

**Statement of Intent for Cooperation between
the Commissione Nazionale per le Società e la Borsa and the Israel Securities Authority**

1. The purpose of this Statement of Intent for Cooperation (“Statement”) between the Commissione Nazionale per le Società e la Borsa (“Consob”), on the one hand, and the Israel Securities Authority (“ISA”), on the other hand, is to facilitate cooperation between the Authorities in the discharge of their respective supervisory functions in connection with the operation of MTS Israel as a segment of the MTS Cash Domestic Market MTF organised and managed by MTS S.p.A. (Registration no. 05367921003).
2. Cooperation for enforcement purposes shall continue to be provided under the terms of the IOSCO Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and the Exchange of Information (“IOSCO MMoU”), to which each of the Authorities is a signatory.

Definitions

3. For the purposes of this Statement:
 - “Authority” or “Authorities” means Consob and/or the ISA, individually or collectively, as the context requires.
 - “Emergency Situation” means the occurrence or potential imminent occurrence of an event that could materially impair MTS Israel or the Tel Aviv Stock Exchange (“TASE”), investors or the operation of a trading member on MTS Israel.
 - “Person” means a natural or legal person, or unincorporated entity or association, including corporations and partnerships.
 - “Requested Authority” means the Authority to which a request is made under this Statement.
 - “Requesting Authority” means the Authority making a request under this Statement.

Purpose and general principles

4. The Authorities intend to consult, cooperate and exchange information on a best-effort basis to facilitate the discharge of their respective supervisory responsibilities in connection with the operation of MTS Israel (as regards Consob) and the TASE (as regards ISA), particularly as regards market surveillance, market confidence, integrity, transparency, orderly trading, compliance with short selling regulations and investor protection.
5. The cooperation between the Authorities pursuant to this Statement is intended to be provided on a reciprocal basis, in a manner that is permitted by, and consistent with, the laws and requirements applicable to each Authority. It is anticipated that cooperation will be primarily

achieved through ongoing, informal, oral consultations, written requests as needed, and other practical arrangements as may be developed by the Authorities.

6. This Statement does not create legally binding obligations, confer any enforceable rights or supersede or limit any applicable legislation or regulation or any other arrangement relevant to the sharing of information between the Authorities, including the IOSCO MMoU.

Scope of cooperation

7. Cooperation available under this Statement includes the exchange of information between the Authorities, including without limitation information relevant to:
 - a) Verifying that a Person satisfies or continues to satisfy the requirements to be admitted as trading member on MTS Israel or as clearing member to a central counterparty;
 - b) Major changes to the applicable domestic laws and regulations, to the extent relevant to the discharge of their respective supervisory functions in connection with the operation of MTS Israel on one hand and TASE on the other hand;
 - c) Serious measures taken against a trading member on MTS Israel or concerning financial instruments traded on MTS Israel (such as suspension of trading, imposition of conditions or other restrictions concerning the creation of net short positions or the entering into short selling transactions);
 - d) Events, developments or conducts likely to have a significant detrimental effect on a trading member on MTS Israel or on MTS Israel or TASE or which could otherwise adversely impair market confidence, integrity, transparency, orderly trading, investor protection or financial stability in the jurisdiction of the other Authority, such as for example major operational risk incidents/threats concerning MTS Israel, TASE or a trading member on MTS Israel.
8. To the extent permitted by the laws and regulations of their respective jurisdictions, the Authorities will make best efforts to notify each other, without prior request, in case they become aware of information which, in their reasonable discretion, is likely to be of assistance to the other Authority for the purposes of carrying out its supervisory responsibilities in connection with the operation of MTS Israel on one hand and TASE on the other hand. Upon request, the Requested Authority will endeavor to provide information that is available as soon as practicable, where possible, also in the form of sharing documents prepared by the Authority or otherwise in its possession. In circumstance where the requested information is not available in the files of the Requested Authority, the Requested Authority will make its best efforts to endeavor to obtain the requested information on behalf of the Requesting Authority, to the extent consistent with its laws and regulations.

Seeking assistance

9. A list of contact persons to whom information or requests for assistance under this Statement should be directed is set out in Annex A.
10. The provisions set forth in paragraphs 8(a), 8(b) and 8(c) and in paragraphs 9(d) and 9(e) of the IOSCO MMoU apply *mutatis mutandis* to requests for assistance and to the execution of requests for assistance made under this Statement, respectively.
11. In case of denial, the Requested Authority will provide the reasons for not granting the assistance.

Meetings of the Authorities

12. The Authorities agree to establish a Committee to oversee the operation of this Statement and to enhance cooperation between the Authorities.
13. The Committee will meet at least once per year and in all cases if necessary, including by video or conference call, to discuss material issues of common interest covered by the Statement relating to the supervision of MTS Israel, such as for instance matters related to specific requests for assistance made pursuant to this Statement, to Emergency Situations and to changes to the relevant obligations and requirements applicable to MTS Israel or to trading members on MTS Israel, without prejudice to the Authorities' domestic competences and responsibilities.
14. Without derogating from paragraph 13 above, the Committee will discuss possible ways to insure the clock synchronization between MTS and TASE, and to insure the way of documentation of transactions, within the limits permitted by applicable legislation.

Additional arrangements

15. Other practical arrangements regarding the modalities of cooperation between the Authorities may be agreed upon from time to time.

Data protection

16. Transfers of personal data pursuant to this Statement shall be in accordance with the relevant applicable domestic legislation.

Permissible uses of information

17. The Requesting Authority may use non-public information obtained under this Statement solely for the purposes of discharging the responsibilities entrusted to it in connection with the supervision of trading venues, ensuring compliance with relevant laws and regulations, protecting investors, ensuring transparency and integrity of the markets, as well as assessing and identifying systemic risk in the financial markets or the risk of disorderly markets.

18. The Authorities recognize that, while information is not to be gathered under this Statement for enforcement purposes, subsequent to receiving information an Authority may wish to use the information for enforcement purposes. In such cases, the Requesting Authority shall send a request for assistance according to the terms and conditions of the IOSCO MMoU.
19. If a Requesting Authority intends to use information furnished under this Statement for any purpose other than those stated in this Article, it must obtain the consent of the Requested Authority. If the Requested Authority consents to the use of the information for purposes other than those stated in this Article, it may subject it to certain conditions.

Confidentiality

20. Except as contemplated by this Statement, including permissible uses of information, the confidentiality provisions set forth in paragraphs 11(a), 11(b) and 11(c) of the IOSCO MMoU apply *mutatis mutandis* to non-public documents and information shared or received by the Authorities under the Statement.
21. In certain circumstances, and as required by law, it may become necessary for the Requesting Authority to share information obtained under this Statement with the prudential authority or with the Ministry of Finance or any other governmental entity in its jurisdiction where competent for supervision and enforcement pursuant to the relevant laws and regulations. In these circumstances and to the extent permitted by law:
 - a. The Requesting Authority will ask for explicit consent from the Requested Authority;
 - b. Prior to passing on the information, the Requested Authority will receive adequate assurances concerning the prudential authority's or Ministry of Finance's or the other governmental entity use and confidential treatment of the information, including, as necessary, assurances that the information will not be shared with other parties without the prior consent of the Requested Authority.

Entry into effect and termination

22. This Statement shall come into effect on the date of the latest signature set out below and will continue to have effects until terminated by either of the Authorities giving thirty days advance written notice to the other Authority.
23. If any of the Authorities give such notice, cooperation will continue with respect to all requests for information or assistance that were made under the Statement before the effective date of notification until the Requesting Authority terminates the matter for which information or assistance was requested. In the event of termination of this Statement, information obtained under it will continue to be treated in the manner prescribed under clauses 16 to 21 (Data Protection, Permissible uses of information, Confidentiality).

Review of the Statement

- 24. The Authorities will keep the operation of this Statement under review and will consult when necessary through the Committee with a view to improving its operation and resolving any matters.
- 25. Amendments to this Statement can be made by written agreement of the Authorities.

Signed on _____

By:

Ms. Anna Genouese
Acting Chairperson
Commissione Nazionale per le Società e la Borsa

Signed on _____

By:

Ms. Anat Guetta
Chairwomen
Israel Securities Authority

Annex A

Contact persons

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