

תחת נשיאת וועד הרבנים: הרה"ג ר' נחמן יחיאל מיכל שטיינמעץ שליט"א, הרה"ג ר' נפתלי נוסבוים שליט"א, הרה"ג ר' שמואל קמינצקי שליט"א, הרה"ג ר' שריאל ראזנבערג שליט"א, הרה"ג ר' שמואל פורסט שליט"א, הרב אהרן ווידער שליט"א

בט"ד

General Heter Iska Agreement (Kloli)

Apple Bank (the "Bank") hereby establishes and adopts this General Heter Iska Agreement (this "Iska"), which shall govern all applicable Transactions and is incorporated into and forms part of the Bank's Terms and Conditions and the applicable account and transaction documents, whether now existing or hereafter arising. Each applicable Customer shall be deemed to have accepted and agreed to this Iska by opening, maintaining, or using any account, or by otherwise entering into any Transaction with the Bank.

1. Definitions

As used in this Document,

"Iska" and "Iska Agreement" mean this Heter Iska Agreement.

"Agreement" means any agreement between the Bank and the Customer, including all related or underlying documents, instruments, facilities, obligations, and terms governing such relationship.

"Transaction" means any financial arrangement, or Transaction under an Agreement, including funds deposited with, credited to, maintained with, or advanced by the Bank.

"Bank" means Apple Bank, together with its successors and assigns.

"Customer" means any individual or entity that enters into, is associated with, or has any rights or obligations under any account, agreement, or financial Transaction with the Bank.

"Provider" means the party providing capital, whether as a depositor or lender.

"Receiver" means the party receiving such capital from the Provider.

"Ribbis" means any form of interest or financial gain prohibited under Jewish law.

2. Iska Investment

The Provider and Receiver mutually agree that each Transaction between the parties shall, to the extent such Transaction may violate the laws of Ribbis, be governed by this Heter Iska and shall be structured, or, where applicable, restructured as an Iska investment pursuant to the principles of Heter Iska and the applicable terms set forth herein. Accordingly, all funds advanced, deposited, or credited by the Provider under the Agreement are provided to the Receiver in exchange for a proportionate stake in the Receiver's Halachically permissible investments deemed most beneficial to the Provider.

3. Conciliatory Payments

- The parties agree that the Receiver may avoid the mandatory Profit and Loss Verification requirements outlined below, provided all payments (referred to as "Conciliatory payments") are made in full according to the Agreement's schedule and terms. Upon completion of these payments, the Receiver shall be entitled to any profits exceeding the stipulated payment amount.
- Any deductions of principal, points, interest, fees, or funds advanced in escrow that violate the Jewish laws of Ribbis shall reduce the principal balance of this Iska. Nonetheless, the Conciliatory payments described in this Paragraph shall remain equal to the total amount due under the Agreement.

4. Verification of Profit and Loss

Any claim of an Iska investment loss or lack of profits by the Receiver shall proceed as follows:

- The Receiver must notify the Provider and KFI by certified mail within 7 days following any default of payment due pursuant to the Agreement, indicating the lack of profit and/or loss of principal and its intent to verify its claim (the "Notice of Exemption"), time being of the essence. If no such notification is made within the above timeframe, no such claim of loss or lack of profit by the Receiver shall be valid or admissible.
- The Receiver's claim of any principal loss will not be valid or accepted unless the claim is **verified** by two valid witnesses as defined by Jewish law. The Receiver bears the responsibility of verifying the amount of profit by giving testimony under **severe oath** before and under conditions acceptable to Beth Din or equivalent evidence.
- All claims, whether concerning the loss of principal or confirming profit, must be verified within ninety (90) days of defaulting on any scheduled payments pursuant to the Agreement, subject to additional time if required by Federal or applicable State law. Time being of the essence, and if no such compliant verification has been made within the above time frame, no such claim by the Receiver shall be valid or admissible as evidence and such claim shall have no force or effect. Failure to notify, or verify a claim of loss or profit in the time specified

shall be deemed an admission that sufficient profits have been generated and that the Provider shall be entitled to a sum equal to the principal, interest, fees, and all other obligations of the Receiver under the Agreement.

- d) The parties agree that all the evidence presented shall be under the sole and exclusive jurisdiction of a distinguished Beth Din, and such proceeding must be in the presence of the Provider or its designated representative.
- e) The Provider reserves the right, in the event of a loss or lack of profit claim by the Receiver, to demand immediate and full repayment of the remaining Iska principal balance, per the acceleration clause outlined in the Agreement. Moreover, the Provider is entitled to exercise its foreclosure rights, pursuant to the Agreement, unless and until the Receiver has met the verification requirements specified within this Iska Agreement.
- f) Upon successfully fulfilling all Notification and Verification requirements specified within this Iska Agreement, the Receiver shall be entitled to 1% of the profits, while the Provider shall receive 99% of all profits arising from said investment, including the value derived from the use of any real estate. Likewise, losses sustained from the investment shall be allocated to the Provider only if all obligatory Notification and Verification requirements have been properly fulfilled. Even so, under no circumstances shall the Provider's liability exceed the amount originally invested.
- g) The principal and profits shall be remitted to the Provider pursuant to the payment schedule outlined in the Agreement. Any principal payments made by the Receiver shall be construed as a pro-rata repurchase of the Provider's share in the Iska investment.

5. Binding Agreement and Incorporation

- a) This Heter Iska forms an integral part of each applicable Transaction and supersedes any prior or contemporaneous understandings relating to the subject matter hereof. In the event of any conflict between the provisions of this Heter Iska and the terms of any Agreement with the Bank, the provisions of this Heter Iska shall control and prevail to the extent necessary to avoid Ribbis. All other terms and conditions contained in the applicable Agreement with the Bank, including but not limited to payment amount, term, and method, that do not conflict with this Heter Iska are hereby incorporated by reference and shall remain in full force and effect. Notwithstanding the foregoing, this Heter Iska shall not supersede any Jewish law-compliant Iska that has been separately executed in writing between the Provider and Receiver.
- b) It is expressly agreed that if, for any reason, the Provider or Receiver is not familiar with the Iska concept, the Iska terms will nonetheless prevail, and each party shall enjoy all rights and bear all obligations assigned to the Provider or Receiver under this Iska Agreement.
- c) If any part, term or provision of this Iska Agreement is determined to be invalid, illegal or unenforceable for any reason, such determination shall not affect the remainder of this Iska Agreement, which shall continue to be in force.
- d) Any dispute or controversy arising out of or relating to the interpretation or validity of this Iska Agreement shall, to the extent permitted by law, be determined by arbitration administered by a competent Beth Din in accordance with Jewish law. Judgment upon any award rendered in such arbitration will be binding and may be entered in any court having jurisdiction thereof.

6. Additional Account Parties

It is agreed that the financial relationship between the Bank and any co-signer, co-borrower, guarantor, joint account holder, co-owner, authorized user, or secondary account holder shall likewise be governed by this Heter Iska. Accordingly, any Transaction with any such party that may otherwise violate the Jewish laws of Ribbis shall be structured as an Iska pursuant to the terms set forth herein.

7. Binding Effect and Kinyan

This Heter Iska Agreement constitutes a binding and material inducement to the parties' entry into each applicable underlying Agreement. The parties further acknowledge and agree that this Heter Iska has been duly effected through a valid Kinyan Agav Sudar in accordance with Halacha, as confirmed before a competent Beth Din, and shall be fully binding upon the parties in all respects.

This Agreement is adopted and implemented by Apple Bank as of the date set forth below and shall remain in full force and effect with respect to all applicable transactions.

Apple Bank

By: Jonathan Brickman
Name: Jonathan Brickman
Title: Chief Financial Officer
Date: 3/25/2026



Disclaimer

A Heter Iska Protzy ID-K-820-D (for deposit and savings accounts) and ID-K-820-L (for loans) should be executed directly between the Bank and the Customer. This Heter Iska Kloli is provided as an additional precautionary measure in case a Heter Iska Protzy is omitted.