

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE AUTORITÉ DES MARCHÉS FINANCIERS  
AND THE ISRAEL SECURITIES AUTHORITY  
CONCERNING THE REGULATORY EQUIVALENCE WITH  
REGARDS TO THE CROSS LISTING OF SECURITIES**

**Preamble**

The purpose of this Memorandum of Understanding ("MoU") is to (i) state the terms under which the AMF and ISA agree to consider equivalent each other's regulatory requirements applying to the drawing up, approval of the Prospectus to be published when securities are admitted to trading on a regulated market, including as the case may be, following an offering to qualified investors or in connection with an offering to the public, and (ii) to establish the principles upon which the said MoU will be translated into active cooperation such that companies admitted to trading on either a regulated market in France or the Tel Aviv Stock Exchange in Israel may be enabled to cross-list their securities on both exchanges.

This arrangement is intended to comply with the letter and spirit of Article 20 of the Prospectus Directive of the European Union.

This MoU shall set out principles of cooperation, consultation and exchange of information in connection with the above mentioned cross-listing of securities in a manner consistent with, and permitted by, the relevant AMF and ISA regulations.

**Definitions**

"AMF"	The Autorité des Marchés Financiers
"Authority" or "Authorities"	The AMF and/or the ISA
"Company"	A French Company or an Israeli Company
"Cross-listing"	The listing and/or trading of securities on a regulated market in France and TASE
"Exchange"	A regulated market in France or TASE
"Foreign Company"	In respect of the AMF, an Israeli Company and in respect of the ISA, a French Company

"French Company"	A company incorporated in France
"Home Authority"	The Authority of the jurisdiction where the Company is incorporated and which has originally approved the Prospectus for the purpose of admission to trading on the Home Exchange
"Host Authority"	The Authority in charge of approving the Prospectus of a Foreign Company for the purpose of admission to trading on the Host Exchange
"Home Exchange"	A French regulated market for a French Company, TASE for an Israeli Company
"Host Exchange"	A French regulated market for an Israeli Company, TASE for a French Company
"Home Notice"	The notice supplied by the Home Authority to the Host Authority confirming that the Home Authority is satisfied that the Prospectus complies with the national law and regulation administered by the Home Authority concerning an admission to trading and the additional requirements for the Prospectus pursuant to the MoU at the time of the filing of the Prospectus with the Host Authority
"ISA"	The Israel Securities Authority
"Israeli Company"	A company incorporated in Israel
Prospectus	A document containing all the information requested under national laws and regulations concerning an admission to trading and paragraphs 4.3 and 4.7 of this MoU. The Prospectus may be drawn up as a single document or separate documents provided that these documents together contain the aforementioned information. In this

*B. m.*

case, the Prospectus must include a list of all documents contained therein.

"Prospectus Directive" Directive 2003/71/EC of 4 November 2003, and its implementing measures, notably the Commission Regulation (EC) no. 809/2004 of 29 April 2004.

"TASE" The Tel Aviv Stock Exchange Ltd

## **1. Declaration of Equivalence**

1.1 The AMF hereby declares and confirms that having examined Israeli laws and regulations relating to publication of Prospectuses it has concluded (subject to the additional requirements set out in Chapter 4.3 and 4.7 as the case may be, below) that the said Israeli laws and regulations are equivalent to the parallel regulation administered by the AMF and satisfy the regulatory requirements of French law.

1.2 The ISA hereby declares and confirms that having examined French law and regulation relating to the publication of Prospectuses it has concluded (subject to any additional items that may be required pursuant to Chapter 4.5 below) that the said French regulation is equivalent to the parallel regulation administered by the ISA and satisfies the regulatory requirements of Israeli law.

1.3 This MoU is intended to complement, but does not alter the terms of the existing bilateral and multilateral arrangements to which the AMF and the ISA are both parties, concerning cooperation in supervisory or enforcement matters and which are listed in Annex A.

## **2. Scope of Arrangement**

2.1 When seeking admission to trading on the host exchange, a Company shall be entitled to benefit from the procedures described in this MoU, if it complies with all of the following conditions:

2.1.1 it is a French Company or an Israeli Company; and

2.1.2 the Prospectus has first received an initial approval from the Home Authority; and

2.1.3 it has, applied for admission to trading or is already admitted to trading, in the case of a French Company

on a French regulated market or, in the case of an Israeli Company, on TASE

- 2.2 De-listing from either the regulated market in France or TASE will disqualify the Company from continuing to benefit from the conditions outlined in this agreement.
- 2.3 The equivalence which is the basis of this MoU does not extend to laws and/or regulations enacted by a third country, notwithstanding the fact that either the AMF or the ISA may have recognized such third country's regulations as equivalent to its own regulations.

### **3. Implementation**

- 3.1 Initially the agreement will be applicable solely to equity securities as such term is defined in the Prospectus Directive (with the exclusion of convertible debt). It is the intention of the Authorities to introduce different types of securities that may benefit from the arrangement set out in this MoU in the future. Such further implementation shall be carried out in stages, based on consultation between the Authorities.
- 3.2 The Authorities intend to review periodically the functioning and effectiveness of the arrangement described in this MoU with a view to expanding or altering the scope or operation of this MoU should that be judged desirable.

### **4. Prospectuses**

- 4.1 Any Company wishing to simultaneously cross-list its securities pursuant to the arrangement described in this MoU, shall first submit its Prospectus to its Home Authority for approval. The Company shall inform the Home authority of its intention to seek a cross listing pursuant to this MoU and request the Home Authority to issue a Home Notice to the Host Authority.
- 4.2
  - 4.2.1 Where a Company is already admitted to trading on the Home Exchange and thereafter intends to seek admission to trading on the Host Exchange, the Company shall submit the Prospectus to the Home Authority, and request the Home Authority to issue a Home Notice to the Host Authority.
  - 4.2.2 In the circumstances described in clause 4.2.1 above, the Prospectus may consist of the prospectus published in connection with the securities for which the Company seeks admission to trading together with all subsequent information published concerning the Company and

these securities as long as the Prospectus meets all necessary requirements, pursuant to the national laws and regulations concerning an admission to trading and paragraphs 4.3 and 4.7 of this MoU with regards to Israeli Companies or the paragraph 4.5 with regards to French Companies.

4.2.3 Each Company shall also provide the Company responsibility statement, as defined in paragraph 1.2 of Annex III of the Regulation (EC) n°809/2004, dated no earlier than five trading days prior to the filing of the said Prospectus with the Host Authority.

4.3 When an Israeli Company submits a Prospectus to the ISA for an approval and informs the ISA of its intention to subsequently submit its Prospectus to the AMF for cross listing under paragraphs 4.1 or 4.2 of this MoU, the ISA shall also enforce the additional disclosure requirements listed below in this paragraph 4.3 and shall make the granting of a Home Notice in relation to the Prospectus conditional upon compliance therewith. The said additional disclosure requirements are as follows:

4.3.1 annual balance sheets for the three years preceding the offering/admission to trading in accordance with Annex I Section 20.1 of the Prospectus Directive Regulations (EC) No. 809/2004 as well as their auditors' corresponding reports;

4.3.2 a Prospectus summary in English in accordance with the specifications of Article 5.2 of the Directive 2003/71/EC;

4.3.3 should the Company include in the Prospectus, profit forecasts or profit estimates, as defined by Article 2 (10) and (11) of Regulation (EC) n° 809/2004, these will be compiled and presented in accordance with Annex I Section 13 of the aforementioned regulation.

The AMF shall be entitled to raise additional requirements by way of amendment to this MoU pursuant to paragraph 6.3.

4.4 A Home Notice shall be valid for a period of 15 trading days after its issuance by the Home Authority. If within this period of time, the Home Authority is aware of any material events affecting the Company, it must inform the Host Authority as soon as possible and the Prospectus must be amended accordingly.

4.5 When a French Company submits a request to the AMF for an approval of the Prospectus and informs the AMF of its

intention to subsequently submit its Prospectus to the ISA for cross listing, the AMF shall also enforce any additional disclosure requirements that the ISA may raise by way of amendment of this MoU pursuant to paragraph 6.3 and the AMF shall make the granting of a Home Notice in relation to the Prospectus conditional upon compliance with such requirements.

- 4.6 A Company will submit its Prospectus for approval to the Host Authority in accordance with the Host Authority procedures after the Home Authority has issued the Home Notice.

The provisions of this MoU shall not derogate from the general listing regulations for a regulated market in France or the TASE and any Company seeking to cross list its shares in accordance with this MoU shall comply with such listing regulations.

- 4.7 Provided that the Host Authority has received the Home Notice, the Host Authority will automatically accept the filing of the Prospectus for the purpose of its national approval procedure, subject to any linguistic or specific requirements due to the Host Authority's regulation when an offer is made to the public in the jurisdiction of the Host Authority.

- 4.8 All Prospectuses will be filed with the Home Authority according to its rules in a language accepted by the Home Authority.

- 4.9 If a Prospectus is submitted to the Home Authority in any language other than English, the Company will be required to furnish an English translation by a certified expert to the Host Authority.

- 4.10 The Home Authority shall be responsible for ensuring that, in addition to the Prospectus, all information relating to an offer or an admission to trading, including additional information with regards to the issuer and the securities laws and regulations for which the Home Authority is responsible, shall be easily accessible and available to the Host Authority and to investors in English.

- 4.11 If an Israeli Company seeks to benefit from Article 17 of Directive 2003/71/EC concerning the possibility to make a pan-European offer, the Company must provide the AMF with the list of any information items that have not been provided in the Prospectus in compliance with Annexes I and III, and Annex II (pro forma information) as the case may be, of the Regulation (EC) n° 809/2004 of 29 April 2004

t.m

P

## **5. Reporting**

This MoU covers issues relating to the equivalence of prospectuses only. The AMF and ISA agree that in order to ensure that the arrangement for cross listing is applied in an effective way, they intend to continue cooperation on ascertaining the equivalence of those reporting requirements listed in section 23 of the Transparency Directive (2004/109/EC). The purpose of such cooperation is the completion of a second agreement or an addendum to this MoU, setting out the arrangement agreed in relation to recognition of such reporting requirements.

## **6. Ongoing Consultation and Cooperation**

- 6.1 The Authorities shall cooperate, render mutual assistance and exchange information with each other whenever necessary for the purpose of carrying out their duties, facilitating and supervising cross-listings and successfully implementing and maintaining the arrangement described in this MoU.
- 6.2 Each Authority shall nominate members to represent it on a standing joint committee ("the Joint Committee") which will coordinate the ongoing activities and liaison resulting from implementation of the arrangement set out in this MoU. The persons so nominated are listed in Annex B.
- 6.3 The activities of the Joint Committee shall include:
- 6.3.1 Acting as the main contact point for communications between the Authorities relating to this MoU and the activity set out herein;
  - 6.3.2 Ongoing discussion of issues arising from the implementation of the agreement;
  - 6.3.3 Planning amendments to the agreement, expansion of scope and future stages of implementation.
- 6.4 The Joint Committee shall endeavor to meet at least annually to identify and discuss issues of regulatory concern to either or both Authorities.
- 6.5 Each Authority will inform the other of material changes in its regulation relating to the matters set out in this MoU.
- 6.6 Reference is made to the existing Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information between the AMF and ISA dated 7.4.2006 as well as the IOSCO Multilateral MOU in that

respect. Both Authorities confirm that said MoUs shall apply to matters set out in this MoU.

## **7. Other matters**

### **7.1 Legal Status and Effective Date**

The provisions of this MoU are not intended to create legally binding obligations or supersede domestic law.

Following the enactment of any new regulation that may be required in either France or Israel in order to implement this MoU, the AMF and ISA will each give notice to the other that implementation of the cross-listing arrangement may begin. Thereafter a mutually agreed start date shall be set.

The Authorities affirm their shared belief in the importance of local regulation of local markets. Accordingly, this MOU supports the ability of the ISA and the AMF to promulgate new, or maintain existing, regulatory requirements necessary for the regulation and oversight of the markets and issuers active in their respective jurisdictions, in accordance with their respective laws and requirements.

### **7.2 Confidentiality**

Any non public information shared between the Authorities is to be used solely for the discharge of their legal obligations and shall be deemed confidential. Communication to third parties outside the Authority of any information shall require the prior written approval on a case by case basis of the Authority with whom the information originated, consistent with domestic laws in the jurisdiction of the Authority receiving the information

### **7.3 Termination**

The Terms and conditions of this MOU will continue to apply until the expiration of 90 days after either the ISA or the AMF gives notice to the other Authority of its intention to terminate it.

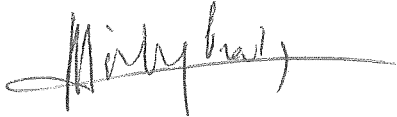
Signed in English and French.

t.m

l



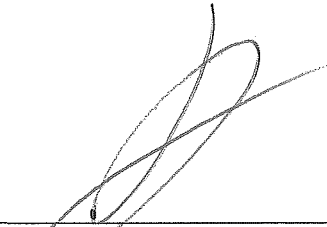
In witness whereof:



---

Mr. Michel Prada, Chairman  
Autorité des Marchés Financiers

Date: 28<sup>th</sup> January, 2008



---

Mr. Moshe Tery, Chairman  
Israel Securities Authority

Date: 28<sup>th</sup> January, 2008

**ANNEX A**

Existing arrangements (Clause 1.3 of the MoU)

IOSCO Multilateral Memorandum of Understanding Concerning  
Consultation and Cooperation and the Exchange Of Information, May 2002

Memorandum of Understanding Concerning Consultation and Cooperation  
and the Exchange of Information between the AMF and ISA, April 2006

*f.m*

*6*

## ANNEX B

### Members of the Joint Committee (Clause 6.2 of the MoU)

For the AMF:

Name	Position	Telephone	Email
Mr Tessier	Head of International Department	00.33.1.53.45.63.56	x.tessier@amf-france.org
Mr Tran Van	Deputy Head of the Corporate Finance Division	00.33.1.53.45.62.70	lq.tranvan@amf-france.org

For the ISA:

Name	Position	Telephone	Email
Yael Almog	Special Advisor to the Chairman and Head of International Affairs Department	+972.2.6556.448	yaela@isa.gov.il
Tal Even-Zahav	Deputy to the General Counsel	+972.2.6556.500	tale@isa.gov.il
Simon Baron	International Affairs Department	+972.2.6556.496	simonb@isa.gov.il

*tm*

## Annex C

1. This Memorandum of Understanding is signed in English and French, all texts being equally authentic. In case of divergences in interpretation, the English text shall prevail.
2. This Appendix is an integral part of this Memorandum of Understanding.

tm

P