

# **COMPANY GUIDE**

## **TRADE HALT AND MAINTENANCE RULES**

### **THE FOURTH PART OF THE RULES**

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**CHAPTER XI –**  
**DUTIES OF ENTITY THE SECURITIES OF WHICH ARE LISTED FOR**  
**TRADE**

Cancelled.

**FOURTH PART: RULES REGARDING TEMPORARY HALT AND RULES  
REGARDING SUSPENSION OF TRADE, REGARDING TRANSFER TO  
THE MAINTENANCE LIST AND REGARDING THE DE-LISTING OF  
SECURITIES FROM TRADE**

1. **General**

a. In this part, each expression shall have the meaning given to it in the Second Part or the Third Part of the TASE Rules, as the case may be, mutatis mutandis, unless expressly stipulated otherwise.

b. In this part:

“public holdings” – as defined in the Second Part of the TASE Rules, mutatis mutandis;

however, “public holdings” for the purpose of a security’s transfer to the maintenance list on the cause of public holdings value and on the cause of public holdings percentage, within the meaning thereof below, and for the purpose of a convertible security’s de-listing from trade – the number of shares of the company of the same class, or the number of convertible securities of the company from the same series, or the number of bonds of the company from the same series, as the case may be (each hereinafter referred to as “the securities”), except for securities held by someone who is an interested party, or held by the company, subject to the exceptions stipulated in the Regulations;

“public holdings value” – the number of shares of the company of the same class or number of convertible securities of the company of the same class, as the case may be, that are held by the public, multiplied by their average price on TASE, subject to the details, conditions and qualifications stipulated in the Regulations;

“public holdings percentage” – the percentage that the public shareholdings constitute of all the company’s shares of such type, less the dormant shares of such type, subject to the details, terms, conditions and qualifications stipulated in the Regulations;

“equity” – the company’s equity in its financial statements, and in the case of a company which pursuant to GAAP prepares consolidated financial statements – the equity in the consolidated financial statements, all subject to the details, conditions and qualifications stipulated in the Regulations;

“the partnership’s equity” – the capital of a limited partnership in its financial statements, subject to the details, conditions and qualifications stipulated in the Regulations;

“temporary halt of trade in a security” – halt of trade for a period of time to be determined in the Regulations pursuant to the Third Part of the Rules;

“suspension of trade in a security” – halt of trade for a period of time exceeding the period of time of temporary halt of trade in a security;

“the maintenance list” – a list of securities that constituted a maintenance cause, as detailed in the Fourth Part of TASE’s Rules and the Regulations pursuant thereto, and for such reason they were removed from the main list. These securities shall be marked

with a special symbol and traded in a limited format, in accordance with the provisions of the Third Part of the TASE Rules and the Regulations pursuant thereto;

“the main list” – a list of the securities that are listed for trade on TASE, save for securities that are included on the maintenance list;

“maintenance cause” – each of the causes for a security’s transfer to the maintenance list, as detailed below;

"suspension cause" - each of the causes for a security's suspension from trade, as detailed below;

"shell company" - a company which fulfills the conditions detailed in the Regulations, excluding a special purpose acquisition company ("SPAC");

"first suspension period" - the period of time, stipulated in the Regulations, from the date on which the security was suspended from trade;

"allotment" - an allotment of securities within the framework of a change of terms arrangement, as defined in Chapter XXI of the Regulations pursuant to the Second Part of the Rules and/or a private placement of securities and/or an allotment of securities to a particular public and/or rights offering, if by the date of the rights offering the company has published a report on its intention to acquire activity;

"big allotment" - an allotment, except for allotment of preferred shares, in a percentage that is not less than that stipulated in the Regulations;

Convertible securities will be deemed part of the allotment for the purpose of big allotment calculation, if on the date of their allotment the exercise supplement is equal to or lower than the share price, as calculated by TASE in accordance with the provisions of appendix "A" below.

"collection of shares" - an arrangement approved by the court, within the framework of which shares of the company, excluding preferred shares, at a rate that is not less than that stipulated in the Regulations, are transferred from the existing shareholders to new shareholders.

“the date on which the security ceases to be traded on the main list” – the date on which the security ceases to be traded on the main list, because of its suspension or because of its transfer to the maintenance list.

- c. The provisions of this part with regard to a company shall also apply to a corporation which is not a company, mutatis mutandis, and with such changes as stipulated in the Rules and the Regulations, if stipulated.

Any reference to “company”, where dealing with a limited partnership, shall be replaced by “limited partnership”.

Any reference to “shares”, where dealing with a limited partnership, shall be replaced by “partnership units”.

## 2. **Conditions for the temporary halt of trade in a security or group of securities**

- a. TASE’s CEO, or someone authorized by him, may temporarily halt trade in a security or group of securities, in each of the following cases:

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- 1) material information has been published in any way, which relates to the company, including its controlling shareholders or securities;
  - 2) erroneous information has been published in respect of the price of the security;
  - 3) cancelled;
  - 4)
    - a) in the case of any derivative, if trade in its underlying asset is halted or if erroneous information is published in respect of its underlying asset;
    - b) in the case of a security convertible into another security, including a convertible preferred share, if trade in the other security deriving from the conversion is halted or if erroneous information is published in respect of the security deriving from the conversion;
  - 5) on the occurrence of a material macro-economic event that might affect trade in a group of securities, whether issued by the Government or by other issuers.
  - 6) at the company's request, where it intends to publish an immediate report on a material event, and after TASE's CEO, or someone authorized by him, has been convinced that it may affect proper trade as the information has not yet been made available to the public. The temporary halt of trade as aforesaid will continue until the publication of an immediate report in this regard.
- b. TASE's CEO, or someone authorized by him, may temporarily halt trade in a security or group of securities, on the occurrence of a significant technical malfunction or significant technical error.
  - c. Cancelled.
  - d. A temporary halt of trade shall take place in accordance with the procedure for trade halts pursuant to the Third Part of the TASE Rules.
  - e. Cancelled.
3. **Cancellation of transactions**
- a. TASE's CEO may, within one hour of the time that trade in a security or group of securities is ceased, or if trade is not halted as aforesaid, within one hour of the end of trade on TASE, cancel transactions with a security or group of securities, in whole or in part, if it transpires that there was cause to halt trade therein pursuant to sub-paragraphs 2.a.2) or 2.a.4) or 2.a.5) above.
  - b. Cancelled.
  - c. A decision to cancel transactions shall be made in writing, shortly after it is made, and shall be signed by TASE's CEO.
4. Cancelled.
5. **Financial statements**
- a. Where a company has submitted financial statements and the Securities Authority has given notice that it does not have statements submitted as required, TASE shall act as though the company did not submit the financial statements.
  - b. Where the Securities Authority has ordered a company to submit financial statements instead of those that were submitted, which shall include an opinion or review of

another accountant, TASE shall act as though the company did not file the financial statements on the date stipulated in the Periodic Reports Regulations.

**6. Conditions for the suspension of trade in a security**

- a. TASE's CEO, or someone authorized by him, shall suspend trade in a security on the existence of one or more of the following causes:
- 1) uncertainty arises in respect of a matter related to the company, including its controlling shareholders or securities, which might materially affect the security's price;
  - 2)
    - a) a trustee or a temporary trustee, within their meaning in the Insolvency and Financial Rehabilitation Law, 5778-2018 ("the Insolvency Law") or a manager authorized by law, or a business manager is appointed for the company or for a subsidiary of the company in which the company's holdings constitute the percentage stipulated in the Regulations of the company's assets.
    - b) a resolution is passed for the voluntary liquidation, or a court order is issued pursuant to the Companies Law, 1999 for the liquidation of the company or for a subsidiary of the company in which the company's holdings constitute the percentage stipulated in the Regulations of the company's assets, as the case may be;
    - c) in the case of a limited partnership – its dissolution falls due or is ordered by the court, all as prescribed in the Partnership Ordinance [New Version], 5735-1975;
    - d) a receiver or provisional receiver is appointed for assets of the company or the limited partnership, as the case may be, constituting the percentage stipulated in the Regulations of its assets
  - 3)
    - a) With regard to any derivative – if trade in its underlying asset is suspended or if a decision is made to de-list the underlying asset from trade.
    - b) With regard to a security convertible into another security, including a convertible preferred share, if trade in the other security deriving from the conversion is suspended.
- b. 1) TASE's CEO, or someone authorized by him, shall suspend trade in a security in the event that the company has not submitted financial statements and one month has passed from the date stipulated for their submission in the Periodic Report Regulations. If the last day of such month is not a trading day, trade in the security shall be suspended on the day after the first trading day after the end of such month.

With regard to the authority of TASE's CEO or someone authorized by him, as aforesaid in this paragraph, an extension of the date for submitting financial statements given to the company by the Securities Authority shall not be taken into account, unless the Securities Authority has given notice to TASE that in the circumstances of the case trade in the security should not be suspended.



- 2) TASE's CEO, or someone authorized by him, shall suspend trade in a series of bonds or in a series of convertible bonds, if the balance of the series has been called for immediate or early payment.

Trade shall not be suspended by reason of this cause, if the early redemption is based on fulfillment of the early redemption conditions determined in advance in the issue prospectus.

- 3) TASE's CEO, or someone authorized by him, shall suspend trade in any part of a series of bonds or series of convertible bonds, which are redeemable in installments, if the redemption date of such part has arrived and the company has not redeemed it.
- 4) TASE's CEO, or someone authorized by him, shall suspend trade in equity linked bonds on the existence of one or more of the following causes:
- a) if trade on TASE in the underlying share is suspended or if the underlying share is de-listed from trade, in the event that the bond is based on the price of the underlying share that is fixed on TASE;
  - b) if notice is received from the company or if TASE otherwise learns that the underlying share has been suspended from trade on an overseas stock exchange or that the underlying share has been de-listed from trade on an overseas stock exchange, in the event that the bond is based on the price fixed on the overseas stock exchange.

If an equity linked bond is based on changes in a number of shares, this paragraph shall also apply if only some of the shares are suspended from trade or de-listed from trade.

- 5) TASE's CEO, or someone authorized by him, shall suspend trade in a share if the share price is lower than the price stipulated in the Regulations and on fulfillments of the conditions stipulated in the Regulations, so long as the company has not carried out a reverse share split as provided in the Regulations.
- 6) TASE's CEO, or someone authorized by him, shall suspend trade in COCO bond if forced conversion or forced delisting notice is received, as the case may be.
- In the event of partial conversion or partial delisting, the trading suspension will continue until the completion of the partial conversion or partial delisting, as the case may be, and afterwards trade in the remaining series shall be renewed.
- 7) If TASE's CEO, or someone authorized by him, decides on the delisting of all of the securities of a SPAC, following immediate report of the company regarding a liquidation event, he may suspend trade in the securities of the SPAC, commencing on the date of the delisting resolution until the date of the delisting or until an earlier date as shall be determined by him.
- c. The decision of TASE's CEO, or someone authorized by him, to suspend trade for any one of the causes detailed in sub-paragraph 6.a. above shall apply until TASE's CEO or someone authorized by him decides that the cause is cancelled or until the next meeting of the board of directors, whichever is earlier.
  - d. The board of directors shall suspend trade in a security in one or more of the cases detailed above in this sub-paragraph 6.a.

- e. Before the board of directors discusses suspension of trade in a security, the company and TASE's members shall be given notice that the board of directors is about to discuss the suspension of trade and they shall be given an opportunity to raise written arguments to the board of directors, unless in the board of directors' opinion the circumstances call for immediate suspension or continuation of the suspension of trade in the security. In such cases, an opportunity shall be given to raise written arguments, as provided above, after the board of directors' resolution.
- f. Cancelled.
- g. Cancelled.
- h. Cancelled.

7. **Conditions for the renewal of trade in a security after the suspension of trade**

- a. TASE's CEO, or someone authorized by him, shall renew trade in a security that has been suspended from trade if the cause for the suspension of trade in the security is cancelled, all provided that there is no additional cause for suspension, subject to the following provisions:
  - 1) Before the end of the first suspension period:
    - a) where prior to the suspension the security was traded on the main list, and in accordance with the conditions stipulated in the Regulations, there is no maintenance cause on the date of the decision to renew trade in the security, trade in the security on the main list shall be renewed;
    - b) where prior to the suspension the security was traded on the main list, and in accordance with the conditions stipulated in the Regulations, there is a maintenance cause on the date of the decision to renew trade, trade in the security shall be renewed in the framework of the the main list or in the framework of the maintenance list, in accordance with the terms and conditions detailed in the Regulations.
    - c) where prior to the suspension the security was traded in the framework of the maintenance list, trade in the security shall be renewed in the framework of the maintenance list, provided that until the date of the security's delisting from trade on TASE, the period of time stipulated in the Regulations with regard to calculating the average price remains;
    - d) notwithstanding the provisions of sub-paragraph 7.a.1)c) above, TASE's CEO, or someone authorized by him, shall renew trade in the security in the framework of the main list, on fulfillment of all the conditions for doing so, as provided in sub-paragraphs 9.a., 9.b. or 9.c. below, as the case may be.
  - 2) After the end of the first suspension period:
    - a) trade in the security shall be renewed in the framework of the maintenance list, provided that until the date of the security's delisting from trade on TASE, the period of time stipulated in the Regulations with regard to calculating the average price remains;
    - b) Notwithstanding the provisions of sub-paragraph a) above, if a collection of shares and/or a big allotment and/or issue to the public was executed in the

company, the trade in the company's securities shall be renewed, on the main list, on fulfillment of all the necessary conditions, as provided in the Regulations.

- b. Cancelled.
- c. Notwithstanding the provisions of sub-paragraph 7.a. above, in the case of bonds or part of a series of bonds, trade as aforesaid shall be renewed in the framework of the main list; however, in the case of convertible bonds or part of a series of convertible bonds, trade shall be renewed in the framework of the list on which the company's shares deriving from their conversion are traded.
- d. A company will notify TASE in writing that it is complying with the conditions for the renewal of trade stipulated in this paragraph.

Where the company gives notice as aforesaid, TASE shall examine fulfillment of the conditions for the renewal of trade in the security trade in which has been suspended.

The board of directors may make arrangements in the Regulations for handling a request for the renewal of trade.

8. **Causes for the transfer of a security to the maintenance list**

- a. TASE's CEO shall transfer a share to the maintenance list on the existence of one or more of the following causes:
  - 1) the public holdings value in the company's shares, of such type, is lower than the amount stipulated in the Regulations;
  - 2) the public holdings percentage in the company's shares, of such type, does not meet the conditions stipulated in the Regulations.
  - 3) cancelled.
- b. Existence of the causes stipulated in sub-paragraph 8.a. above shall be examined at such times and in such ways as stipulated in the Regulations, with regard to each of the said causes. The Regulations may stipulate conditions on the fulfillment of which a share will not be examined as aforesaid, or conditions on the fulfillment of which a share will not be transferred to the maintenance list.
- c. Cancelled.
- d. Cancelled.
- e. Sub-paragraph 8.a. shall not apply to the following companies:
  - 1) a R&D company, as defined in the Regulations pursuant to the Second Part of the Rules, for the period stipulated in the Regulations.
  - 2) a SPAC, until the completion of the acquisition of a target company.
- f. Before a security is transferred to the maintenance list because of the causes stipulated in sub-paragraph 8.a., the company and TASE's members shall be given notice of the date of the board of directors' meeting at which they will be given an opportunity to raise written arguments to the board of directors, as provided in the Regulations.
- g. TASE's CEO or someone authorized by him shall transfer shares to the maintenance list, on the fulfillment of one or more of the following causes:

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- 1) the first suspension period has ended and trade in the shares has not yet been renewed;
  - 2) a collection of shares and/or a big allotment was executed in the company, and on the date of collecting the shares and/or the big allotment, not all the conditions required of a company in which such acts were executed, for the purpose of trade on the main list, as provided in the Regulations, were fulfilled;
  - 3) the company or ISA has given notice that the company is a shell company, and on the notice date not all the conditions required of the company as aforesaid for the purpose of trade on the main list, as provided in the Regulations, were fulfilled.
- h. Where shares have been transferred to the maintenance list, the securities convertible into such shares, including the preferred shares convertible into such shares, shall also be transferred to the maintenance list.

9. **Conditions for the transfer of company's security from the maintenance list to the main list**

- a. TASE's CEO, or someone authorized by him, shall transfer a company's shares from the maintenance list to the main list if within 24 months of the date on which the shares ceased to be traded in the framework of the main list the following conditions are fulfilled in respect of the shares, as the case may be.

A transfer as aforesaid shall only be effected if in accordance with the conditions stipulated in the Regulations, on the date of making the decision as aforesaid there is no additional maintenance cause or cause for suspension.

If the last day of said period is not a trading day, the first trading day thereafter shall be considered the last day of the said 24 months.

And these are the conditions:

- 1) if a share was transferred to the maintenance list by reason of the cause stipulated in sub-paragraph 8.a.1) – the public holdings value in the company's shares, of the same class, is not lower than the amount stipulated in the Regulations;
  - 2) if a share was transferred to the maintenance list by reason of the cause stipulated in sub-paragraph 8.a.2) – the public holdings percentage in the company's shares, of the same class, is not lower than the percentage stipulated in the Regulations or the public holdings value in the company's shares, of the same class, is higher than the amount stipulated in the Regulations.
  - 3) cancelled;
  - 4) if a share has been transferred to the maintenance list by reason of the cause stipulated in sub-paragraph 8.g.1) - the public holdings value and the public holdings percentage are as required pursuant to sub-paragraphs 9.a.1) and 9.a.2) of the Regulations.
- b. On the existence of an additional maintenance cause as aforesaid, the security shall remain on the maintenance list and shall only be transferred to the main list after fulfillment of the conditions for transfer from the maintenance list to the main list also by reason of the additional maintenance cause. In such case, the security shall be deemed a security transferred to the maintenance list also by reason of the additional

maintenance cause (even if according to the dates stipulated in the Regulations the date for the security's transfer to the maintenance list by reason of the additional maintenance cause has not yet arrived, and even if the maintenance cause has been cancelled).

- c. TASE's CEO, or someone authorized by him, shall transfer a security of a company from the maintenance list to the main list after the passage of 24 months from the date on which the security ceased to be traded in the framework of the main list, if all the following conditions are fulfilled in respect of the security:
- 1) cancelled;
  - 2) the public holdings value and the public holdings percentage in the company's shares, of the same class, shall not be lower than the public holdings value and public holdings percentage stipulated in the Regulations;
  - 3) the company has completed the period of activity stipulated in the Regulations in respect of which financial statements were prepared, in a sphere of activity as stipulated in the Second Part of the Rules.
- c1. Notwithstanding the aforesaid, TASE's CEO or someone authorized by him shall transfer shares that have been transferred to the maintenance list because of the provisions of sub-paragraphs 8.g.2) and/or 8.g.3) to the main list, if they fulfill all the conditions required in these circumstances, for the renewal of trade on the main list, as provided in the Regulations.
- d. Where a company's shares have been transferred from the maintenance list to the main list, the company's convertible securities shall also be transferred to the main list. Notwithstanding the aforesaid, preferred shares convertible into such shares, shall be transferred to the main list provided that there is no maintenance cause in their respect.
- e. A company will notify TASE in writing that it is complying with the conditions stipulated in this paragraph for the transfer of a security to the main list.

Where the company gives notice as aforesaid, TASE shall examine fulfillment of the conditions for the security's transfer to the main list.

The board of directors may make arrangements in the Regulations for handling a request for the transfer of a security to the main list.

10. Cancelled.

11. **Conditions for the de-listing of a security from trade**

- a. TASE's CEO, or someone authorized by him, shall decide to de-list a security of a company from trade in any one of the following cases:
- 1) a full tender offer has been received in accordance with section 337 of the Companies Law, 5759-1999;
  - 2) the public holdings value in a series of convertible bonds or value of a series of bonds is lower than the amount stipulated in the Regulations;
  - 3) a merger process has been completed within the meaning thereof in the Companies Law, 5759-1999 and there are no more public holdings in the security;

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- 4) with regard to a equity linked bond, if the public holdings value in the underlying share is lower than the amount stipulated in the Regulations. The provisions of this paragraph shall only apply to a equity linked bond the underlying share of which is traded on TASE alone or on TASE and on an overseas stock exchange.

In the event that a equity linked bond is based on changes in a number of shares, this paragraph shall also apply if the public holdings value falls below the amount stipulated in the Regulations in respect of only some of the shares;

- 5) with regard to a equity linked bond, if trade therein is suspended by reason of the suspension of trade in the underlying share for a period exceeding the period stipulated in the Regulations or by reason of the underlying share's de-listing from trade.

In the event that a equity linked bond is based on changes in a number of shares, this paragraph shall also apply if only some of the shares are suspended from trade or de-listed from trade;

- 6) after the implementation of a debt arrangement pursuant to the provisions of section 318 to the Insolvency and Financial Rehabilitation Law, 5778-2018 or pursuant to a financial rehabilitation plan as defined in section 4 of said law, or pursuant to section 350 of the Companies Law, 5759-1999, there are no public holdings left in the security;
- 7) a change in the bonds' terms and conditions such that they vest their holders with the right to collect their proceeds from any asset or from collateral and do not vest their holders with the right to claim their proceeds from the company which issued them (non-recourse).
- 8) in a SPAC, the occurrence of a liquidation event, as defined in the Second Part of the Rules.

If a decision is made regarding the de-listing of a security from trade in accordance with sub-paragraphs 11.a.1), 11.a.3), 11.a.6) and 11.a.8) above, the securities convertible into the de-listed security shall also be de-listed from trade, except for bonds convertible into such security.

- b. 1) The de-listing of a security in any one of the cases stipulated in sub-paragraph 11.a. above shall take place at the times stipulated in the Regulations, as the case may be.
- 2) Where TASE's CEO, or someone authorized by him, decides to delist from trade on the existence of one of the cases stipulated in sub-paragraph 11.a. above, he may suspend trade in the security from the date of the resolution to de-list the security from trade until it is de-listed, or for part of this period.
- 3) TASE's CEO, or someone authorized by him, may suspend trade in the security even if not all the terms for making the decision on de-listing from trade have exist, in the cases stipulated in sub-paragraph 11.a., if he finds it necessary for proper trade.
- c. A series of bonds or series of convertible bonds the final redemption date of which has arrived shall be de-listed from trade on such redemption date, whether redeemed by the company or not redeemed.

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In such regard, the final redemption date of a series, trade in which was suspended pursuant to sub-paragraph 6.b.2) above, shall be the final redemption date, as was before the series was called for immediate or early payment, unless another final redemption date is determined prior thereto.

- d. Where a security is traded on the maintenance list or suspended from trade, the security shall be de-listed from trade if 48 months have passed from the date on which the security ceased to be traded in the framework of the main list, and the conditions for the renewal of trade therein on the main list have not been fulfilled.

Notwithstanding the aforesaid, a security shall not be de-listed from trade if the only cause for the suspension of trade was pursuant to sub-paragraphs 6.b.2) or 6.b.3) above, and so long as there is no additional cause for suspension from trade.

- e. Notwithstanding the provisions of sub-paragraph 11.d, if because of the passage of time stipulated in sub-paragraph 11.d a company's shares have been de-listed from trade after they were on the maintenance list because of one or more of the maintenance causes, the bonds convertible into such shares shall not be de-listed from trade, and they shall continue to be traded in the framework of the maintenance list, so long as there is no other condition for their de-listing from trade.
- f. Notwithstanding the provisions of sub-paragraph 11.d, upon the occurrence of one of the following events, TASE's CEO, or someone authorized by him, shall decide to delist the security from trade at a time falling shortly after the occurrence of the event and not later than the time stipulated in the Regulations:
- 1) an order is issued for the commencing of proceedings against the company pursuant to the Insolvency Law, under which the court orders the trustee to pursue the liquidation of the company;
  - 2) a resolution is passed for the voluntary liquidation, or a court order is issued pursuant to the Companies Law, 1999 for the liquidation of the company;
  - 3) in the case of a limited partnership – its dissolution falls due or is ordered by the court, all as prescribed in the Partnership Ordinance [New Version], 5735-1975;
- g. Before the de-listing trade shall take place in the security in respect of which the decision to de-list was made, for the period of time stipulated in the Regulations.
- The provisions of this paragraph shall not apply in the cases detailed in the Regulations.
- h. delisting, full or partial, from trade of forcibly delistable bonds of a banking corporation, shall take place in accordance to the banking corporation notice and with the provisions in the regulations pursuant to the Second Part of the rules.
- i. where a decision is made to de-list shares, which are not preferred shares, from trade, the preferred shares issued by the company shall also be delisted.

12. **Conditions for the de-listing from trade of a company's security, on the company's initiative**

The board of directors shall resolve to de-list from trade a security of a company which has received the court's approval for an arrangement between it and the holders of its securities, pursuant to section 350 of the Companies Law, 5759-1999 with regard to the de-listing of the security from trade, or of a company which has been liquidated and the Registrar of Companies has deleted it from its registers in accordance with section 323 of the Companies Law, 5759-1999.

De-listing as aforesaid shall take place within such period of time as stipulated in the Regulations.

Where a resolution is passed to de-list a security from trade in accordance with this subparagraph, the securities convertible into the de-listed security shall also be de-listed from trade, except for bonds convertible into such security, which shall only be de-listed in the event that the company has requested this.

Where a resolution is passed to de-list shares, which are not preferred shares, from trade, in accordance with this paragraph, the preferred shares issued by the company shall also be de-listed.

The board of directors may suspend trade in the security, from the date of the resolution to de-list it from trade until its de-listing, or for part of this period.

13. **Units of a closed fund**

- a.
  - 1) In this paragraph each expression shall bear the meaning attributed to it in the Joint Investment Trust Law, 5754-1994, or in the Securities Law, 5728-1968, or in the TASE Rules, as the case may be, mutatis mutandis, unless expressly stipulated otherwise.
  - 2) In this paragraph –
    - "closed fund" – including ETF.
    - "units" – units of a closed fund.
- b. Units listed for trade shall be governed by the provisions of this paragraph, and the provisions pursuant to this part of the TASE Rules that are detailed below, mutatis mutandis, subject to the adjustments and conditions stipulated below and in the Regulations:
  - 1) paragraphs 1. to 3.;
  - 2) sub-paragraphs 6.a., 6.c., 6.d., 6.e., subject to the following provisions:
    - paragraph 6.a. shall apply if uncertainty arises in connection with a matter pertaining to the closed fund, including the fund manager or the fund units, which might materially affect the price of the units;
- c. In addition to the above, TASE's CEO, or someone authorized by him, may decide to temporarily halt trade in ETF, if trade in its tracking asset is halted or if erroneous information is published in respect of its tracking asset.
- d. TASE's board of directors may decide to suspend trade of closed fund units and to de-list closed fund units from trade, if it finds it necessary for proper trade of the closed

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fund units and, as regarding an ETF, if also it finds it necessary for proper trade of the ETF tracking asset.

- e. where trade in closed fund units has been suspended, TASE's CEO or someone authorized by him shall renew the trade therein if, by the trading day preceding the last trading day before the de-listing date, the cause for the suspension of trade is cancelled.
- f. before the board of directors discussion regarding the suspension of trade in closed fund units and/or the de-listing of closed fund units from trade, the fund manager and TASE's members shall be given notice that the board of directors is planning to discuss the suspension of trade in the closed fund units and/or the de-listing of the closed fund units from trade and they shall be given an opportunity to raise written arguments to the board of directors, unless, in the board of directors' opinion, the circumstances call for immediate suspension or continuation of the suspension of trade in the units.

In such cases, an opportunity to raise written arguments, as provided above, shall be given after the board of directors' resolution.

- g. in addition to the causes set forth in this Part with regard to suspension and de-listing of closed fund units from trade, TASE's CEO, or someone authorized by him shall decide to de-list closed fund units from trade also due to any of the following causes, shortly after their occurrence. Where TASE's CEO decides to de-list closed fund units from trade as aforesaid, he may suspend trade in the closed fund units, from the date of the resolution to de-list the closed fund units from trade until their de-listing, or until an earlier date, to be determined by him. And these are the causes:
  - 1) the period of existence of the fund as stipulated in the fund agreement has ended.
  - 2) a resolution has been duly passed for the liquidation of the ETF.
  - 3) a resolution has been duly passed for the conversion of the ETF into an open-end fund.

#### 14. **Commercial securities**

Commercial securities that are listed for trade shall be governed by the provisions of this paragraph, and the provisions pursuant to this part of the Rules that are detailed below, mutatis mutandis, subject to the adjustments and conditions stipulated below and in the Regulations:

- a. paragraphs 1 to 5 and paragraph 12;
- b. paragraph 6, sub-paragraph 7.a., sub-paragraph 11.a.2), sub-paragraph 11.b, sub-paragraph 11.c., 11.f., 11.g. and paragraph 12, subject to the following provisions:
- c. With regard to sub-paragraph 6.b.2), sub-paragraph 6.b.3), sub-paragraph 7.c., sub-paragraph 7.d., sub-paragraph 11.a.2) and sub-paragraph 11.c. – any mention of “bonds” in relation to commercial securities shall be replaced by “commercial securities”.

15. cancelled.

#### 16. **Overseas companies and overseas REIT**

Securities of an overseas company as defined in the TASE Rules (Second Part) shall be governed by the provisions of this paragraph, the provisions pursuant to this part of the TASE

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Rules detailed below, mutatis mutandis, and subject to the stipulated adjustments and conditions:

- a. an overseas company and an overseas REIT shall be governed by the provisions pursuant to paragraphs 1. to 3. of this part;
  - b. TASE's CEO, or someone authorized by him, may temporarily halt trade in a security or group of securities of an overseas company and of an overseas REIT, at the company's or the REIT's request, because of the fact that it has published or intends publishing material information relating to it or its controlling shareholders or its securities. The halt of trade as aforesaid shall take place in accordance with the company's request or the overseas REIT's request, until publication of the information on the overseas stock exchange or until the commencement of trade or renewal of trade on the overseas stock exchange.
  - c.
    - 1) TASE's CEO, or someone authorized by him, shall suspend trade in a security of an overseas company or an overseas REIT in the event that he learns that trade in the security has been suspended on the overseas stock exchange on which the security is traded;
    - 2) TASE's CEO, or someone authorized by him, may suspend trade in a security of an overseas company or an overseas REIT if any material information about the company or the overseas REIT, including its controlling shareholders or its securities, has been published in any way, until it has been clarified whether the overseas stock exchange intends suspending trade in the company's or the overseas REIT's securities;
    - 3) securities of an overseas company and an overseas REIT, which are listed for trade on TASE, but which are not listed for trade on an overseas stock exchange, shall be governed by all the provisions of this part with regard to the suspension of trade.
  - d. Where trade in a security has been suspended by reason of the suspension of trade therein on an overseas stock exchange, trade on TASE shall be renewed shortly after the renewal of trade overseas, provided that there is no additional cause for the suspension of trade.
  - e. Cancelled.
  - f. An overseas company and an overseas REIT shall be governed by the provisions of sub-paragraphs 11.a., 11.b. and 11.c of this part.
  - g. A security of an overseas company or an overseas REIT shall be de-listed from TASE at the company's or the overseas REIT's request, subject to fulfillment of the conditions stipulated for such purpose in Chapter E.3 of the Law;
  - h. Securities of an overseas company or an overseas REIT that have been de-listed from trade on an overseas stock exchange, shall be governed by the provisions pursuant to this part of the TASE Rules, except for the provisions governing an overseas company or an overseas REIT.
17. Securities of an FSE company shall be governed by the provisions of this part of the Rules and the Regulations pursuant thereto, mutatis mutandis.

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**18. Traded Foreign Funds**

- a. In this paragraph, every term shall have the meaning assigned to it in the Joint Investment Trust Law, 5754-1994, or in the Securities Law, 5728-1968, or in the TASE's Rules, as the case may be, mutatis mutandis, unless explicitly stipulated otherwise.
- b. Traded foreign funds shall be governed by the provisions of this paragraph, and the provisions pursuant to the forth Part of TASE's Rules that are detailed below, mutatis mutandis, and subject to the adjustments and conditions stipulated below:
  - 1) paragraphs 1. to 3.
  - 2) sub-paragraphs 6.a., 6.c., and 6.d., subject to the following provisions:

For the purposes of these paragraphs -

    - a) any reference to "company", with regard to a traded foreign fund shall be replaced with "the traded foreign fund manager" or " the traded foreign fund", as the case may be.
    - b) any reference to "shares" or "securities", with regard to a traded foreign fund, shall be replaced with "units" or "traded foreign fund", as the case may be.
- c. TASE's CEO, or someone authorized by him, may temporarily halt trade in a traded foreign fund, at the fund's request, due to the fact that it published or intends to publish material information relating to it or the fund manager. The halt of trade as aforesaid shall take place in accordance with the fund's request, until publication of the information on the overseas stock exchange or until the commencement or renewal of trade on the overseas stock exchange.
- d.
  - 1) TASE's CEO, or someone authorized by him, shall suspend trade in a traded foreign fund in the event that he learns that trade in the traded foreign fund has been suspended on the overseas stock exchange on which the fund is traded;
  - 2) TASE's CEO, or someone authorized by him, may suspend trade in a traded foreign fund if any material information about the traded foreign fund or the fund manager, has been published in any way, until it has been clarified whether the overseas stock exchange intends to suspend trade in the traded foreign fund.
- e. Where trade in a traded foreign fund has been suspended by reason of the suspension of trade therein on an overseas stock exchange, trade on TASE shall be renewed shortly after the renewal of trade overseas, provided that there is no additional cause for the suspension of trade.
- f. TASE's board of directors may resolve to suspend trade in traded foreign fund and to de-list from trade of the fund if it finds it necessary for the proper trade of the traded foreign fund.
- g. where trade in a traded foreign fund has been suspended, TASE's CEO, or someone authorized by him, shall renew the trade therein, if by the trading day preceding the last trading day before the de-listing date the cause for the suspension of trade is cancelled.

- h. before the board of directors discussion regarding the suspension from trade or the de-listing of a traded foreign fund, it shall give the fund manager and the TASE members notice that the board of directors is planning to discuss the suspension of trade and/or the de-listing from trade of the traded foreign fund, and they shall be given an opportunity to raise written arguments to the board of directors, unless, in the board of directors' opinion, the circumstances call for immediate suspension or continuation of the suspension of trade in the fund.

In such cases, an opportunity shall be given to raise written arguments, as provided above, after the board of directors' resolution.

- i. where the Chairman of the Securities Authority instructs TASE to de-list the traded foreign fund from trade, the traded foreign fund will be de-listed on the date determined by the Chairman of the Authority.
- j. TASE's CEO, or someone authorized by him, may resolve to de-list a traded foreign fund from trade if it has been de-listed from an overseas stock exchange.