

INSTRUCTIONS TO FACILITATE TRADING OF WARRANTS ON TASE BY US
HOLDERS

THE TRANSFER AND CREDITING OF WARRANTS TO AN ISRAELI ACCOUNT MAY TAKE A FEW DAYS. THEREFORE, US HOLDERS ARE URGED TO INITIATE THE PROCESS AS EARLY AS POSSIBLE PRIOR TO THE ANTICIPATED TRADING DATE.

Series 8 Warrants, which will expire on July 22, 2013 and Series 9 Warrants which will expire on June 27, 2017 (together, the “Warrants”) are tradable on the Tel Aviv Stock Exchange until their respective expiry dates. Beneficial owners who wish to trade their Warrants must first transfer their Warrants to an account maintained by the beneficial owner with an Israeli broker who is a TASE member. The normal procedures for trading involving the TASE Clearing House’s Depository Trust Company account will NOT be available. To facilitate trading by US holders, we have established the following arrangement with our warrant agent, American Stock Transfer & Trust Company, LLC. *The arrangement allows Warrants to be transferred by DWAC to the warrant agent for credit to the account of TASE’s nominee, Hevra Lerishumim Shel Bank Leumi, for trading by the Israeli broker with whom the beneficial owner has an account.*

Warrant trades may only be executed on the TASE by an Israeli broker who is a member of TASE. Accordingly, beneficial owners who wish to trade Warrants on the TASE must have an account, either directly or through their US broker, with an Israeli broker who is a member of TASE.

Prior to the applicable trading date, the TASE account of the Israeli broker who will be acting on behalf of the US broker or beneficial owner must be credited with the Warrants to be sold.

Transfer of the Warrants to the Israeli brokerage account can be accomplished as follows:

The US broker or other nominee who is a DTC participant and holds the Warrants initiates a DWAC of the Warrants to the warrant agent. The details for the transfer are as follows:

Series 8 Warrants CUSIP: M87915407, serial number is 1128701, TSEM.W8, ISIN is IL0011287013.

Series 9 Warrants CUSIP: M87915415, serial number is 1128719, TSEM.W9, ISIN is IL0011287195.

DWAC FAST Agent: American Stock Transfer & Trust Company, LLC
FAST AGENT TA Number: 2941

At the same time as the DWAC is initiated, the sending party transmits instructions to the warrant agent by facsimile (718) 921-8355, with a copy to Tower by email to dinaback@towersemi.com and to noit.levi@towerjazz.com containing the following information:

For Credit to: Hevra Lerishumim Shel Bank Leumi
Further Credit to: [Name of Israeli broker]
F/B/O: [Name of Israeli Beneficial Owner/Customer]
Number of Series 8 Warrants Transferred:
Number of Series 9 Warrants Transferred:

For additional information, contact the warrant agent at (800) 937-5449.

Upon acceptance of the DWAC, the warrant agent will issue a Warrant certificate in the name of Hevra Lerishumim Shel Bank Leumi and will transmit to Hevra Lerishumim Shel Bank Leumi a copy of the certificate along with the crediting instructions. Hevra Lerishumim Shel Bank Leumi will then credit the account of the Israeli broker with the appropriate Warrants. US brokers are urged to check with their TASE broker to confirm that the Warrants were properly credited.