

Committee of Jewish Law for Investments and Foundations

of the judges of the Rabbinical Court of  
Rabbi S. Vosner and Rabbi N. Karelitz

January 10<sup>th</sup> 2022

Date .....

**HETER ISKA (DOCUMENT GRANTING PERMISSION  
TO PERFORM TRANSACTIONS ACCORDING TO JEWISH LAW)**

According to the decision of the administration of **ENCORE OPPORTUNITIES LTD. Company Nr. 2059088** (hereinafter: "the Company") we, the undersigned, hereby make known and undertake on behalf of the Company with all of its branches, to all those who make a connection with the Company:

that all money and transaction matters that may possibly entail a prohibition of interest according to Jewish law in which the Company will be involved – whether regarding what it gives to others or what they obligate themselves to it, or what it receives from others or obligates itself to them, including money paid in advance and postponed payments and all the like, even if the term loan or interest is mentioned therein – should be considered to be in the hands of the Receiver or the debtor (hereinafter: "the Receiver") as an *Iska - transaction* - as our Rabbis of blessed memory have regulated, where the part of the Receiver in profits shall be half of the profit, and in losses, the Receiver shall bear one third and the Giver two thirds.

If there is a fear that this condition may not nullify the prohibition of interest thereof, the conditions of dealing shall be considered as a *entire deposit* in the hands of the Receiver, and the Receiver will have responsibility in losses as the law of a paid guardian, and in case of profits – seventy five percent of the profit shall be the Giver's.

The responsibility of the Receiver in the deposit - whether the deposit part in case of a *Iska – transaction*, or everything in case of a *entire deposit* -, includes responsibility on all actions of someone acting on behalf of the Receiver.

For any debt or payment that if it were to be paid on a specific date, interest or linkage would not be added to it, and when the date of payment is delayed or extended any sort of interest and/or linkage is added to that debt – this debt shall be considered as an *Iska- transaction* or as a *entire deposit* from the a/m specific date, according to the a/m conditions.

The Receiver, whether in case of a *Iska - transaction* or in case of a *entire deposit*, shall bestow joint ownership to the Giver, in return and in the value of the transaction payment, - according to the assessment of experts which shall be determined by the Company - , in a valid undertaking according to Torah laws, - in his permitted profitable [and/or expected to be profitable] transactions and properties for which there is no fear of their ownership being forbidden or can be forbidden in future according to Jewish law, whether in movable properties or immovable properties, and afterwards the Receiver shall deal in these transactions and properties for the sake of the *Iska – transaction* or *entire deposit* in a permissible manner.

All the acquisitions and undertakings shall occur for the sake of the Giver in a permissible and valid manner according to Torah Law and the Regulation of our Rabbis of blessed memory. And even if the transaction will be given for a specific purpose, the Receiver shall bestow joint ownership to the Giver in all his transactions and properties as said above.

The Receiver shall not be believed concerning the loss of capital, as well as for the extent of the profit or for non profit, except under oath by holding a Sefer Torah (of the Receiver or someone acting on his behalf) or valid witnesses according to Jewish law, together with approved account books as customary, and if this will not be possible – believe in him shall be according to what the judge shall determine according to his consideration, in a permissible manner.

Despite the above, it as agreed upon both sides, that if the Giver is given for his portion of the profits according to that which was agreed and/or will be agreed between him and the Receiver, including various types of differences in linkage; then the Receiver will be exempt from any other payments, and from any obligation of proving, because the rest of the profits belong only to him. Therefore, in case of bonds (ת"ג"א) which the company issued and/or will

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issue, if the company will pay the Giver according to what is agreed in the conditions of the bond, the company will be exempt from any other payments.

It is hereby stipulated that any payment or benefit that will be given in a manner where it could entail a prohibition of interest, the payment shall be on the account, in the most permissible manner, and in case it becomes clarified that according to the conditions of the Iska – transaction or entire deposit the Receiver is not obligated to give this payment or benefit, the payment and/or the benefit shall be conducted from the debt of the Receiver.

It is hereby agreed, that if there is or there will be any debt with a prohibition of interest according to Jewish law, for which this Heter Iska did not apply at the beginning or at some period of the debt – as soon as it will be possible for this Heter Iska to apply to it, it shall apply on the part of the debt which is permitted to collection, in the most effective and valid undertaking according to Torah laws manner, in order to prevent the prohibition of interest and other prohibitions according to Jewish law. From this time and further the Giver will have ownership in the transactions and properties of the Receiver [through getting the pleasure of the forgiveness from the loan and/or through each other valid manner according to Jewish law] according to all above mentioned conditions, and the Receiver will deal in these transactions and properties for the sake of the Iska – transaction or entire deposit. All the obligations which are considered for the sake of the period before the application of the Heter Iska are limited to what and the amount allowed according Jewish law.

Likewise, it is stipulated, that if the payment is delayed beyond the time determined between the Parties, then the Iska – transaction or entire deposit shall continue according to the a/m conditions until the end of the payment.

All this has been decided by the Company's total and binding decision according to the power and authorization that it has, and there is validity to this decision and obligation as towards any other of the Company's regulations; and there is no permission for anyone to act on behalf of the Company not according to the conditions of this Heter Iska.

The Company's administration hereby declares that this document is part of the contractual communication of the Company and those who deal with it, and it obligates in any legal deliberation according to Israel Law, and it will have validity over any agreements or obligations that are in contrast with it. And even if for whatever reason the Receiver or Giver did not know about this Heter Iska, all money and transaction matters shall act according to all the a/m conditions.

We acknowledge with a total acknowledgment, that concerning everything from the a/m which can be fulfilled now, we did the most valid undertaking in the most effective manner, to apply immediately, and that it was made in a respectable Rabbinical Court.

Likewise everything will be done in the future with the most valid undertaking and in the most effective manner.

In case of any doubt about this document it shall be interpreted in a manner that upholds the document and not in a manner that cancels it, and if there is any detail in this Heter Iska which for any reason will not apply, or that due to it a possibility of the prohibition of interest was caused - the validity of the agreement is not cancelled; rather, it shall apply except for this detail, in the most valid and effective manner according of the rules of this Heter Iska, and the other details shall remain as said in this Heter Iska

In witness thereof, on behalf of the Company on the date January 10<sup>th</sup> 2022

Signature and seal

Bharat Sangani

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**ENCORE OPPORTUNITIES LTD.**