



Israel Discount Bank Limited

London Branch

TERMS OF BUSINESS

FOR

PRIVATE BANKING

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Israel Discount Bank Limited

Terms of Business for Private Banking

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.

OMX Securities Services UK LLP ('OMX'), who supplies certain outsourced investment services to IDB, is also a party to this agreement. Under the terms of their agreement with us, OMX 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 regulatory warnings on stabilisation and higher risk investments. Schedule 3 contains specific warnings relating to Warrants and Derivatives. We ask that you read and understand these, and if required return a signed copy of Schedule 3 to us.

Please keep a copy of the agreement for your records. As part of our policy to treat our customers fairly, we have attempted to draft the 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'), registration number 204668.

OMX is registered in England and Wales, number OC301316. Its registered office is at Canterbury House, 85 Newhall Street, Birmingham B3 1LH. OMX is authorised and regulated by the FSA (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 private customer, as defined under Conduct of Business Rules. If we propose to classify you differently, we will advise you accordingly and inform you of the implications. Private 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, debentures, shares, units, warrants, 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. You agree that, in the course on investment business, we may commit you to transactions or contracts, without your express consent. You agree to be bound by such contracts.

We shall not enter into any arrangement for your account at our own discretion or without prior reference to you.

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

You agree that any communication you may receive from OMX or any other party in connection with this Client Agreement would not constitute investment advice.

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 are not obliged to acknowledge any instruction, or to confirm before execution, unless otherwise agreed. We will normally send you a confirmation of any completed transaction within three working days. You should notify us within five working days of any error or query, otherwise we shall assume the note 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 orders shall be irrevocable unless we agree to allow you to make an amendment.

We shall transmit your orders as soon as practicable. We shall have the right to execute orders in part or to aggregate with the orders of other customers, or with orders from IDB for its own account, within the regulatory framework for aggregated transactions. In the case of partial or total execution of aggregated orders, the total distribution of the proceeds among the parties shall be proportional, unless otherwise agreed between you and IDB.

OMX also reserve the right to aggregate orders with those of other customers or their own associates where they reasonably believe this will result in a better price. On occasions, this may result in a less favourable price.

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

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 contract note. You undertake to maintain sufficient credit balance within your bank account at IDB on settlement day.

We shall not be liable for any price variation relating to transactions requiring non-standard settlement.

Any currency risk in respect of overseas currencies shall be borne by you.

Prior to settlement of a sale, you should ensure that a valid certificate is transferred into custody with us, along with a certified transfer form.

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 trade confirmation and payable at settlement.

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.

OMX 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 in a bank account with ourselves, or as otherwise agreed. Your money will thus be held by us as banker and not as trustee. You should refer to Schedule 1 for terms applying to our bank accounts. You should ensure you have sufficient funds to meet unsettled trades, unless agreed with us.

OMX or another broker may hold client money for short periods, normally less than a day, pending transfer to your bank account with us. OMX 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.

OMX may also deposit at a bank outside the UK, under local regulation. UK protections will not therefore apply. Funds with unapproved 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 will provide safe custody and administration for your investments. We may deposit your investments with a third party of our choice, normally through OMX.

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

Uncertificated securities will normally be registered in the name of OMX's nominee company. Overseas

securities may however be held in OMX'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. OMX 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.

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 against records, you will accept loss on a pro-rata basis.

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 OMX, but by eligible third parties in line with FSA rules. Neither we nor OMX accept responsibility for the obligations of third party custodians, other than in the case of our or OMX fraud, negligence or wilful deceit. OMX however accepts responsibility for the acts of its own nominee.

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

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.

You agree that OMX or other custodians may charge securities to a third party, who may register them in their own name. These securities will be returned to you in equivalent but not identical form.

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. We or our Associates may therefore be involved in transactions which give rise to a potential conflict with our duty to you. Neither we nor any Associate need justify any profit, commission or remuneration received from such transactions.

If a conflict of interest arises, we will ensure that the relevant transactions are effected on terms not materially less favourable to you than had it not existed.

We are not obliged to disclose to you or take into consideration any information which:

- a) is known solely on the other side of a Chinese Wall from the individual handling your transaction;
- b) would breach a duty of confidentiality to any other person; and
- c) is known elsewhere, but has not come to the notice of the individual making the investment

12 Default Remedies

You warrant that any cash 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 their interest, 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 OMX 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 broker, OMX are entitled to a Power of Sale, lien or right of set-off over your investments, including through consolidation of all or any of your accounts, in order to meet outstanding amounts due to them. OMX 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 OMX.

OMX 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 OMX may close any open position, and debit you for any loss incurred. We will give you notice of this course of action. We will not be liable for legal or other costs, nor any taxation cost borne by you, while we or OMX 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 are also not 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
- b) any act of failure to act by an unaffiliated broker-dealer or other third party unless due to our proven gross negligence, wilful default or fraud.

We are not 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.

We are not liable for actions or omissions beyond our power. We will not be liable for any delay in performance or non-performance, including without limitation any breakdown in transmission, communication or computer facilities, postal or other industrial action or the non-performance of any relevant exchange, clearing house and/or broker.

OMX 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 OMX 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, OMX 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 warranties 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 OMX 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 registered office.

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. The 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 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 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

The 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 by any one of you. We need not challenge its authority. Any one person 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 the 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 an individual) 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 OMX may discharge their obligations to the joint parties by payment to any one.

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 OMX and their associates, may enforce these Terms, conferring a benefit on them as if they were a direct party. There are no other third party beneficiaries. 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, 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 £30,000 and 90% of the next £20,000 of an investor's protected investments, giving a maximum payment to any investor of £48,000.

Payments in respect of protected banking deposits are subject to a maximum payment to any eligible depositor of £31,700, made up of 100% of the first £2,000 and 90% of the next £33,000. Most deposits, in whatever currency denominated, made with offices of IDB within the UK are covered.

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

The Bank Account

1 Opening an account

You should complete and sign our application form. This document forms the Mandate, and gives us authority to operate your account.

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

We reserve the right to decline a transaction if we believe it is contradictory to our duties to our regulators.

We ask that you notify us if you change address, or change your name through marriage or other reasons. We ask that you check your bank statements promptly and inform us of any errors or omissions.

3 Types of account

Private Banking settlement account

Customers for private banking services will receive a bank account 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 under the terms of the Client Agreement with the proceeds of investment sales, dividends or any other cash receipts.

Sterling Current Accounts

Access to funds is by payment order, although a 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. If we give you a cheque book, you agree to write cheques legibly and fully in permanent ink. You should not post date a cheque, or change any printed wording, including the Account Payee' only crossing. You will report to us if a cheque book is mislaid or stolen.

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 an Administration Charge.

Currency Current Accounts

Current accounts are available in all major currencies. Access to funds in these accounts is by payment order.

Call accounts are subject to minimum balance requirements. Interest is given on call account balances and will be advised to you.

Notice Accounts

Information is available 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). The minimum balance requirements are:

Overnight Deposits - £100,000 equivalent.

Fixed Deposits - 1 week and beyond £5,000 equivalent.

4 Interest rates

Interest is worked out on a daily basis. Debit interest is posted 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 write and inform you.

5 Reporting of interest

Information on interest received by residents in UK and certain reportable countries will be sent to the Inland Revenue in accordance with UK Tax regulations. Information concerning residents of EEA and prescribed territory residents will also be reported and passed 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 fourth working day after the receipt. You will only be allowed to draw against a cheque on this fourth working day. You will start to receive interest on that day.

Other cheques and drafts shall be negotiated through the drawee bank, irrespective of currency, and the proceeds credited to your account upon final cleared receipt.

7 Payment order cut-off times

For Sterling, Euros and US dollars, same day value can be applied provided the order is received by noon. Orders received after this time will also be paid same day on a best efforts basis, but we reserve the right to hold over until the next working day.

For Israeli Shekels, next day value will be applied to the order if we are notified by 3pm. Orders received after this time will be held for the next working day.

For other currencies, we require notice by 3pm two business days prior to the required value.

8 Overdrafts

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

We may at our discretion allow you an unauthorised overdraft. 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.

In the case of an unauthorised excess of an agreed overdraft limit, we reserve the right to charge an administration fee and to charge interest daily at a penalty rate on the excess amount.

9 Other services

You may set up a standing order payable to a third party drawn on your current account. You may also set up

direct debits. We may not however allow you to receive credits under a direct debit arrangement.

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, although at least 30 days' notice of any change will be given. Charges for occasional services will be advised upon request.

When making payments on behalf of the customer (third party payments), we reserve the right to charge you any fees charged or costs levied by our paying agents or the payee bank.

Commissions and fees in relation to credit facilities or other miscellaneous services shall be debited to your account. We may debit your account with any operating expenses, including 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 in satisfaction of any liability you owe us, whether present or future, actual or contingent and whether 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 to any right to set-off, combination of accounts, lien or other rights which it may have, whether arising through law, contract or otherwise (see Authorisation and Indemnity Form for Telephone and Facsimile Instructions).

12 Breaking fixed 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.

13 Status enquiries

We will reply to a status enquiry, but only with your signed authority. Such requests, including a confirmation of your account balance, are unusual, and normally confined to an opinion of your status or creditworthiness. We reserve the right to disclose how long 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
- 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;
- to the Courts in order to obtaining repayment of an 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 the 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 should give at least 30 days' written notice. You should return unused cheques to us, which we will

reconcile against our records, and advise you of any still outstanding.

We may close your account(s) at our discretion. We shall give you 30 days' notice in writing unless special circumstances justify immediate closure. We will repay any credit balance due to you in accordance with your instructions, after settlement of any monies due to us, including any charges we have incurred during the process.

We will freeze an account upon death, or in the event of a corporate account in the event of insolvency or administration. Should one party to a joint account die, we will only accept instructions from the other parties.

16 Other general terms

These Terms will apply unless specifically agreed otherwise in writing. They are subject to review from time to time. We shall give 30 days' notice of changes, and inform you accordingly.

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.

Your deposits are protected by the UK Deposit Protection Scheme, established under the Financial Services and Markets Act 2000. Payments under the Scheme are limited to 100% of the first £2,000 and 90% of the next £33,000, resulting in a maximum payment of £31,700. Please ask if you require further details.

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

Schedule 2

Dealing in Securities which are subject to stabilisation

This statement complies with the rules of the Financial Services Authority ("FSA").

IDB or its representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise them.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

(1) to be consulted before IDB carries out any such transactions on your behalf; or

(2) to authorise IDB to carry out any such transactions on your behalf without first having to consult you.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it.

The FSA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is being carried out by a "stabilisation manager" (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules

1. limit the period when a stabilising manager may stabilise a new issue;
2. fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
3. require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the

level of interest from investors, or of the price at which they are prepared to buy the securities.

Risk Warnings

Warrants and Derivatives

Please be aware that there are certain risks involved in transactions in warrants and derivatives. A warning notice in the form required by FSA is set out in Schedule 3. If you are a private customer, please sign and return a copy of this notice to us or if you are a resident outside the United Kingdom and do not wish to sign it please confirm that fact to us either orally or in writing. Until you do so, we will not be able to make any specific investment recommendation or arrange any transaction. We may, however, (if otherwise so permitted) provide services in relation to the realisation of a warrant already held by you or a warrant attached to another security.

Non-Readily Realisable Investments

We may enter into transactions on your behalf in non-readily realisable investments. These are investments in which there is a restricted market and it may therefore be difficult to obtain reliable information about their value.

Penny Shares

Please be aware that there is an extra risk of losing money when shares are bought in some smaller companies including penny shares. There is a big difference between the buying price and the selling price of the shares. If they have to be sold immediately, you may get back much less than you paid for them. The price may change quickly and it may go down as well as up.

Units in Unregulated Collective Investment Schemes

We may advise you on investments relating to units in unregulated collective investment schemes.

Cancellation and delayed entry

You hereby waive to the fullest extent possible your right to cancel investment agreements entered into with IDB. You may have the right to withdraw from certain investments during a period of seven days following your investment. Where you make such an investment, we will notify you of that right, and the way in which you may exercise it.

We will inform you if we choose to offer you cancellation or withdrawal rights in relation to any particular transaction.

Schedule 3

Warrants and Derivatives Risk Warning Statement

You must sign this Notice before we can deal in derivatives on your behalf.

This notice is provided to you, as a private customer, in compliance with the rules of the Financial Services Authority. Private customers are afforded greater protection under these rules than other customers are and you should ensure that your firm tells you what this will mean to you. This notice cannot disclose all the risks and other significant aspects of warrants and/or derivative products such as futures, options, and contracts for differences. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a "spread" position or a "straddle", may be as risky as a simple "long" or "short" position.

Although warrants and/or derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments you should be aware of the following points.

1. Warrants

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile. It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that the investor fails to exercise this right within the predetermined time scale then the investment becomes worthless. You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a "covered warrant").

2. Off-Exchange Warrant Transactions

Transactions in off-exchange warrants may involve greater risk than dealing in exchange traded warrants because there is no exchange market through which to liquidate your position, to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

Your firm must make it clear to you if you are entering into an off-exchange transaction and advise you of any risk involved.

3. Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 8.

4. Options

There are many different types of options with different characteristics subject to the following conditions.

a) Buying options

Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risk described under "futures" and "contingent liability investment transactions".

b) Writing options

If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as "**covered call options**") the risk is reduced. If you do not own the underlying asset ("**uncovered call options**") the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

5. Contracts for differences

Futures and options contracts can also be referred to as a contract for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risk as investing in a future or an option and you should be aware of these as set out in paragraph 3 and 4 respectively. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 8.

6. Off-exchange Transaction in Derivatives

It may not always be apparent whether or not a particular derivative is effected on exchange or in an off exchange derivative transaction. Your firm must make it clear to you if you are entering into an off exchange derivative transaction.

While some off-exchange markets are highly liquid, transactions in off-exchange or "non transferable" derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

7. Foreign Markets

Foreign markets will involve different risks from the UK markets. In some cases the risk will be greater. On request, your firm must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

8. Contingent Liability Investment Transactions

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures, contracts for differences or sell options, you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an

obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract. Save as specifically provided by the FSA, your firm may only carry out margined or contingent liability transactions with or for you if they are traded on or under the rules of a recognised or designated investment exchange. Contingent liability transactions which are not so traded may expose you to substantially greater risks.

9. Limited Liability Transactions

Before entering into a limited liability transaction, you should obtain from your firm or the firm with whom you are dealing a formal written statement confirming that the extent of your loss liability of each transaction will be limited to an amount agreed by you before you enter into the transaction. The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

10. Collateral

If you deposit collateral as security with your firm, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited, and may have to accept payment in cash. You should ascertain from your firm how your collateral will be dealt with.

11. Commissions

Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

12. Suspension of Trading

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amount,

because market conditions may make it impossible to execute such an order at the stipulated price.

instruments which are not traded under the rules of a recognised or designated investment exchange.

13. Clearing House Protections

14. Insolvency

On many exchanges, the performance of a transaction by your firm (or third party with whom he is dealing on your behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the customer, and may not protect you if your firm or another party defaults on its obligations to you. On request, your firm must explain any protection provided to you under the clearing guarantee applicable to any on-exchange derivatives in which you are dealing. There is no clearing house for traditional options, or normally for off-exchange

Your firm's insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, your firm must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

We have read and understood the risk warning set out above. (Note: For joint accounts, each account participant must sign a copy of this risk warning; for corporate bodies, an authorised representative must sign; for trusts, each of the trustees must sign a copy).

Signature(s).....

Name(s).....

Account Title (if different):.....

Date:.....

Schedule 4

Special Product Terms

Margin Trading

1 Introduction

These additional Terms and Conditions ('Agreement') form an integral part of your Client Agreement. You confirm that you and any joint signatories to this Agreement have read and understood the risk statement in Schedule 3 of the Terms, and that you have returned a signed copy to us.

In the event of any inconsistency between this Agreement and the Terms, this Agreement shall prevail. Also, if the rules of any Exchange which we may use conflict with the provisions of this Agreement, then the rules of such Exchange shall prevail.

2 Definitions

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.

3 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.

4 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.

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 50% of

the initial margin requirement at any time.

In the event that such an amount does exceed 50% 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.

5 Foreign Exchange Transaction Limit

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

6 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.

Structured Deposits

1 Introduction

These additional Terms and Conditions form an integral part of your Client Agreement. If any discrepancy occurs between these terms and the Client Agreement, these terms take precedence.

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.

2 Deposit based product

Israel Discount Bank ('the bank') offers a deposit product whereby you may receive one of two possible interest rates:

- enhanced interest
- minimum interest, usually but not necessarily zero. It may not be negative

The return is linked to the foreign exchange rate performance of the deposit currency (known as the base currency) against another specified currency.

If, during the term of the deposit, the relevant exchange rate remains within the chosen band, you will receive the enhanced interest rate. If it moves outside, you will receive the lower interest rate. Two variants exist:

- if the rate ever moves outside the band during the term of the deposit
- if the rate is outside at maturity

The minimum deposit is £50,000, and may not be repaid early. Interest is paid without deduction of tax.

3 Derivative based product

If you wish to deal in derivative linked deposits investments, you confirm that you and any joint signatories to this Agreement have read and understood the risk statement in Schedule 3 of the Terms to that Agreement, and have returned a signed copy to us.

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

4 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 advice on developments in the exchange rate market, but you retain responsibility for deciding how to invest your funds.

5 Confirmation

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

6 Settlement

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

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