

**ATTACHMENT FOR ISRAEL
(Israeli Banks)**

1. QI is subject to the following laws and regulations of Israel governing the requirements of QI to obtain documentation confirming the identity of QI's account holders.

- (i) Proper Banking Procedure 411, Identification of Customers and Maintenance of Records;
- (ii) Cheques without Cover Law, 5741-1981;
- (iii) Cheques without Cover (Identification Particulars) Regulations 5741-1981;
- (iv) Prohibition on Money Laundering Law, 5760-2000.

2. QI represents that the laws identified above are enforced by the following enforcement bodies and QI shall provide the IRS with an English translation of any reports or other documentation issued by these enforcement bodies that are relevant to QI's functions as a qualified intermediary.

- (i) Item 1(i), (ii) and (iii): the Bank of Israel/Supervisor of Banks
- (ii) Item 1(iv): the Minister of Justice and the Bank of Israel/Supervisor of Banks.

3. QI represents that the following penalties apply to failure to obtain, maintain, and evaluate documentation obtained under the laws and regulations identified in item 1 above.

Item 1(i), (ii) and (iii): The Supervisor of Banks regards noncompliance with Proper Banking Procedures as a deficiency for which he can issue an order requiring correction. Noncompliance with the Supervisor's order may entail imposition of sanctions by the Supervisor, which may include an order directing a noncomplying bank to refrain from certain types of activities, to prohibit the payment of dividends to shareholders or bonuses to directors, executives and authorized signatories, and to impose limits on the powers of directors, the chief executive officer, or authorized signatories of the bank. In addition, bank officers who do not comply with the Supervisor's order may be subject to sanctions, including imprisonment or payment of a fine, or both. Noncompliance with the Cheques Without Cover Regulations is subject to the same sanctions.

Item 1(iv): except in the case of a person's first breach in the first year after enactment, a fine of up to NIS 1.5 million.

4. QI shall use the following specific documentary evidence (and also any specific documentation added by an amendment to this item 4 as agreed to by the IRS) to comply with section 5 of this Agreement, provided that the following specific

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(Israeli Banks)**

documentary evidence satisfies the requirements of the laws and regulations identified in item 1 above. In the case of a foreign person, QI may, instead, use a Form W-8 in accordance with section 5 of this Agreement. Either QI, or a banking or securities association in Israel, may request an amendment of this item 4.

(i) For natural persons:

- (a) Israeli identity card, in the case of a resident of Israel, or
- (b) Passport or "laissez passer," in the case of a nonresident of Israel.

(ii) For legal persons:

- (a) Copy of certificate of incorporation,
- (b) Copy of extracts from the Israeli Companies Register or official company register in another country, or
- (c) Copy of articles of incorporation or association, or other organizational document.

5. QI shall follow the procedures set forth below (and also any procedures added by an amendment to this item 5 as agreed to by the IRS) to confirm the identity of account holders that do not open accounts in person or who provide new documentation for existing accounts other than in person. In the case of a foreign person, QI may, instead, use a Form W-8 in accordance with section 5 of this Agreement. Either QI, or a banking or securities association in Israel, may request an amendment to this item 5.

(i) QI shall not open an account by any means other than by establishing in person the identity of a customer through the account holder's own identity documents, except as permitted in (ii), (iii) and (iv) below.

(ii) QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in item 4 above from another person that is subject to know-your-customer rules that have been approved by the IRS for purposes of qualified intermediary agreements, provided that the laws and regulations listed in item 1 permit QI to rely on the other person to identify the account holder.

(iii) QI may obtain a photocopy of the specific documentary evidence listed in item 4 by mail or otherwise remotely from the account holder or a person acting on behalf of the account holder, provided that the photocopy has been certified as a true and correct copy by a person whose authority to make such certification appears on the photocopy, and provided that the laws and regulations listed in item 1 permit QI to rely on the certified photocopy to identify the account holder.

**ATTACHMENT FOR ISRAEL
(Israeli Banks)**

- (iv) (a) QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in item 4 from an affiliate of QI or a correspondent bank of QI, provided that the affiliate or correspondent bank has established in person the identity of the account holder and the laws and regulations listed in item 1 permit QI to rely on documentation provided by that affiliate or correspondent bank to identify the account holder.
- (b) For accounts opened prior to January 1, 2001, if QI was not required under its know-your-customer rules to maintain originals or copies of documentation, QI may rely on its account information if it has complied with all other aspects of its know-your-customer rules regarding establishment of an account holder's identity, it has a record that the documentation required under the know-your-customer rules was actually examined by an employee of QI, or an employee of an affiliate of QI or a correspondent bank of QI, in accordance with the know-your-customer rules, and it has no information in its possession that would require QI to treat the documentation as invalid under the rules of section 5.10(B) of this Agreement.