

# FOREX ISRAEL

Foreign Exchange Specialists Since 2005

## FOREX ISRAEL LIMITED TERMS AND CONDITIONS

FOREX ISRAEL VP LIMITED is a company incorporated in Israel with company number 513653261 and registered with office of the registrant of companies ("Forex Israel VP Ltd"), herein Forex Israel.

Forex Israel provides foreign exchange trading services ("Payment Services") to its clients for the purchase, and onward delivery of certain currencies.

Forex Israel is authorized and regulated by the Israel Ministry of Finance and by the Israel Money Laundering Prohibition Authority in respect of the Payment Services it provides to its clients.

These terms (these "Terms of Business") constitute the terms upon which Forex Israel provides Payment Services to its clients.

Each contract entered into between Forex Israel and its client for the sale or purchase and delivery of currency ("Contract") shall be governed by these Terms of Business

### 1 ENTERING INTO A CONTRACT WITH FOREX ISRAEL

1.1 A Contract will typically include, but shall not be limited to, the following:

- (a) "Spot Contract" where a currency is bought or sold for immediate delivery upon receipt of payment;
- (b) "Limit or Stop Loss Order" whereby currency is bought or sold for delivery when the agreed level foreign exchange rate becomes available;
- (c) "Forward Contract" whereby currency is bought or sold for delivery at a fixed future date; or (d) "Forward Time Option Contract" where currency is bought or sold for delivery at either:
  - (i) a time within a period instructed by the client; or
  - (ii) if no instructions have been received by the client) at the end of the specified period.

1.2 Forex Israel will only ever enter into a Contract with the client as principal and deal with the client on an execution only basis.

1.3 Whilst Forex Israel may from time to time (whether on request or not) provide the client with information relating to historical currency exchange rate data Forex Israel will not provide the client with advice in relation to currency value fluctuations or direction of currencies. Any information related to currency movements is not to be taken as advice.

1.4 Foreign currency exchange rates are subject to fluctuation (which may be rapid and Unpredictable) at any time and are not under the control of Forex Israel

1.5 Trades are usually received over the telephone. All trades (however made) are irrevocable and constitute a legally binding and enforceable Contract between Forex Israel and the client.

(a) Email communications must be received from a previously advised e-mail address and include the relevant Forex Israel client security personal identification information and may only be sent to the secure Forex Israel payments email address advised to the client.

(b) Email Booking: If you book a Transaction by email, the Transaction will be binding on you when we process your email. You acknowledge that, if you choose to book a transaction by email, it may not be processed immediately.

1.6 Right to Refuse to Provide Our Service: If you fail to provide to us upon request any information that we are required under the AML/KYC Laws to collect from you, we retain the right, at any time, to refuse, in our sole discretion, to provide our service to you.

1.7 What happens next?

(a) You have entered into a legally binding Contract with Forex Israel. As soon as possible after a Contract has been entered into Forex Israel will deliver to the client (by email, SMS text or in writing) a notice or other confirmation in English confirming execution of that Contract including a transaction confirmation number and confirmation of the details of the trade (a "Contract Note"). Any failure of Forex Israel to issue a Contract Note will not invalidate any rights and/or obligations of either party under a Contract.

# FOREX ISRAEL

Foreign Exchange Specialists Since 2005

1.8 Save in the case of manifest error the Contract Note constitutes conclusive evidence that:

- (a) a binding contractual relationship exists between the client and Forex Israel ; and
- (b) Forex Israel has received an irrevocable and unconditional instruction from the client to deal in a currency on the terms of that Contract.

1.9 Upon a Contract being entered into Forex Israel will place appropriate arrangements with counterparties in accordance with standard foreign exchange procedures for that currency.

1.10 The client understands and agrees that Forex Israel may require the deposit of a cash sum (the "Margin") on any contract for settlement in excess of four working days. The amount of the Margin will be calculated with reference to the date the dealer and client have agreed for cleared funds to be with Forex Israel and the market conditions of the Sold Currency and shall be solely at the discretion of Forex Israel. Forex Israel reserves the right to immediately increase the Margin at any time by notice to the client.

## 2 SENDING SOLD CURRENCY TO FOREX ISRAEL

2.1 The client shall ensure that the full amount of the currency the client has agreed to sell in exchange for another currency (the "Sold Currency") is paid to the account stated in the Contract Note or instructed by Forex Israel in cleared funds by the "Funds Due Date" as shown on the Contract Note. In the event that the client fails so to do:

- (a) Forex Israel shall be relieved of any obligation to settle such Contract or to pay the client the currency purchased in exchange for the Sold Currency due under a Contract (the "Purchased Currency"); and
- (b) the client shall indemnify Forex Israel in respect of all charges, losses and associated costs incurred on the terms of paragraph 8.2.

2.2 When a client pays monies to Forex Israel to complete a Contract, Forex Israel shall hold such monies in a company account (with other funds) on behalf of clients of Forex Israel.

2.3 The client must make all payments under a Contract in full without any deduction, set-off, counterclaim or withholding of any kind.

2.4 Forex Israel will not be required to make any payment under any Contract without first having received satisfactory confirmation from our bank that cleared funds for all sums due and payable by the client to Forex Israel have in fact been received.

2.5 Forex Israel may deduct from any payment to be made to a client any amount the client may owe to Forex Israel or any fees, costs, taxation liabilities, or charges incurred by Forex Israel in respect of any transaction with the client, however arising.

2.6 All payments to Forex Israel must be made by bank transfer from a recognized account, and retains the right to reject funds from non-recognized or suspicious accounts.

2.7 In the event that a client fails to pay sums due as specified in a Contract (including any Margin) the client agrees to pay to Forex Israel an amount equal to all charges, losses and associated costs incurred by Forex Israel. In such circumstances, Forex Israel may close any open position. We will not pay you any profit arising from Closing Out a Transaction in any circumstances.

2.8 In the event that any payment made by or on behalf of the client is not honored, returned, not met on first presentation or stopped for whatever reason, the client shall pay Forex Israel 's reasonable administrative costs incurred in respect of each such event.

2.9 Forex Israel assumes no responsibility whatsoever for any delay in payment under these Terms of Business caused to or by the client or any other third party including, but not confined to, bank delay, postal delay, delay caused by accident, emergency, act of war or terror, civil disorder, natural or man-made disaster or act of God. The client accepts that it is solely responsible to ensure that all payments from it required under any transaction between the client and Forex Israel are made on time.

## 3 FOREX ISRAEL SETTLING YOUR TRADE

3.1 Regardless of whether a Contract was entered into by email, SMS text or in writing Forex Israel may only release funds purchased or sold pursuant to a Contract to an account nominated by the client (the "Recipient Account") where Forex Israel :

# FOREX ISRAEL

Foreign Exchange Specialists Since 2005

(a) has received a duly completed Note either by fax or email to its secure payment facility by a previously approved individual on the account which conforms with that held on file by Forex Israel ; and

(b) is satisfied that the payment of monies by Forex Israel to a Recipient Account is legitimate under the Israel Money Laundering Regulations and any other relevant legislation (all as may be amended from time to time).

3.2 A client may provide Forex Israel with a standing written instruction setting out the details of the Recipient Account to which funds are to be remitted. All orders or instructions received from clients by Forex Israel will be filled or acted upon on a best efforts basis only. There is no guarantee by Forex Israel or any certainty that an order can or will be filled or that instructions provided can or will be acted upon. Forex Israel is hereby authorized by you to accept or rely on all orders and instructions, whether oral or written, whether received in physical or electronic format, from a registered or recognized email address, and from any person Forex Israel reasonably believes to be you or your authorized representative. The person signing this order on behalf of the client is expressly authorized to do so for and on behalf of the client.

(a) If your funds are sent to the wrong account as the result of a mistake made by you, and we have acted in accordance with your Instructions, we will be under no obligation either to recover the funds or to resend the funds to the correct Beneficiary Account.

3.3 Where a client has delivered to Forex Israel its payment instruction required and the total funds due to Forex Israel will arrange for Completion of the Contract through its contractual arrangements with counterparties ("Settlement Counterparty").

3.4 In the event that a Settlement Counterparty makes an error in its performance of any contract referred to in paragraph 3.2, Forex Israel will make immediate efforts to trace the payment transaction and request the Settlement Counterparty to refund the relevant monies to the originating Forex Israel Account without undue delay. Forex Israel will advise the client of the outcome.

## 4 CHARGES AND EXCHANGE RATES

4.1 The price at which a Contract is made will include Forex Israel 's costs incurred as a result of a single incoming payment and a single outgoing delivery payment. Multiple payments will be chargeable at the current standard rates of Forex Israel.

4.2 The rates of exchange at which a client purchases or sells foreign currency will be advised to the client on entering that Contract and will be set out in the Contract Note. The relevant rate will be determined in accordance with Forex Israel 's assessment of risk and market pricing and will include Forex Israel 's own charges in entering into and performing the Contract.

4.3 The settlement amount will be credited based on the amount received into our account. Correspondent bank fees may be charged by your bank or an intermediary used by your bank and are not the responsibility of Forex Israel. Under no circumstances will correspondent bank fees be the responsibility of Forex Israel.

## 5 ELECTRONIC TRADING

5.1 Forex Israel may, in its discretion make available to the client an electronic trading system for entering into Contracts (the "System"). For these purposes, Forex Israel may from time to time issue the client with one or more user identification codes, passwords, authentication codes or such other information ("Security Information"). The client shall at all times maintain the confidentiality, and prevent the unauthorized use of, the Security Information. The client accepts full responsibility for the use and protection of the Security Information, which includes, but is not limited to, all Contracts entered using the Security Information. Should the client become aware of any deliberate or inadvertent disclosure, loss, theft or unauthorized use of the client's Security Information, the client shall notify Forex Israel immediately. Forex Israel shall not be liable for any loss, liability or cost whatsoever arising from any unauthorized use of the Security Information.

5.2 Forex Israel has the right, unilaterally and with immediate effect, to suspend or permanently withdraw the client's access to the System, or any part thereof, without prior notice, where Forex Israel FX consider it necessary or advisable to do so, for example due to breach of any provisions of this Agreement, network problems, for maintenance, or to protect any client when there has been a breach of security.

5.3 The information available on the System is produced by Forex Israel or by various independent sources ("Information Providers") and may be protected by copyright. The client agrees not to reproduce, retransmit, disseminate, sell or distribute the information in any manner without the express written consent of Forex Israel and the relevant Information Provider(s).

# FOREX ISRAEL

Foreign Exchange Specialists Since 2005

5.4 Without prejudice to any other terms of this Agreement, relating to the limitation of liability and provision of indemnities, Forex Israel and its directors and employees will not be liable for any loss, cost, expense or damage whatsoever which may arise directly or indirectly as a result of any technical difficulties which the client may experience in connection with the System and which may lead to, but not limited to, transmission errors, malfunctions, failures, delays, hardware damage or software erosion and could possibly lead to economic and/or data loss as a result of installing, attempting to access, accessing, using, maintaining, modifying or deactivating the System or otherwise arising out of the negligence of Forex Israel nor shall Forex Israel be liable for the introduction of any computer virus, worm, software bomb or similar items into the client's computer hardware or software as a result of connection to the System on the provision that Forex Israel has taken reasonable steps to prevent any such introduction.

## 6 REPRESENTATIONS AND UNDERTAKINGS OF THE CLIENT

6.1 The client represents to Forex Israel that on the date(s) upon which each Contract is entered into, performed and settled:

- (a) the client is acting as principal on its own account
- (b) the client has full power and authority and has taken all necessary steps to enable it to lawfully enter into and perform each Contract;
- (c) all sums paid or to be by the client to Forex Israel belong to the client and are not subject to any charge, encumbrance, restriction or other security;
- (d) all information supplied to Forex Israel by the client is true and accurate in all material respects and the client will not omit or withhold any Information which would render such Information so supplied false or inaccurate in any material respect;
- (e) the client will provide to Forex Israel on request such information regarding its financial and business affairs and identity as Forex Israel may reasonably require (including without prejudice to the foregoing, all client due diligence information requested in relation to the obligations imposed on Forex Israel under all relevant Money Laundering Regulations and compliance regulations and any other relevant legislation (all as may be amended from time to time));
- (f) the client will take physical delivery of the currency to be delivered under a Contract;
- (g) the client will not treat any information provided by Forex Israel as advice and is solely relying on its own judgment and any independent advice taken in entering into a Contract; and
- (h) the client will not enter into Relevant Trades for the purposes of currency speculation.

6.2 The client undertakes to Forex Israel that it shall promptly (and, in any event prior to entering into any Contract) advise Forex Israel if any of the information provided to Forex Israel by it becomes incorrect or out of date.

## 7 DEFAULT

7.1 Forex Israel may decline to perform or close out all or any part of any Contract at any time, without further liability for losses that may be sustained as a result and without giving prior notice to or obtaining further instructions from the client, in the event of any of the following:

- (a) the client failing to make any payment as it falls due;
- (b) (if the client is a company or other corporate body) the client being in liquidation or administration, unable to pay its debts, suspending or delaying payment of debts, making any composition with its creditors, having a receiver appointed over some or all assets, subject of a petition to the Court for winding up (other than for the purposes of a solvent amalgamation or reconstruction approved in advance in writing by Forex Israel ) or any other similar or analogous event that occurs in the Israel or elsewhere;
- (c) (in all other circumstances) the client being bankrupt or otherwise insolvent, unable to pay its debts, suspending or delaying payment of debts, making any composition with its creditors, having security enforced against some or all assets, subject of a petition to the Court for bankruptcy or any other similar or analogous event that occurs in the Israel or elsewhere;

# FOREX ISRAEL

Foreign Exchange Specialists Since 2005

- (d) the client failing in any respect to fully and promptly comply with any obligations to Forex Israel or, through Forex Israel, to any clearing house broker or bank;
- (e) (if the client is an individual) the client dies or is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act
- (f) it becomes, or will become, unlawful for Forex Israel to maintain or give effect to all or any of the obligations under a Contract or if Forex Israel or the client is requested or required to or to not close out a Contract (or any part thereof) or to vary any terms of settlement by any Court or governmental, police or regulatory authority (whether or not that request is legally binding);
- (g) anything relating to any of the events specified in this paragraph 7.1 occurs under the laws of any applicable jurisdiction or Forex Israel (acting reasonably) considers it necessary to do so for its own protection including but not limited to the following circumstances:
  - (i) protection from fraud and compliance with anti-money laundering legislation;
  - (ii) market failure or other extreme market volatility;
  - (iii) the client fails to comply with all of its obligations under a Contract; or
  - (iv) default by a supplier to Forex Israel (otherwise than as a result of Forex Israel breach of contract).

7.2 The client shall immediately notify Forex Israel if it becomes aware of the occurrence of any event referred to in this paragraph 7 or paragraph 8.2 (a) to (c).

## 8 LIMITATION OF LIABILITY AND INDEMNITY

8.1 The maximum liability of Forex Israel under a Contract shall be an amount equal to the currency that is sold by Forex Israel under that Contract. If Forex Israel fails to perform its duties under a Contract, Forex Israel shall in no way be liable to the client for any consequential or indirect loss the client may incur as a result.

8.2 The client shall keep Forex Israel indemnified from and against all liabilities, damages, losses and costs, duties, taxes, charges, commissions or other expenses incurred by Forex Israel in the proper performance of its services and the enforcement of its rights under these Terms of Business and any Contract and, in particular, but without limiting the generality of this indemnity, against all amounts necessary to compensate Forex Israel for all liabilities, damages, losses and costs, duties, taxes, charges, commission or other expenses incurred by Forex Israel as a result of:

- (a) the client breaching any term of these Terms of Business or a Contract; or
- (b) Forex Israel acting on any written, oral, telephone, fax or electronic order which appears to Forex Israel to be received from the client or an authorized person of the client; or
- (c) Forex Israel exercising its rights under these Terms of Business to close out all or any part of any Contract before its applicable Maturity Date.

8.3 The indemnities set out in this paragraph 8 shall survive termination of any agreement under these Terms of Business.

8.4 If a client becomes aware that a Contract or other action of Forex Israel, its employees or agents constitutes an unauthorized or incorrectly executed payment transaction as a result of the fraud, negligence or willful default of Forex Israel or any of its employees or agents, the client must immediately notify Forex Israel (and in any event within 13 months from the date of the Contract Note).

8.5 Forex Israel holds client funds in its general business accounts, as an unpaid custodian, and will not be held liable for unforeseen or accidental losses or damages, in part or whole, resulting from bank failure, seizures from any government authority or any other similar circumstances.

## 9 DISPUTES, INTEREST AND COMPLAINTS

9.1 If a dispute arises between Forex Israel and a client relating to the existence or terms of any Contract (a "Disputed Contract"), Forex Israel reserves the right to take such action as it deems necessary in relation to such Disputed Contract (including closing

# FOREX ISRAEL

Foreign Exchange Specialists Since 2005

any open trade) without previously notifying and/or without having received instruction from the client. Forex Israel may notify its client in writing once it has taken such action but, in the event that it fails to do so, the validity of Forex Israel's action shall not be affected.

**9.2** Any party found to be at fault in relation to a Disputed Contract will only be liable to the other party for the direct loss incurred (which shall exclude consequential losses, administration costs, other exchange rate losses and related expenses) (the "Loss Amount").

**9.3** If a client fails to make any payment required under these Terms of Business by the required date charges may accrue until the date of settlement.

## 10 DATA PROTECTION

**10.1** The client agrees that Forex Israel may hold and process, by computer or otherwise, any information gained from the client regarding the client or any authorized person of the client ("Personal Data"). The holding of Personal Data is subject to the Data Protection Act. The client agrees that Forex Israel, its employees and agents and any group company of Forex Israel may have access to Personal Data for the purposes of providing services to the client (including, but not limited, to carrying out credit references and confirming identity) and/or generally improving the services Forex Israel provides to its clients.

**10.2** The client agrees that Forex Israel may use Personal Data to provide the client with details of other Forex Israel products and services that may be of interest to the client.

**10.3** If a client becomes aware of any unauthorized or incorrectly executed payment transaction, it must without delay notify Forex Israel. In accordance with paragraph 8.2(b), Forex Israel will not be liable for any unauthorized Contracts.

**10.4** The client agrees to allow Forex Israel to disclose any personal or transaction information to any government or investigative body, deemed necessary by the company for its ongoing compliance and business activity and agrees to waive any claims of damages or breach of privacy related to the disclosure. Forex Israel will be under no obligation to notify the client of such disclosure.

## 11 GENERAL

**11.1** These Terms of Business and any Contract entered into pursuant to these Terms of Business set out the entire agreement and understanding of between the client and Forex Israel regarding their subject matter and supersede all previous oral and written communications on the same subject matter.

**11.2** Forex Israel may at any time amend these Terms of Business by notice in writing or such other appropriate form of communication to the client. Any amendment shall take effect from the date of such notice or any later date specified by Forex Israel but shall not affect any rights or obligations that have already arisen. Otherwise, these Terms of Business may only be varied by the written agreement of both Forex Israel and the client.

**11.3** If at any time any provision of these Terms of Business or a Contract is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, this shall not affect the legality, validity or enforceability of such provision under the laws of any other jurisdiction.

**11.4** If a party fails to exercise or delays in exercising any right under these Terms of Business, by doing so it does not waive such right. The rights provided in these Terms of Business do not excuse other rights provided by law.

**11.5** The parties agree and consent to:

(a) the electronic recording by either party of telephone conversations between the parties with or without an automatic tone warning device; and

(b) the use of such recordings as evidence by either party in any dispute or anticipated dispute between the parties or relating to dealings between the parties.

**11.6** All recordings or transcripts referred to in paragraph 11.5 made by Forex Israel may be retained or destroyed by Forex Israel in accordance with its procedures from time to time.

# FOREX ISRAEL

*Foreign Exchange Specialists Since 2005*

**11.7** These Terms of Business (and any subsequent Terms of Business created in accordance with paragraph shall remain in force until such time as they are terminated by either party by giving notice in writing to the other party.

**11.8** The benefit of this Agreement may not be assigned or transferred by the client without the prior written Consent.

**11.9** Any notice or document to be given by either party to the other under this Agreement shall be in writing and shall be deemed to have been duly given, unless provided otherwise, if left or sent by first class pre-paid recorded delivery post or facsimile transmission or other electronic media to the recipient at the address set out in this Agreement, or using the relevant telecommunications number of the recipient as at the date hereof, or to such other address or telecommunications number as the recipient may from time to time designate in writing for such purpose. Any notice or document shall be deemed to have been received by the recipient two working days after the date of dispatch of the same by post, or where this notice or document is sent by hand or given by facsimile or other electronic media simultaneously with the delivery or transmission (as appropriate). To prove the giving of notice it shall be sufficient to show that it was dispatched or delivered.