

Definition of Sophisticated Investor:

For investors in Israel, a person or entity is a “sophisticated investor” if they satisfy the requirements of the First Schedule to Israel Securities Law, 5728-1968 (“the **Securities Law**”).

The list of " Sophisticated Investors" includes the following:

1. A fund for joint investments in trust (i.e., mutual fund), or a management company of such a fund;
2. A provident fund or a management company thereof, both as defined in the Israeli Supervision of Financial Services (Provident Funds) Law, 1995;
3. An insurance company;
4. A Banking Corporation or satellite entity, as such terms are defined in the Israeli Banking (Licensing) Law 1981, other than a joint services company, acting for their own account or for the account of clients that are investors of the type listed in Section 15A(b) of the Securities Law;
5. A licensed portfolio manager as defined in the Israeli Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law 1995 (the “**Investment Advice Law**”), acting on its own account or for the account of clients that are investors of the type listed in Section 15A(b) of the Securities Law;
6. An investment advisor or provider of investment marketing services under the Investment Advice Law, acting for its own account;
7. A member of the Tel Aviv Stock Exchange, acting on its own account or for the account of clients that are investors of the type listed in Section 15A(b) of the Securities Law;
8. An underwriter fulfilling the conditions of Section 56(c) of the Securities Law;
9. A venture capital fund (defined as an entity primarily involved in investments in entities which, at the time of investment: (a) are primarily engaged in research and development or manufacture of new technological products or processes, and (b) involve above-average risk);
10. An entity which is wholly owned by an entity which falls within this list;
11. An entity, other than an entity formed for the purpose of purchasing securities in a specific offering, in which the shareholders equity is in excess of NIS 50 million.
12. An individual purchasing for himself, regarding whom at least one of the following conditions is met and who has given his prior consent to being considered a Qualified Investor for the purpose of the Securities Law and/or Mutual Funds Law:
 - i) the total value of Liquid Assets¹ owned by the individual exceeds NIS 9,411,809;
 - ii) the individual's income in each of the past two years exceeds NIS1,411,772; or the income of such individual's Family Unit² exceeds NIS 2,111,657; or
 - iii) the individual's total Liquid Assets³ exceeds NIS 5,882,380 and his/her income in each of the last two years exceeds NIS 705,885 or the income of such individual's Family Unit exceeds NIS 1,058,827.

¹ "Liquid Assets – cash, deposits, Financial Assets as defined in the Investment Advice Law, and other exchange traded securities.

² "Family Unit" – an individual and the family members who are living with him/her or which are financially supporting each other.

³ "Liquid Assets – cash, deposits, Financial Assets as defined in the Investment Advice Law, and other exchange traded securities.