information is provided on request.

Fixed Term Deposit Accounts

These are available in all major currencies with maturities ranging from overnight to two years. Interest rates are set on or before the start date, depending on the currency, and are based on prevailing market rates.

Interest is payable at maturity (or periodically if the deposit is for one year or more). Minimum balance requirements may apply.

4 Interest Rates

Interest is calculated on a daily basis. Debit and credit interest is applied to the account on a monthly basis, and credit interest on a quarterly basis, unless otherwise indicated.

Rates are linked to prevailing market conditions. If we change the rates we offer on Notice Accounts, we will inform you in writing. Full information regarding our interest rates is available on request.

Interest is subject to withholding tax at the lower basic rate unless the account holder is a company or trust, or in the case of a personal account, if you have completed the relevant tax forms, or you have a fixed term deposit of over £50,000 or equivalent running to final maturity.

5 Reporting of Interest

Information about the interest that you receive will be reported to HMRC, in accordance with UK tax regulations. If you are resident in the EEA or certain other territories, HMRC will pass the information to your resident authority, in accordance with the EU Tax and Savings Directive.

6 Cheque Clearing Facilities

In the case of Sterling cheques and drafts received drawn on UK banks, the credit will appear on your statement on the day of receipt. Under the rules of UK cheque clearing, it is cleared for final payment on the sixth working day after the receipt, unless the cheque is linked with fraud, in which event we reserve the right to return any funds and debit your account. You may draw down on the fourth day.

Overseas currency cheques and drafts will be negotiated through the drawee bank, irrespective of

currency, and the proceeds credited to your account upon final cleared receipt, subject to local regulations.

7 Payment Services Directive

We make transfers for customers by electronic means. Our SWIFT identifier is IDBLGB2L.

We shall consider any payment order as final. You may cancel an instruction but you accept that after close of business the day prior to transfer, it may not be possible for us to do so. We shall deem the time of an instruction as the time it is received: if this is a non-business day, or outside normal business hours, we shall regard the instruction as arriving on the next business day. We reserve the right to charge for a cancelled instruction.

For Sterling, Euros and US dollars, payment may be made same day. Orders received late in the business day may also be paid same day on a best efforts basis, and subject to local clearing cycle, but we reserve the right to hold over your order until the next working day. Any payment within the EEA in currencies other than those stated above will be transferred within a maximum of four days.

We shall transfer the exact amount that you request. Any charge by us will be an additional debit to your account with us, while within the EEA the payee bank is committed to crediting the full instructed amount, with their charges debited to their customer's account.

Where a payment is in a currency different from that in your account, we shall undertake a foreign exchange conversion on your behalf, at prevailing market rates.

We shall advise you in writing after the payment is completed, stating your reference number, amounts, charges, any exchange rate and the value date. This communication is normally a paper record of the transaction.

We accept that we are responsible for the accurate transmission of your instructions, and accept responsibility for failed execution unless we can show that the payee bank properly received funds as instructed. In the latter circumstances, in the case of an EEA payee bank, that bank is liable to its customer. If the fault is ours, we shall restore to you principal, interest and charges as if the transfer had not occurred.

We shall assist in tracing funds, whatever the cause of error.

If your instructions to us contain incorrect information, we shall not be liable for your loss, but we shall make reasonable efforts to recover the funds and will pass on any related cost to you.

We reserve the right to decline a transaction if you have insufficient funds in your account, or we believe there may be fraud, or if it contradicts our duties to our regulators. We may also decline a transaction in the

event of unavoidable system failure. We will inform you if we decline a payment request.

We reserve the right to charge you £50 for losses incurred by us due to unauthorised payments from your account in circumstances where you have acted negligently, for example where you are responsible for the loss of a chequebook or other information affecting payments. You will be wholly responsible for unauthorised transactions if you have acted fraudulently.

If you become aware of an error or fraud across your account, you must tell us without delay, and in any event not later than 13 months from the debit date. Failure to do so may invalidate any right to refund of unauthorised losses. Provided we receive proper notice, we shall restore principal, interest and charges as if the transfer had not occurred.

8 Overdrafts

Your accounts shall be kept in credit unless we agree an overdraft facility. The term 'in credit' should be understood to mean before taking into account any cheques credited to your account in course of collection but not yet cleared as final payment.

We may at our discretion allow you to exceed your facility. If we do so, we reserve the right to charge an administration fee and to charge interest daily at a penalty rate on the full overdrawn amount. You should regard any such arrangement as a concession granted on a case by case basis, and does not imply that you have a permanent facility.

9 Other Services

You may set up a standing order to pay money to a third party drawn on your current account. You may also set up arrangements to pay money under a Direct Debit. We cannot however allow you to receive credits under a Direct Debit arrangement.

You must request a refund of a direct debit. We shall then refund you, subject to the rules of the Direct Debit Guarantee Scheme.

10 Bank Charges, Fees, Commissions and Expenses

The Bank publishes a list of its main charges. Charges may be amended at the Bank's discretion and two months' notice of any change will be given. Charges for occasional services will be advised upon request.

A discretionary administration charge per item may be imposed where volume exceeds 20 items a month.

Commissions and fees in relation to credit facilities or other miscellaneous services will be debited to your account. We may debit your account with any operating expenses, including costs for telexes, facsimile transmissions and telephone conversations.

11 Right of Set-off

You authorise us to apply without notice any credit balance which we hold at any of our offices worldwide against any liability you owe us, whether present or future, actual or contingent, or incurred as principal or surety. We may use all or part of such credit balances to buy other currencies where necessary. We shall not be obliged to exercise any of our rights under this paragraph.

This clause is without prejudice and applies to any right to set-off, combination of accounts, lien or other rights which we may have, whether arising through law, contract or otherwise (see Authorisation and Indemnity Form for Telephone and Facsimile Instructions).

12 Breaking Fixed-Term Deposits

We will consider requests for full or partial early withdrawal during the term of a deposit. We reserve the right to charge an administration fee and any additional costs we may incur to replace the funds until their original residual maturity. UK residents' deposits over £50,000 receiving gross interest become subject to withholding tax if broken.

13 Status Enquiries

We will reply to a status enquiry, but only with your signed authority. Such requests, including confirmation of your account balance, are unusual, and are normally confined to verification that an account exists and comment about your standing. We reserve the right to disclose the time we have known you and to provide other general information which might justify our opinion. The charge for such service (which may vary from time to time) is payable by the requestor.

14 Confidentiality

The Bank will not disclose any information about you to a third party unless

- required to do so by law,
- you authorise disclosure
- we need to give information in our own interests, or
- there is a public duty to give the information.

We will not disclose names or information to other members of the IDB Group for marketing purposes without your signed authority. We reserve the right to disclose such information where necessary to

- our lawyers in order to obtain legal advice. In such cases our lawyers are themselves bound by duties of confidentiality; or

- to the Courts in order to obtain repayment of any overdue or disputed debt or to defend ourselves in any action.

If an undisputed debt is overdue or we have demanded payment without satisfactory response, we may inform one or more Credit Reference Agencies, giving you at least 30 days' notice.

Under Data Protection legislation, you have a right to ask for a copy of your personal information held on our records. We reserve the right to make a charge for this service.

In the interests of security and to ensure instructions are carried out accurately, we will generally monitor or record telephone conversations. These recordings remain our sole property.

15 Closing an Account

You are allowed a 14 day 'cooling off' period within which you may cancel this contract without penalty. This right applies to Current and Private Banking Accounts only, and cannot be applied to fixed deposits or savings accounts where a commercial interest yield has been agreed.

You may give notice to close your account at any time. We may charge you reasonable costs and penalty fees where relevant, and accrue or apportion any interest due. We will return funds owed to you as soon as possible and no later than 30 days after receipt of your request. Any break in agreed maturity may however incur an interest penalty. You should return unused cheques to us within 30 days.

We reserve the right to close your accounts, giving two months' notice in writing unless circumstances justify immediate closure.

We will block an account upon the death of the Account Holder until, or in the case of a corporate account, in the event of insolvency or administration, or in response to a Court Order. Should one party to a

joint account die, we will continue to accept instructions from the other parties.

16 Other General Terms

These Terms and Conditions will apply at all times to your account with us, unless specifically agreed otherwise in writing. They are subject to review from time to time. We shall give two months' notice of changes, and inform you accordingly in writing. Any communication will be in English. We will deem that you have accepted any changes unless you advise us otherwise, whereupon, before the date of the change, you will be entitled to move your account without penalty.

The Bank shall not be liable for any loss you may suffer due to strikes, industrial action, failure of supplies or equipment or other causes beyond our reasonable control.

These Terms and Conditions are governed and construed under the laws of England and Wales.

17 Regulatory Information

Your deposits are protected by the UK Financial Services Compensation Scheme, established under the Financial Services and Markets Act 2000. Payments under the Scheme are currently limited to 100% of the first £50,000.

If you have cause for complaint about any service provided by our bank, please write to or telephone the Bank's Compliance Manager at the bank's normal address, or by phoning +44 (0)20 7408 4943. If we are unable to resolve the issue between us, you are entitled to approach the Financial Ombudsman. We shall provide you with information about how to do this.

Our payments services are subject to the Payments Services Regulations 2009, while the conduct of any of our retail services are governed by FSA rules. If you would like more information about these, please contact the Compliance Manager.

Schedule 2

Best Execution and Conflict of Interest Policies

Best execution

We will take all reasonable steps to obtain the best outcome for you when placing your orders. We shall take into account the price of the security, the speed of conclusion and the probability of successful delivery. We will normally consider the price to be the primary factor, but we will also respond to any specific instruction you give us concerning the timing or volume of your trade.

We will normally place your order in the market immediately. We do not anticipate that we will aggregate your order with those of any other customer, nor delay an order in anticipation of future price movements. We will place orders in the sequence in which we receive them. If this policy is not followed for any reason, it would only be to improve your own outcome and we shall advise you accordingly.

The majority of transactions will be carried out through TDWCS, and the price that you pay will always be the one obtained by them. Any commission will be separately identified, in accordance with our published tariffs. TDWCS are regulated by the FSA and also required to take any reasonable steps to obtain best execution on your behalf. We have reviewed their policy and are satisfied that they will select the best outcome for your purposes.

We will use other venues if appropriate. For example, we are likely to trade Israeli shares through an Israeli broker. We will advise you of this beforehand. Certain international securities or securities with less liquidity may also be traded outside TDWCS. We will advise you in advance. We reserve the right to trade as principal, but undertake only to do so if the outcome, taking all factors into account, is as good as if brokered through an exchange.

OEICS and other investment funds will be obtained directly from the relevant fund manager in accordance with their published valuation policies. Structured products will be obtained directly from the provider on terms negotiated bilaterally on a case by case basis.

We are prepared to accept limit orders, and disclose these in accordance with market practice for the venue that we use.

Customers who require a discretionary portfolio management service will only be introduced to managers following equivalent best execution rules.

We shall review our execution policy annually, and will advise you of any changes.

Conflict of Interest

Conflicts of interest cannot be prevented but we undertake to identify and control any that arise through four main methods:

- disclosure of the interest,
- independence,
- internal arrangements, and
- declining to act for a customer

We will not knowingly give you investment advice without taking reasonable steps to ensure your fair treatment.

IDB does not usually manage the issue of company stocks in London. Nor do we undertake corporate advisory work. Our Head office may undertake such business, but would not normally pass such information to London.

We do not publish investment research.

Companies borrowing from IDB London are unlikely to issue quoted securities. However, we shall maintain for internal purposes a list of quoted companies and monitor any advised sales in these securities to customers.

We may invest in our own name in bonds for liquidity or trading purposes. We shall monitor any advised sales in these bonds to customers.

Our staff sign a personal dealing disclosure form, which we shall use to assess own account trades in securities against any in which the bank or its customers have a material interest.

IDB offers funds from a limited range of product providers, and we are not tied to any single company. We shall disclose to you any commission we may receive on sales of packaged products. The remuneration of our staff is not unduly linked to commission.

Given the limited potential for conflict, the branch does not maintain any internal 'Chinese walls'.

Schedule 3 Special Product Terms

1 Margin Trading

Definitions

You acknowledge that margin trading is a derivative which exposes you to risk of capital loss. You agree that these Terms constitute a formal warning about this risk, and acknowledge that any decision to proceed is your own.

We may deal in the following instruments: futures, options, swaps, and spot or forward foreign exchange contracts in agreed currencies. We reserve the right to decline to trade in any instrument or currency, but we will allow you to reduce an existing position, unless prevented by any event or regulatory change beyond our control. The range of instruments or currencies which we offer you may be further amended in a facility letter to you.

Exchange traded instruments

We confirm that any Exchange which we use has been recognised or approved by the FSA. An Exchange will be deemed to have been agreed between you and us where an order is placed by you and accepted by us, and placed through this Exchange.

Margining Arrangements

You will be asked to make an initial payment, known as margin, against the purchase price of the investment, instead of paying the whole purchase price immediately.

Margin must be provided in the form of cash (USD / GBP / EUR or any other currency as agreed in the facility letter). Your margin account must hold sufficient cleared funds before an order is accepted. Interest will be paid on margin funds at a rate linked to prevailing overnight rates in the particular currency. Interest will normally be credited to your account monthly or on closure of the account.

The initial margin required from you will be agreed in the facility letter. Margin requirements will be at our discretion, and will take into consideration the value of your open position and the volatility of the relevant market.

Unless otherwise agreed, you must ensure that the amount of net unrealised losses on open positions and net unsettled realised losses (all as exclusively determined by us) does not exceed 60% of the initial margin requirement at any time.

In the event that such an amount does exceed 60% of the initial margin, we will ask you to provide a variation margin payment. The variation margin call will, at our discretion, be at least sufficient to cover the running losses on all open positions and reinstate the full initial margin requirement.

Variation margin is due and payable to us immediately

on our verbal or written demand. Notification will be made as agreed with you by telephone or by facsimile. We shall be deemed to have made a demand on you if we have left a message requesting you to contact us. Any message requesting you to contact us should be regarded as extremely urgent unless we specify to the contrary when leaving the message. It is your responsibility to notify us immediately of any change in your contact details and to ensure that our calls for margin will be met if you are not contactable. We shall not be liable for any losses, costs, expenses or damages incurred or suffered by you as a consequence of your failure to do so.

If you fail to meet a call for margin payments made on you by the end of the first business day after our notification to you, we will be entitled to close out all or any of your positions and use any moneys held by us for that purpose, including investments held on your behalf. FSA Rules require us to close out a position in any event if you fail to meet a call for margin payment on five consecutive business days.

In the event that the amount of net unrealised losses on open positions and net unsettled realised losses exceeds 80% of your margin held by us, we will be entitled (but not obliged) to close out all or any positions at our discretion and without further notice to you. You will remain liable for any resulting deficit in your account.

Profits or losses on your positions (other than rollover income or expense on open positions) will not be credited or debited to your margin account until the positions mature.

Should you wish to take delivery of outstanding positions, we will require irrevocable settlement instructions by midday, two business days before maturity value date.

Foreign Exchange Transaction Limit

Our facility letter will confirm the total open positions at any one time, and the maximum maturity of any position.

Base Currency

All positions and collateral will normally be calculated against sterling as the base. Our facility letter will state if a different currency is agreed. We will convert realised profit or loss at prevailing exchange rates at maturity, unless alternative instructions are received by midday, two days before maturity value date.

2 Structured Deposits

Introduction

In order to transact this product, you must already have an account with the bank. You will not be able to trade unless there are sufficient cleared funds in this account. We reserve the right to decline any transaction.

You acknowledge that structured deposits may expose you to a risk of capital loss. You agree that these Terms constitute a formal warning about this risk, and acknowledge that any decision to proceed is your own.

Guaranteed return deposits

We offer enhanced deposit products. The return is linked to the foreign exchange rate performance of one specified currency against another specified currency.

The minimum deposit for these products is £50,000, and cannot be repaid early. Interest is paid without deduction of tax.

Derivative based product

If you wish to deal in derivative linked deposit investments, you confirm that you understand that you are exposed to the risk of capital loss.

Each derivative product is unique. We undertake to explain each product to you but you accept that the decision to proceed is yours alone.

Dealing policy and advice

The bank will provide illustrative prices but these do not constitute an offer. The bank will clearly state when a quote becomes an offer. The bank may offer information on developments in the exchange rate market, but you retain responsibility for deciding how to invest your funds.

Confirmation

You accept that you are legally bound once the transaction is agreed. We shall send a confirmation by post. You undertake to advise us of any discrepancy.

Settlement

On maturity, we will advise you of any interest you will receive. We shall pay this interest and return the initial deposit and your income to your bank account on settlement day, normally two days after maturity, depending on the product.

3 Structured Notes and Bonds

Basis for sale

We can at your request obtain Structured Notes and Bonds. We will sell these to you on an execution only unadvised basis. You acknowledge that these Terms constitute a warning about the risks inherent in these type of securities.

Each structured product is unique. We will seek to explain any risks to you, but responsibility for understanding the product that you buy is ultimately yours. Many structured products offer the opportunity of a yield that is higher than normal market rates, in return for an embedded option. This means that you contract to buy an underlying asset, if specified changes in market prices take place. The value of this asset may be less

your initial investment. You agree that, prior to purchasing a structured note, you will ensure you understand and accept this risk.

Confirmation and settlement

We sell these Products to you as principal. We shall send you a confirmation stating the sale price and any other relevant information. If you wish to sell the product before maturity, we do not guarantee to buy back from you. We will however make every effort to help you sell the product in the market.

Upon maturity we shall receive any cash repayment from the issuer as your banker and hold as a deposit, until you instruct otherwise. Any equities or other asset which you may receive will be given by the product issuer to us acting as your agent, and held either in safe custody or transferred in accordance with your instructions.

4 Discretionary Management

The service

We can arrange for you to use a discretionary fund management service provided by a third party. We will complete and sign any additional mandates on your behalf, and you hereby grant us authority for this purpose. You agree that the fund manager has power of attorney over assets that it invests on your behalf, allowing it discretion to manage, invest, encumber any assets, and judgement in the exercise of voting rights and the reinvestment of dividends.

You confirm that any funds that you ask us to invest are beneficially owned by you.

Investment decisions

We will use the information that you give in part 2 of the Client Agreement as the basis for communicating your investment objectives to the fund manager.

Information

We undertake to send you regular statements as provided by the fund manager. We will not however provide you with confirmations of each transaction as they happen.

Fees

We will advise you of charges that you shall pay to the fund manager. You authorise the fund manager to deduct these from the portfolio. We may receive a commission from the fund manager for making the introduction. You acknowledge that the fund manager may invest in funds or products which have a further management charge or dealing spread.