

# TASE Trading Guide

## Resolutions of the Board of Directors and the General Manager

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**Whilst reasonable care and skill have been exercised in the preparation hereof, no translation can ever perfectly reflect the original. In the event of any discrepancy between the original Hebrew and this translation, the Hebrew alone will prevail. The reader is therefore warned to take proper professional advice before acting further hereto, as neither The Tel-Aviv Stock Exchange Ltd. nor the translators assume any liability for accuracy hereof.**

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## TRADING HOURS

1. In securities, excluding derivatives<sup>1</sup>:

a. Trading hours on Monday-Thursday:

	Stock Market		Bonds, M.K.M. Institutional Bonds, Bond Market ETFs and Foreign ETFs on bond markets
	Group A <sup>2</sup>	Group B <sup>3</sup>	
Pre-opening phase	09:25	09:25	09:25
Opening phase	09:59 – 10:00	10:15	09:55-09:56
Pre-closing phase	17:14 - 17:15	17:14 - 17:15	17:14 - 17:15
Closing trading phase	17:24 - 17:25	17:24 - 17:25	17:24 - 17:25

b. Trading hours on Sunday:

	Stock Market		Bonds, M.K.M., Institutional Bonds, Bond Market ETFs and Foreign ETFs on bond markets
	Group A	Group B	
Pre-opening phase	09:25	09:25	09:25
Opening phase	09:59 – 10:00	10:15	09:55-09:56
Pre close phase	15:39 - 15:40	15:39 - 15:40	15:39 - 15:40
Closing trading phase	15:49 - 15:50	15:49 - 15:50	15:49 - 15:50

1 In each place in the tables in which there is an hour range, the trading phase will begin each day at a time to be set at random, which shall be within the range.

2 Group A – shares included in the *Tamar* universe, share market ETF units and closed-end mutual fund units.

3 Group B shares not included in the *Tamar* universe, convertible securities, institutional shares and bonds convertible to institutional shares.

## c. Trading hours in the interim holidays of Pesach and of Sukkot:

	Stock market		Bonds, M.K.M., Institutional Bonds, Bond Market ETFs and Foreign ETFs on bond markets
	Group A	Group B	
Pre-opening phase	09:25	09:25	09:25
Opening phase	09:59 - 10:00	10:15	09:55-09:56
Pre close phase	14:14 – 14:15	14:14 – 14:15	14:14 – 14:15
Closing trading phase	14:24 - 14:25	14:24 - 14:25	14:24 - 14:25

d. On a trading day that a “parameter update date” occurs, within its meaning thereof in the Seventh Part of the Rules<sup>4</sup>, the beginning of the pre-closing phase in the shares market and the institutional shares market shall commence 20 minutes earlier than the aforesaid in subsection a. above.

e. On a trading day on which the Tel-Bond universe is updated<sup>5</sup>, the beginning of the pre-closing phase for bonds, M.K.M. and institutional bonds shall commence 20 minutes earlier than the aforesaid in subsection a. above,

2. In derivatives:

	Mon.-Thu.	Sunday	In the interim holidays of Passover and Sukkot
Beginning of trading	09:45	09:45	09:45
End of trading	17:35	16:00	14:35

4 According to Regulations based on the seventh section of the rules, Updating date parameters shall be take place on the first Thursday in each month.

5 According to the Decisions of the Board of Directors on the Tel-Bond universe, the universe is updated at the end of the trading day that occurs on the third Thursday of May and November.

## MARKET MAKING ORDERS

Whoever wishes to act on the Exchange as market maker for a certain security must assume the obligation that - at all times in the course of trading on the Exchange, except during intervals determined in this decision - his buy orders and sell orders for the security in respect of which he acts as market maker will be on the order book for a quantity no smaller than the minimum quantity specified below at a price differential no greater than the maximum differential between the said buy orders for the security and the said sell orders for the security, all as prescribed below.

The provisions in this chapter shall not apply to statutory market making in ETFs.

a. Minimum quantity and maximum price spread

At all times in the course of trading on the Exchange and subject to the restrictions prescribed in section d. below, buy and sell orders submitted by the market maker, for a quantity no smaller than the quantity specified in the table below (minimum quantity), shall be on the order book for each of the securities for which it acts as market maker.

For this purpose, the “minimum quantity” – the quantity which is the product of multiplying the minimum order size of the security, as its meaning in the Regulations under the Third Part of the Rules, by the minimum quantity multiplier stipulated in the table below.

For each pair of counter market making orders in any security in the order book, as required above, the price designated on the sell order shall not exceed the price designated on the counter buy order, by more than the maximum price spread percentage, stipulated in the table below (“maximum price spread percentage”), where the aforesaid price on the sell order will be rounded up to the price bracket for submitting the next closest order, as stipulated in the Regulations under the Third Part of the Rules.

**1) Securities excluding ETFs, foreign exchange-traded funds and derivatives**

Securities Group	Minimal Quantity Multiplier	Maximum Price Spread Percentage
<b>Shares &amp; Convertible Securities</b>		
TA-35 index constituents	2	2%
TA-90 index constituents	3	3%
TA-SME60 index and TA-Growth index constituents	1.5	5%
Shares not included in the <i>Tamar</i> universe	1	8%
Warrants	1.5	8%
Warrant for bonds	2	8%
Convertible bonds and bond options	1.5	3%
<b>Corporate bonds</b>		
0-3 year maturities	2	2.50%
3-5 year maturities	2	3
5-10 year maturities	2	3.50%
10+ year maturities	2	4%

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<b>Commercial paper</b>	2	0.15%
<b>Government bonds – <i>Shahar</i>, New <i>Gilon</i>, non-linked, variable interest</b>		
0-3 year maturities	33	20 ticks
3-6 year maturities	33	30 ticks
6-10 year maturities	33	60 ticks
10+ year maturities	33	90 ticks
<b>M.K.M.</b>	33	0.15%
<b>Government bonds – excluding <i>Shahar</i>, New <i>Gilon</i>, non-linked, variable interest</b>		
0-3 year maturities	1	2.5%
3-5 year maturities	1	3.0%
5-10 year maturities	1	3.5%
10+ year maturities	1	4.0%
<b>Certificates of deposit</b>	5	3.0%

## 2) ETFs and Foreign ETFs

Category	ETF Group	Minimum quantity, in multiples of minimum order size	Maximum spread percentage
1	Israeli government bond index ETFs	15	0.6%
2	Israeli corporate bond index - A- rating and above ETFs	15	1.5%
3	Share price index comprised of constituents of the TA-125 index ETFs	15	1.5%
4	Foreign share price indices (including commodities) that have actively traded derivatives written on them ETFs/Foreign ETFs	15	1.5%
5	Indices that are not included in the “top tier” (not constituents of the TA-125 shares or less than A- rating corporate bonds) ETFs	5	3.0%
6	Short ETFs/Foreign ETFs and leveraged ETFs	5	3.0%
7	Foreign share price indices (including commodities) that do not have actively traded derivatives written on them ETFs/Foreign ETFs	5	3.0%
8	Currency-neutral ETFs on all indexes + foreign bond ETFs/Foreign ETFs	5	3.0%

## 3) Foreign exchange-traded funds

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The parameters for market making – minimum volume (in multiples of the minimum order size) and maximum price spread – shall be set by the manager of the foreign exchange-traded fund.

- b. Only a market maker, whose buy orders and sell orders comply with all the following requirements, shall be deemed to have met its obligation in respect of buy orders and sell orders being on the order book in the minimum quantity and with the maximum price differential, as provided in paragraph a. above.

- 1) Buy orders, which a market maker is required to submit, may be submitted with at the most five different prices and sell orders, which it is required to submit, may be submitted with at the most five different prices;

If a market maker submitted aforesaid buy orders and sell orders with more than five prices, then the Exchange shall - in examining whether he met his obligations said in sections a. and b. above – take into consideration only his buy orders with the five highest prices and his sell orders with the five lowest prices.

- 2) The aggregate quantity of securities in buy orders that will be submitted by the market maker at the five highest prices, as said in subsection 1) above, shall at least equal the minimum quantity required in section A. above.

The aggregate quantity in sell orders that will be submitted by the market maker at the five lowest prices, as said in subsection 1) above, shall at least equal the minimum quantity required in section A. above.

- 3) The price stated for quotation in the sell order is not greater than the price stated in the buy order for quotation by more than is prescribed in section B. above, as the case may be.

In this section –

"Sell order for quotation" - the sell order at the highest price among the five sell orders taken into account as said in subsection 1) above, in which the aggregate quantity of securities, together with the quantities of securities in those of the five sell orders at lower prices, equals at least the minimum quantity said in section A. above.

"Buy order for quotation" - the buy order at the lowest price among the five buy orders taken into account as said in subsection 1) above, in which the aggregate quantity of securities, together with the quantities of securities in those of the five sell orders at higher prices, equals at least the minimum quantity said in section A. above.

- c. **Length of time and the phases of trading, during which a market maker must submit market making orders and the length of time, during which the market maker is exempt of submitting aforesaid orders**

A market maker must submit buy orders and sell orders to the Exchange for execution, so that his market making orders will be on the order book during all phases of trading on

the Exchange in respect of the securities for which he acts as market maker and that subject to the following restrictions:

**In respect of securities other than derivatives**

- 1) **during the pre-opening phase** - market making orders as required shall be on the order book during at least four of the five minutes prior to the earliest time for opening trading, and also at any time from the earliest time for opening trading until the opening trading in the security.

Failure to meet this requirement on more than four trading days in any calendar month shall be deemed failure to submit market making orders (hereinafter: “monthly infraction”), as required;

- 2) **During the continuous trading phase** - market making orders as required shall be on the order book at all times while continuous trading is in progress on the Exchange, subject to the following:

Failure to meet this requirement during a period exceeding one hundred minutes in the aggregate in the course of the continuous trading phase for a security on each trading day shall be deemed failure to submit market making orders as required.

During the intermediate days of Passover and *Sukkot*, failure to meet the said requirement during a period exceeding 60 minutes in the aggregate in the course of the continuous trading phase for a security on each trading day shall be deemed failure to submit market making orders during the continuous trading phase, as required.

The failure to meet this requirement on more than two trading days each calendar month, shall be deemed a failure to submit market making orders as required (hereinafter: monthly infraction).

- 3) (a) Notwithstanding the provisions of subsections 1) and 2) above, in respect of the following securities a market maker may submit market making orders during for the pre-opening phase only, subject to the provisions of subsection (b) below:

(1) Shares not included in the TA-125 index and the TA- Growth index;

(2) Stock options;

- (b) Whoever wished to act as market maker for the opening phase only shall submit to the Exchange an application as said in Schedules One and Three of the Rules, in which it shall state that he will submit market making orders only during the pre-opening phase;

Notwithstanding the aforesaid –



- If there is market making for a certain security both in the pre-opening phase and the continuous trading phase, then the Exchange shall reject applications for market making during the pre-opening phase alone;
- If there is market making for a certain security only during the pre-opening phase and an application is submitted and approved for market making both in the pre-opening phase and the continuous trading phase, then the Exchange shall inform the market maker in the pre-opening phase only that it must make market also during the continuous trading phase, or else it must cease making market for the security, and that until the end of the calendar month after the month in which the said notice was delivered to the market maker;

#### 4) **Exemption from market making in ETFs tracking foreign indices**

A market maker for ETFs under these resolutions shall be exempt from market making on dates on which statutory market making is not conducted, as stipulated in paragraph 4. of the Board of Directors Resolutions regarding statutory market making in ETFs.

#### **Revocation of approval granted a market maker which did not meet its obligations regarding the submission of market making orders**

- d. At the end of each calendar month, the Exchange shall assess market makers with respect to their meeting their obligations as market makers over the past month.

The General Manager of the Stock Exchange may revoke the approval given to the market maker to act as a market maker in a security, if it committed a monthly infraction in that security.

The General Manager of the Stock Exchange shall decide up until the 20<sup>th</sup> of the month succeeding the month for which the aforesaid assessment was made, whether to revoke the market maker's approval as aforementioned and if he/she decided to revoke the approval, when the revocation will come into effect.

## Statutory Market Making in ETFs

The parameters for statutory market making activity are articulated below:

### 1. Minimum quantity and maximum price spread

At any given time during trading on the Exchange, and subject to the restrictions stipulated in paragraph 2 below, there will be a quantity of buy and sell orders in the order book that shall be no less than the minimum quantity, for each ETF in which the market maker operates.

For this purpose the “**minimum amount**” - the number of units which is the product of the minimum ETF order size, as its meaning in the Regulations under the Third Part of the Rules, multiplied by the minimum quantity multiplier set in the table below.

For each pair of counter market making orders placed in the order book, as required above, the price designated on the sell order shall not exceed the price designated on the counter buy order, by more than the maximum price spread percentage, stipulated in the table below, where the aforesaid price on the sell order will be rounded up to the price bracket for submitting the next closest order, as stipulated in the Regulations under the Third Part of the Rules.

In cases in which the price spread percentage, in terms of *agurot*, is lower than one bracket for submitting an order in that ETF, the maximum price spread shall equal one bracket for submitting an order in the same ETF.

Neither price-contingent orders nor iceberg orders shall be considered market making orders.

	ETF classification for the purpose of market making	Minimum quantity multiplier	Maximum spread percentage
1	Israeli government bond index ETFs	15	0.6%
2	Israeli corporate bond index - A- rating and above ETFs	15	1.5%
3	Share price index comprised of constituents of the TA-125 index ETFs	15	1.5%
4	Foreign share price indices (including commodities) that have actively traded derivatives written on them ETFs	15	1.5%
5	Indices that are not included in the “top tier” (not constituents of the TA-125 shares or less than A- rating corporate bonds) ETFs	5	3.0%
6	Short ETFs and leveraged ETFs	5	3.0%
7	Foreign share price indices (including commodities) that do not have actively traded derivatives written on them ETFs	5	3.0%
8	Currency-neutral ETFs on all indexes + foreign bond ETFs	5	3.0%

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2. a) Buy orders can be submitted with, at most, 5 different prices, and sell orders can be submitted with, at most, 5 different prices.

If a market maker submits buy orders and sell orders with more than 5 different prices, the Exchange shall take into account only the buy orders with the 5 highest prices and the sell orders with the 5 lowest prices.

- b) The aggregate number of ETF units represented in the buy orders submitted by the market maker with the 5 highest prices, shall not be deducted from the minimum quantity required under paragraph 1 above.

The aggregate number of ETF units represented in sell orders submitted by the market maker with the 5 lowest prices shall not be deducted from the minimum quantity required in paragraph 1 above.

- c) The price designated on the sell order for quotation shall not exceed the price designated on the buy order for quotation, by more than the maximum price spread percentage stipulated in the table above, as applicable.

In this paragraph –

“Sell order for quotation” – The sell order with the highest price of the 5 sell orders taken into account, as aforesaid in subparagraph a) above, for which the aggregate number of ETF units, together with the number of ETF units designated in the sell orders with lower prices than it, of the aforesaid 5 sell orders, is at least the minimum quantity as stipulated in the above table.

“Buy order for quotation” – The buy order with the lowest price among the 5 buy orders taken into account as aforesaid in subparagraph a) above, for which the aggregate number of ETF units, together with the number of ETF units designated in the buy orders with higher prices than it. of the aforesaid 5 buy orders, is at least the minimum quantity as aforesaid in paragraph 1 above.

### 3. Presence in the order book

At any time during trading on the Exchange, market making orders submitted by the statutory market maker shall be recorded in the order book, for each one of the ETFs for which it operates as market maker, as stipulated below:

- 1) **during the pre-opening phase** - market making orders as required shall be on the order book during at least four of the five minutes prior to the earliest time for opening trading, and also at any time from the earliest time for opening trading until the opening trading in the ETF.

Failure to meet this requirement on more than four trading days in any calendar month shall be deemed a failure to submit market making orders as required (hereinafter: “monthly infraction”);;

- 2) **During the continuous trading phase** - market making orders, as required, shall appear on the order book at all times continuous trading on the Exchange is in progress.

Failure to meet this requirement during a period exceeding an aggregate 100 minutes in the course of the continuous trading phase in an ETF on each trading day shall be deemed failure to submit market making orders as required.

Notwithstanding the above, during the intermediate days of Passover and *Sukkot*, failure to meet the said requirement during a period exceeding an aggregate 60 minutes in the course of the continuous trading phase in a ETF on each trading day shall be deemed a failure to submit market making orders as required during the continuous trading phase.

Failure to meet this requirement on more than 2 trading days of each calendar month shall be considered a failure to submit market making orders as required (hereinafter: “monthly infraction”).

#### 4. **Days on which market making is not conducted**

Should an ETF manager announce that on certain dates prices will not be calculated, and therefore market making in the ETF will not be conducted on them – the Exchange will not monitor the activity of the market maker on these dates.

The ETF manager shall disclose collectively on an annual basis, by the 30th of November for an ETF under its management, all the dates that market making will not be conducted in the ETF in the coming calendar year.

For each newly created ETF the fund manager shall disclose the dates on which market making will not be conducted in the ETF from the date of its listing for trade until the end of the calendar year in which it is listed.

## **RESTRICTION ON OPEN POSITIONS ON STOCK OPTIONS**

The total of a client's open positions to one side (the rising market side or the declining market side, as the case may be) shall be as specified below:

<b>For a derivative for which the underlying asset is:</b>	<b>It shall not be greater than</b>
Bank Leumi share	19,000
Bank Hapoalim share	15,500
Teva share	58,000
Discount Bank share	7,500
Bank Mizrahi Tefahot share	2,000
ICL share	10,500
Bezeq share	10,500
Perrigo share	5,000
Elbit Systems share	2,500
Fibi bank share	850
Gazit Globe share	4,000
Delek Group share	12,000
Delek Drill L participation unit	22,000
Israel Corp share	1,000
Isramco participation unit	3,000
Melisron share	5,500
Nice share	3,500
Azrieli Group share	7,500
Paz Oil share	1,500
Strauss Group share	450
Partner share	1,000
Cellcom share	1,500
Harel Investments share	2,000
Shufersal share	2,000
Phoenix share	2,000
Bazan share	2,000
Alony Hetz Share	2,500

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However, in the case of a derivative for which the underlying asset is a share, in respect of a client who only holds synthetic contracts to credit and in respect of a client who only holds synthetic contracts to debit, the restriction shall not exceed double the restriction on open positions prescribed in the above table.

"Teva share" – Teva pharmaceutical industries ltd share

"ICL share" – Israel chemicals ltd share

"Bank Leumi share" - Bank Leumi Le-Israel B.M. share

"Bank Hapoalim share" - Bank Hapoalim B.M. share

"Bank Discount share" - Israel Discount Bank ltd share

"Bank Mizrahi Tefahot share" - Mizrahi Tefahot Bank ltd share

"Bezeq share" – BEZEQ The Israeli Telecommunication Corp. Ltd share

"Perrigo share" - Perrigo company PLC share.

"Elbit Systems share" - Elbit Systems ltd share

"Fibi bank share" – First International Bank of Israel ltd share

"Gazit Globe share" – Gazit Globe ltd share

"Delek Group share" – Delek Group ltd share

"Delek Drill L participation unit" – Delek Drilling limited partnership participation unit

"Israel Corp share" – Israel Corporation ltd share

"Iramco participation unit" – Iramco negev 2 limited partnership participation unit

"Melisron share" – Melisron ltd share

"Nice share" – Nice Systems ltd share

"Azrieli Group share" – Azrieli Group ltd share

"Paz Oil share" – Paz oil company ltd share

"Strauss Group share" - Strauss Group ltd share

"Partner shar" - Partner Communications Company ltd share

"Cellcom share" – Cellcom Israel ltd share

"Harel Investments share" - Harel Insurance Investments & Financial Services ltd share

"Shufersal share" – Shufersal ltd. share

"Phoenix share" – The Phoenix Holdings ltd share

"Bazan share" – Oil Refineries ltd share

"Alony Hetz share" – Alony Hetz Properties and Investments ltd share

## MAXIMUM OTRs IN QUOTE-GENERATOR TRADING

### 1. Parameters for compliance with OTR restrictions stipulated in paragraph 3.a. of Chapter 6A of the Regulations under the Third Part of the Rules

- a. Quote generators which are not operated by either statutory market makers or by market makers appointed by the Exchange or by market makers appointed by foreign ETF managers

Market	Securities Group	Maximum OTR	FLOOR
Shares	All securities traded in the equity market	750	200
Institutional Shares and Bonds Convertible to Institutional Shares	Institutional shares and bonds convertible to institutional shares	750	200
Bonds	All securities traded in the bond market	750	200
M.K.M.	M.K.M.	750	200
Institutional Bonds	All institutional bonds	750	200
Derivatives	TA-35 index	750	200
	TA-125 index	500	80
	Shekel/dollar	750	200
	Shekel/Euro	500	80
	Stock options	500	200
	TA-Banks index	500	80

- b. Quote generators operated by either statutory market makers or market makers appointed by the Exchange or by market makers appointed by foreign ETF managers

Market	Securities Group	Maximum OTR	FLOOR
Shares	All securities traded in the equity market for which a market is made by a market maker.	1500	200
Institutional Shares and Bonds Convertible to Institutional Shares	Institutional shares and bonds convertible to institutional shares for which a market is made by a market maker	1500	200
Bonds	All securities traded in the bond market for which there is market making activity by the market maker	1500	200
M.K.M.	All M.K.M.s for which there is market making activity by a market maker	1500	200

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Institutional Bonds	All institutional bonds for which a market is made by a market maker	1500	200
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Vetting of the compliance to OTR restrictions of a market maker, whether statutory or appointed by the Exchange, which operates through quote generators shall be undertaken in unison for all quote generators operated by it through a single exchange member. The aforesaid vetting shall be conducted separately for each Exchange member through which the market maker operates.

**2. Parameters for volume-based OTR restrictions stipulated in paragraph 3.b. of Chapter 6A of the Regulations under the Third Part of the Rules**

To be determined later.



## **STATIC AND DYNAMIC THRESHOLDS FOR PRICE MONITORING**

- 1) Static and Dynamic thresholds, as defined in paragraph 1 of Chapter 5 of the Regulations to The Third Part of the Rules, shall be as follows:

Market	Group of Security	Static threshold	Dynamic threshold	
Equity	Shares included in TA-35 Index	7%	4%	
	Shares included in TA-90 Index	8%	4%	
	Shares included in TA-SME60 Index Shares included in TA- Growth	9%	5%	
	Shares not included in Tamar	12%	10%	
	Convertible bonds	10%	5%	
	ETFs and high-tech funds	7%	4%	
	Foreign exchange-traded funds	7%	4%	
	Bond	Government Bonds	2.5%	1%
		Corporate Bonds	8%	3%
		ETFs and certificates of deposit	4%	2%
Foreign exchange-traded funds		4%	2%	
M.K.M	M.K.M	0.5%	0.1%	

- 2) In cases where the static threshold or the dynamic threshold in a security, according to the above table, is less than 5 times the tick size for the particular security, the static or dynamic threshold, as the case may be, shall be 5 times the tick size for the particular security.

**Company Name** \_\_\_\_\_

To:

Tel Aviv Stock Exchange, Ltd. (hereinafter: TASE)  
 Ahuzat Bayit Street 2  
 Tel Aviv 6525216

**Re: Application to list securities on the Institutional Trading System – Institutional Bonds**

1. We \_\_\_\_\_ (hereinafter: the Company) request that our underlisted bonds/commercial paper be traded on the institutional investor trading system:

Class	Series No.	Amount

Name of the nominee company to which the securities will be allocated and on whose name ownership will be registered in corporate records:

\_\_\_\_\_

2. We undertake to fulfill all the provisions that apply under the TASE Rules and the Regulations under them, as well as all provisions that apply under the Bylaws of the Tel Aviv Stock Exchange Clearing House, Ltd. (hereinafter: TASECH), to a company whose institutional securities are traded on the Institutional Trading System, as will be in effect from time to time.
3. To enable clearing operations by TASECH, we undertake to report to TASECH any detail related to the institutional securities to which this application refers or related to the company issuing the said securities, which requires action by TASECH relating to the securities, including taxation.
4. The person representing the company in its contact with TASE is:  
 Name: \_\_\_\_\_ Position: \_\_\_\_\_  
 Telephone: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail: \_\_\_\_\_
5. Proof of the payment of vetting fees of NIS 10,030 excluding V.A.T. (NIS 11,735 including V.A.T.) is attached.
6. We attach the following to our application<sup>1</sup>:
- a. If existent, a deed of trust – duly marked deed of trust.
  - b. If there is no deed of trust – a document including the details required on a deed of trust as stipulated in the Securities Regulations (Details, Structure and Form of Prospectus and Draft Prospectus)-1969.

1. Any addition, deletion or alteration relative to the aforementioned corporate documents that have been published and approved by TASE shall be marked. In the event that no such document was published by the entity in the year preceding the date on which the application was submitted, the attached document shall be marked against the corresponding document of another entity that was published on the most approximate date to the date the application was submitted and approved by TASE.

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- c. Annex 1 – An annex which includes a description of the bonds/commercial paper. This annex must be completed in its entirety prior to receiving TASE’s approval of listing.

Respectfully,

\_\_\_\_\_  
Date

\_\_\_\_\_  
Corporate signature and seal

I, the undersigned \_\_\_\_\_, Attorney hereby confirm that the above application and its annexes have been duly signed as required by law by the company.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attorney’s signature and seal

**Company Name** \_\_\_\_\_

To:  
Tel Aviv Stock Exchange, Ltd. (hereinafter: TASE)  
Ahuzat Bayit Street 2  
Tel Aviv 6525216

**Re: Application to List Institutional Securities for Trading – Qualified Issuer of Institutional Shares**

1. We \_\_\_\_\_ (hereinafter: the Company) request that our underlisted institutional securities be traded on the institutional investor trading system:

Class	Series No.	Amount

Name of the nominee company to which the securities will be allocated and on whose name ownership will be registered in corporate records:

\_\_\_\_\_

2. The company declares that it is a qualified issuer of institutional shares because it is (mark the relevant alternative):
- a. The company is a limited partnership engaged solely in research and development as these terms are defined in the Encouragement of Industrial Research, Development and Technological Innovation Law -1984 (Hereinafter: “the R&D Law”), in which the investment in research and development is conducted by the partnership, or entities held by the partnership, and for which one of the following criteria apply:
- 1) The partnership received approval from the Israel Innovation Authority affirming that it is a partnership engaging in research and development, as defined in the R&D Law.  
[ ] Confirmation attached.
  - 2) The partnership submitted confirmation from an accountant that it is a partnership engaging in research and development, as defined in the R&D Law.  
[ ] Confirmation attached
- b. The company is a R&D company as its meaning in the definition of “Qualified Issuer of Institutional Shares” appearing in Paragraph 1 of Chapter One of the Third Part of the TASE Rules.  
Confirmation of the amount invested in research and development issued by (delete irrelevant):
- 1) [ ] The Israel Innovation Authority
  - 2) [ ] Company’s accountant
- c. The company is an “assistance corporation” as its meaning in the definition of “Qualified Issuer of Institutional Shares” appearing in Paragraph 1 of Chapter One of the Third Part of the TASE Rules.

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- d. The company is a “real estate investment corporation” as its meaning in the definition of “Qualified Issuer of Institutional Shares” appearing in Paragraph 1 of Chapter One of the Third Part of the TASE Rules.
3. a. For a company that is a partnership:  
Details regarding the taxes imposed by Israel’s Tax Authority which regulates the taxation of the partnership’s unit holders and withholding tax are attached.
- b. For a company which is not a partnership:  
  
A description of the taxation applied to the listed securities holders and withholding tax is attached.
4. We undertake to inform TASE by 31.12 of each year, that we have not ceased being a Qualified Issuer of Institutional Shares, as a result of the company’s discontinuation of the activity for which it has been recognized as a Qualified Issuer of Institutional Shares.
5. We undertake to inform TASE in the event that the company ceases to be a Qualified Issuer of Institutional Shares as a result of the company’s discontinuation of the activity for which it has been recognized as a Qualified Issuer of Institutional Shares.
6. We undertake to fulfill all the provisions that apply under the TASE Rules and the Regulations under them as well as all provisions that apply under the Tel Aviv Stock Exchange Clearing House (hereinafter: TASECH) Bylaws to a company whose institutional securities are traded on the institutional trading system, as will be in effect from time to time.
7. To enable clearing operations by TASECH, we undertake to report to TASECH any detail related to the institutional securities to which this application refers or related to the company issuing the said securities, which requires action by TASECH relating to the securities, including a description of applicable taxation.  
The person representing the company in its contact with TASE is:
- Name: \_\_\_\_\_ Position: \_\_\_\_\_  
Telephone: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail: \_\_\_\_\_
8. Proof of the payment of vetting fees of NIS 10,030 excluding V.A.T. (NIS 11,735 including V.A.T.).
9. The following is attached to our application<sup>1</sup>:

---

1. Any addition, deletion or alteration relative to the aforementioned corporate documents that have been published and approved by TASE shall be marked. In the event that no such document was published by the entity in the year preceding the date the application was submitted, the document will be marked against the corresponding document of another entity that was published on the most approximate date to the date the application was submitted and approved by TASE.

- a. An annex which includes a brief description of the issuing company, the terms of the issue, including the terms of the securities.
- b. If existent, a deed of trust – duly marked deed of trust.
- c. If there is no deed of trust – a document including the details mandated for a deed of trust as stipulated in the Securities Regulations (Details, Structure and Form of Prospectus and Draft Prospectus)-1969.
- d. Annex 1 – An annex which includes a description of the institutional bonds/convertible institutional bonds/bond warrants. This annex must be completed in its entirety prior to receiving TASE’s approval of the listing.
- e. Annex 2- Terms of the institutional shares: shares, participation units, stock warrants and participation unit warrants. This annex must be completed in its entirety prior to receiving TASE’s approval of the listing.

Respectfully,

\_\_\_\_\_

Date

\_\_\_\_\_

Corporate signature and seal

I, the undersigned \_\_\_\_\_, Attorney hereby confirm that the above application and its annexes have been duly signed as required by law by the company.

\_\_\_\_\_

Date

\_\_\_\_\_

Attorney’s signature and seal

**Company Name** \_\_\_\_\_

To:

Tel Aviv Stock Exchange, Ltd. (hereinafter: TASE)

Ahuzat Bayit Street 2

Tel Aviv 6525216

**Re: Application to List Bonds Convertible to Institutional Shares – Company Whose Shares are Publicly Traded on TASE**

1. We \_\_\_\_\_ (hereinafter: the Company) request that our underlisted bonds convertible to institutional shares be traded on the institutional investor trading system:

Class	Series No.	Amount

Name of the nominee company to which the securities will be allocated and on whose name ownership will be registered in corporate records:

\_\_\_\_\_

2. The company declares that it is a company whose shares are listed for trading on TASE.
3. We undertake to fulfill all the provisions that apply under the TASE Rules and the Regulations under them, as well as all provisions that apply under the Bylaws of the Tel Aviv Stock Exchange Clearing House, Ltd. (hereinafter: TASECH), to a company whose institutional securities are traded on the Institutional Trading System, as will be in effect from time to time.
4. To enable clearing operations by TASECH, we undertake to report to TASECH any detail related to the institutional securities to which this application refers or related to the company issuing the said securities, which requires action by TASECH relating to the securities, including a description of applicable taxation.
5. The person representing the company in its contact with TASE is:  
 Name: \_\_\_\_\_ Position: \_\_\_\_\_  
 Telephone: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail: \_\_\_\_\_
6. Proof of the payment of vetting fees of NIS 10,030 excluding V.A.T. (NIS 11,735 including V.A.T.).

7. We attach the following to our application<sup>1</sup>:
- a. If existent, a deed of trust – duly marked deed of trust.
  - b. If there is no deed of trust – a document including the details mandated for a deed of trust as stipulated in Securities Regulations (Details, Structure and Form of Prospectus and Draft Prospectus)-1969.
  - c. Annex 1 – An annex which includes a description of the bonds/commercial paper. This annex must be completed in its entirety prior to receiving TASE’s approval of listing.

Respectfully,

\_\_\_\_\_  
Date

\_\_\_\_\_  
Corporate signature and seal

I, the undersigned \_\_\_\_\_, Attorney hereby confirm that the above application and its annexes have been duly signed as required by law by the company.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attorney’s signature and seal

1. Any addition, deletion or alteration relative to the aforementioned corporate documents that were published and approved by TASE shall be marked. In the event that no such document has been published by the entity in the year preceding the date the application was submitted, the document will be marked against the corresponding document of another entity that was published on the most approximate date to the date the application was submitted and approved by TASE.

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**Annex 1****Company Name** \_\_\_\_\_

To:

Tel Aviv Stock Exchange, Ltd. (hereinafter: TASE)  
Ahuzat Bayit Street 2  
Tel Aviv 6525216**Re: Terms of the Bonds/Commercial Paper/Bonds Convertible to Institutional Shares to be Traded on the Institutional Trading System**

The terms of securities to be issued by us and traded on the institutional trading system are listed below. We are aware and agree that the information provided by us as stipulated below will be published by TASE on its websites.

**This annex must be filled in its entirety prior to submission for TASE's approval of the listing.**

Securities ID No.\* \_\_\_\_\_ Name of bond/commercial paper/convertible  
bond \_\_\_\_\_ Rating: \_\_\_\_\_

<b>Bonds/Commercial Paper/Convertible bonds</b>	
Series face value	
Total series value	
Currency of bond face value	

<b>Interest</b>	
No. of payments in a year	
Initial interest rate	
Initial interest record date	
Payment date of initial interest	
Interest record dates	
Interest payment dates	

<b>Principal Redemption</b>	
No. of redemption payments	
Record dates for redemption payment	
Redemption payment dates	
Discount rate (if applicable)	

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<b>Linkage (principal and interest)</b>	
Type of linkage	
Date/base index price	
Index price/ base index	
<b>Conversion terms</b>	
Conversion ratio and conversion dates	
Final conversion date	
Dates on which conversion not possible	
Details of adjustments for corporate actions, if relevant: Stock dividend distribution Rights offering Cash dividend distribution	

<b>Bond warrant terms</b>	
Quantity in face value of the series	
Exercise price	
Final exercise date	
Dates on which warrant exercise not possible	
Type of linkage (CPI index/foreign currency)	
Date/base index price	
Index price/base index	
In the event of convertible bond warrants: Details of adjustments for corporate actions,if relevant: Stock dividend distribution Rights offering Cash dividend distribution	

\* To be supplied by TASE.

Respectfully,

\_\_\_\_\_

Date

\_\_\_\_\_

Corporate signature and seal

I, the undersigned \_\_\_\_\_, Attorney hereby confirm that the above application and its annexes have been duly signed as required by law by the company.

\_\_\_\_\_

Date

\_\_\_\_\_

Attorney's signature and seal

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**Annex 2****Company Name** \_\_\_\_\_

To:

Tel Aviv Stock Exchange, Ltd. (hereinafter: TASE)

Ahuzat Bayit Street 2

Tel Aviv 6525216

**Re: Terms of Institutional Shares: Shares/Participation Units, Stock Warrants/  
Participation Warrants to be Traded on the Institutional Trading System**

The terms of securities to be issued by us and traded on the institutional trading system are listed below. We are aware and agree that the information provided by us as stipulated below will be published by TASE on its websites.

**This annex must be filled in its entirety prior to submission for TASE's approval of the listing.**

Securities ID No.\* \_\_\_\_\_ Name of share/participation unit/stock warrants/participation unit warrants \_\_\_\_\_.

<b>Shares/Participation Units, Stock Warrants/Participation Unit Warrants</b>	
Series par value	
Par value currency	

<b>Terms of Warrant</b>	
No. of warrants	
Exercise price for each exercise period	
Exercise period/s	
Exercise ratio and underlying security	
Final exercise date	
Dates on which warrant exercise is not possible	
Type of linkage (CPI index/currency)	
Date/base index price	
Index price/base index	
Details of adjustments for corporate actions, if relevant: Stock dividend distribution Cash dividend distribution Rights offering	

\* To be supplied by TASE

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Respectfully,

\_\_\_\_\_  
Date

\_\_\_\_\_  
Corporate signature and seal

I, the undersigned \_\_\_\_\_, Attorney hereby confirm that the above application and its annexes have been duly signed as required by law by the company.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attorney's signature and seal

Date:

Time

To  
 The Tel Aviv Stock Exchange Ltd. (TASE)  
 Trading and Clearing House Department  
 Fax: (972) 03-560-3468

From  
 Member's name \_\_\_\_\_  
 Contact person's name \_\_\_\_\_  
 Telephone: \_\_\_\_\_

**We request you to cancel one / several transactions, which today were carried out on the Stock Exchange due to an erroneous order.**

**The details of the erroneous order are as follows:**

- |   |                                     |
|---|-------------------------------------|
| 1. Security number: _____                   | 6. Order quantity: _____            |
| 2. Security name: _____                     | 7. Price limit: _____               |
| 3. TASE order number: _____                 | 8. Order value (NIS): _____         |
| 4. Order submitted to TASE at (time): _____ | 9. Source of the order <sup>1</sup> |
| 5. Type of order *: Buy / Sell              | CTCI / branch / on-line client      |

**Below are the details of the transactions, the cancellation of which we request \*\*::**

Transaction no.	When carried out	Quantity	Price	Transaction value
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

**Give full description of the error (including details of the order that should have been submitted):**

\* circle the appropriate

\*\* if necessary, attach the complete list on a separate page

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**Amount of the damage and how it was calculated:**

**We understand that, in respect of an application to cancel the transaction / transactions, our account will be charged NIS 1,500, plus VAT, through the Clearing House. If the said application is approved by the Stock Exchange, then our account will be charged an additional NIS 8,500, plus VAT.**

\_\_\_\_\_  
Signatory's first and family name

\_\_\_\_\_  
Signature and seal  
of the member  
that makes the request

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## Incentive Program to Enhance Liquidity in TA-35 Index Derivatives

Under the authority bestowed on it in Chapter Fourteen of the Regulations under the Third Part of the Rules, the Board of Directors has resolved to enact an incentive program designed to increase liquidity in derivatives trading, as stipulated below:

1. Participating securities –
 

TA-35 index derivatives (hereinafter: “**The Participating Derivatives**”)
2. Criteria that must be met by a party interested in participating in the incentive program-
  - a. Any party for which the average daily trading volume in TA-35 index derivatives during the three full calendar months preceding the date on which the application to join the incentive program is submitted meets the criteria, in all participating accounts, on a number of derivatives, as set by the Trading Manager, from time to time (hereinafter: “**Minimum Participation Trading Volume**”,) will be eligible to participate in the program,<sup>6</sup>

To clarify, the Trading Manager may, if he/she deems it warranted, modify the minimum participation trading volume, even during the course of the program.

**“Participating Accounts”** - the accounts through which a candidate or participant, as relevant, conducts trading in derivatives traded on the Exchange and through which it intends to conduct trading within the framework of the incentive program.
  - b. The Exchange may, at its discretion and without having to elaborate its decision, reject an application of a candidate, even if it meets the minimum participation trading volume requirement.
  - c. Without detracting from the aforesaid, the Exchange shall not approve more than one application to participate in the incentive program per person or corporation.
3. Joining the program
  - a. **The Application**
    - 1) A party requesting to participate in the program shall submit to each one of TASE members through which it intends to operate within the framework of the incentive program, an application to participate in the program worded as stipulated in Appendix 1 to this resolution enclosed (hereinafter- “**The Application**”).
    - 2) In the application, the applicant shall declare that –
      - a) It is aware of the details of the incentive program and agrees to them;
      - b) It is aware that its participation in the incentive program is contingent on the approval of the Exchange;

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<sup>6</sup>) To be disclosed immediately prior to the date the program is launched.

- c) It is aware that for the purpose of vetting its eligibility to participate in the incentive program and for vetting its eligibility for remuneration, it is required and will be required to deliver information to the Exchange regarding its activity in the participating derivatives, including the number of participating accounts and contact information.
  - d) It is aware that should it participate in the incentive program and be eligible for remuneration, payment will be made against the delivery of the approvals required under any law.
- 3) The application shall include an instruction to the Exchange member to deliver to the Exchange a list of all applicant accounts handled by the member, through which the applicant intends to operate within the framework of the incentive program.
  - 4) The applicant shall state on the application whether it is interested in receiving the remuneration to which it is entitled through the same Exchange member.

**b. Approval of the Application**

- 1) The Exchange shall vet the activity of the program applicant in all of the participating accounts together, for the three full calendar months preceding the month in which the application is submitted.
- 2) Should the Exchange find that the average daily trading volume of the applicant is worth at least the minimum participation trading volume or exceeds it – the Exchange may approve the participation of the applicant in the incentive program.
- 3) Should the Exchange approve the applicant’s participation in the incentive program, it will notify the applicant through the Exchange member through which the applicant is to receive the remuneration and will, from a given date, be included in the incentive program.
- 4) The inclusion of an applicant in the program shall commence at the beginning of a calendar month as follows:

If the application is submitted by the 20<sup>th</sup> of a month (inclusive) and is approved by the Exchange, that applicant will join the program at the beginning of the calendar month following the month in which the application was submitted.

If the application was submitted after the 20<sup>th</sup> of a month and is approved by the Exchange, the applicant will join the program at the beginning of the month following the month succeeding the month in which the application was submitted.

**4. Remuneration**

**a. General**

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- 1) The Exchange shall reward the participants in the program according to the stipulations of this paragraph below.
- 2) The monthly remuneration to be paid to the program participants shall include a fixed component and a variable component, and all as stipulated below.
- 3) The monthly remuneration shall be paid only if the average daily trading volume in participating derivatives in a given month is higher than the base trading volume, as its meaning below.
- 4) A participant shall be entitled to monthly remuneration only if its average daily trading volume in participating derivatives at least equals the minimum participation trading volume for that month.

**b. Total Monthly Remuneration**

The amount of the total remuneration in a given month shall be calculated according to the following formula:

$$R = 30\% \times (Current\_ADV - Basic\_ADV) \times Days \times F \times 2$$

Where:

- Current\_ADV – the average daily trading volume in participating derivatives, in the calendar month for which the calculation is being made;
- Basic\_ADV – The base trading volume<sup>7</sup>. The average daily trading volume set by the General Manager of the Stock Exchange immediately prior to the beginning of the program. This parameter shall be fixed for the first year of the incentive program.
- Days – The number of trading days for which the calculation is being made;
- F – Trading and clearing fees, in NIS, charged by one party to a transaction in participating derivatives, as stipulated in the appendix to the Regulations under the Sixth Part of the Rules.

For clarification and to dispel any doubt, the remuneration shall be paid solely for the months in which the average daily trading volume exceeds the base trading volume.

**c. The Fixed Component of Remuneration**

One third of the total amount of remuneration shall be divided equally between all participants eligible for remuneration in that month.

<sup>7</sup> To be disclosed immediately prior to the beginning of the program.

**d. The Variable Component of Remuneration**

Two thirds of the total amount of remuneration shall be divided between the ten participants with the highest level of activity in that calendar month of all participants eligible for remuneration that month.

The share of each of the ten participants shall be determined according to the ratio between the average daily trading volume of the participant and the average daily trading volume of all ten participants for which the volume of activity in that calendar month was highest, among all participants eligible for remuneration in that month.

**e. Remuneration Payment**

The monthly remuneration shall be paid to the participant through the Exchange member designated by the participant on the application as the Exchange member through which it is interested in receiving remuneration, and this following the delivery of all the approvals required under law.

**5. Program Duration**

- a. The incentive program shall commence on a date determined by the General Manager of the Stock Exchange and will end one year following this date (hereinafter: “the program period”<sup>8</sup>)
- b. The Exchange may decide not to activate the program should the number of participants be less than 10.
- c. The Exchange may extend the program and may cancel it or discontinue it or postpone it at any time.

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<sup>8</sup> To be disclosed immediately prior to the beginning of the program.

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To:

\_\_\_\_\_  
Name of Exchange Member

Dear Sir/Madam

**Re: Application to Participate in the Incentive Program to Enhance Liquidity in TA-35 Derivatives**

1. I, the undersigned, \_\_\_\_\_, (Company No./I.D. No. \_\_\_\_\_),  
(name of applicant)  
of \_\_\_\_\_  
(address)

Telephone \_\_\_\_\_ email: \_\_\_\_\_

Authorized dealer - yes/no

If authorized dealer, attach certificate attesting to deduction of withholding taxes and affirming bookkeeping practices.

We hereby apply to participate in the incentive program to enhance liquidity in TA-35 index derivatives (hereinafter: “The Program”), under the terms stipulated in Chapter Fourteen of the Regulations under Part Three of the Rules and in resolutions undertaken by the Board of Directors pursuant to these.

2. We wish to operate in the program through our derivatives accounts which are handled by you and stipulated as follows:

\_\_\_\_\_, \_\_\_\_\_

3. We hereby declare that we are aware of all terms of the “incentive program to enhance liquidity in TA-35 index derivatives” as stipulated in the Regulations under Part Three of the Rules, and by the Board of Director’s resolution and, with our signature on this application we express our agreement to these terms and undertake to operate under them<sup>9</sup>.
4. We are aware that our participation in the program is contingent on the approval of the Exchange and insofar as such approval has not been received, we will not be considered participants in the program. Subject to the Exchange’s approval, our participation in the program will commence on the date set by the Exchange.
5. Should we be entitled to remuneration for our participation in the program, we request that the payment be made through you<sup>10</sup>. We are aware that remuneration will be made subject to the delivery to the Exchange of any certification demanded by it.

<sup>9</sup> One can refer to the Regulations under the Third Part of the Exchange Rules and to the Exchange’s Board of Director Resolutions at the following link:

[https://www.tase.co.il/Heb/TASERulesandRegulations/Lists/RegulationsREs/820\\_Trading/274701.pdf](https://www.tase.co.il/Heb/TASERulesandRegulations/Lists/RegulationsREs/820_Trading/274701.pdf)

<sup>10</sup> This paragraph is to be deleted in cases in which the applicant is interested in having the payment made through another Exchange member.

6. We are aware that for the purpose of vetting our eligibility to participate in the program and to vet our entitlement to remuneration, we are required and will be required to deliver to the Exchange details regarding our identity and activity in TA-35 index derivatives, including our derivatives account numbers held with Exchange members through which we engage in derivatives trading and contact information.
7. We request that you deliver to the Exchange a list of all our accounts held with you and through which we engage in derivatives trading on the Exchange and through which we will submit orders within the framework of the incentive program to enhance liquidity in TA-35 index derivatives, together with a signed copy of this, my request.
8. As evidenced by our signature:

\_\_\_\_\_

Date

\_\_\_\_\_

Applicant's binding signature

**Appendix B**

To:  
 Tel Aviv Stock Exchange, Ltd.  
 2 Ahuzat Bayit St.  
 Tel Aviv 6525216

**Re: Client Application to Participate in the Incentive Program to Enhance Liquidity in TA-35 Derivatives**

1. We, the undersigned, \_\_\_\_\_ (name of Exchange member) wish to inform you that our client, \_\_\_\_\_ (name of client, here after “the applicant”) has submitted an application to participate in the Incentive Program to Enhance Liquidity in TA-35 Derivatives.
2. According to the applicant’s application enclosed in this, our announcement is a copy of the application submitted to us by it.
3. According to the applicant’s application, attached to this, our announcement a list of all of the applicants derivatives accounts that are held with us, and through which it requests to operate in the Incentive Program to Enhance Liquidity in TA-35 Derivatives.
4. The applicant has authorized us to receive for it any remuneration that it may deserve, should it deserve, to the applicant from the Exchange, pertaining to the liquidity incentive program.\*

**As evidenced by our signatures:**

\_\_\_\_\_  
 Name of Signatory

\_\_\_\_\_  
 Name of Signatory

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Signature of Exchange Member

I, the undersigned \_\_\_\_\_, (Att.), from \_\_\_\_\_, serve as legal counsel for the Exchange member \_\_\_\_\_ (hereafter “the member”), hereby certify that \_\_\_\_\_, holder of I.D. No. \_\_\_\_\_ and \_\_\_\_\_, holder of the I.D. No. \_\_\_\_\_ have signed before me on this document, after I have identified them, and that the signature of the above-mentioned individuals is binding on the member.

\_\_\_\_\_  
 Name of Attorney

\_\_\_\_\_  
 Date

\*Please delete this paragraph if payment will be transferred through a different Exchange member.

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