



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 8, 2016

**Response of the Office of Mergers and Acquisitions
Division of Corporation Finance**

Ido Zemach, Adv.
Goldfarb Seligman and Co.
Ampa Tower
98 Yigal Alon Street
Tel Aviv 67891
Israel

RE: Issuer tender offer by Metalink Ltd.

Dear Mr. Zemach:

We are responding to your letter dated December 8, 2016 addressed to Ted Yu and Daniel Duchovny, as supplemented by telephone conversations with the staff, with regard to Metalink's request for exemptive relief. To avoid having to recite or summarize the facts set forth in your letter, our response is attached to the enclosed copy of your letter. Unless otherwise noted, capitalized terms in this letter have the same meaning as in your letter.

You request exemptive relief so that Metalink may extend the period of its partial tender offer for Ordinary Shares to include an additional offering period of four calendar days, during which withdrawal rights will not be available, as mandated by applicable Israeli law. Based on your written representations and the facts presented in your letter, the Division of Corporation Finance, acting for the Commission pursuant to delegated authority, by separate order is granting an exemption from the provisions of Rule 13e-4(f)(2)(i) under the Exchange Act. The exemption from Rule 13e-4(f)(2)(i) permits Metalink to eliminate withdrawal rights during the additional offering period of no more than four calendar days, as mandated by Israeli law.

In granting the exemptive relief described above, we note that:

- except for the relief provided here, the Offer will be conducted in accordance with the Exchange Act and all applicable rules promulgated thereunder;
- the Offer structure, and in particular the additional offering period, is required under the provisions of the Israeli Companies Law, from which no exemptive relief is available for this Offer;
- the initial offering period during which withdrawal rights will be provided will be open for at least 20 U.S. business days;

- all conditions to the Offer will be satisfied or waived before commencement of the additional offering period;
- if Metalink waives an offer condition, the initial offering period will be extended and withdrawal rights will be provided, to the extent required under U.S. rules; and
- Metalink intends to conduct a single global offer and extend the Offer immediately following completion of the initial offering period to provide the additional offering period.

The foregoing exemption is based solely on the representations and facts presented in your December 8, 2016 letter. The relief provided above is strictly limited to the application of the rule listed above to this transaction. You should discontinue this transaction pending further consultations with the staff if there is a change in any of the facts or representations set forth in your letter.

We also direct your attention to the anti-fraud and anti-manipulation provisions of the federal securities laws, including Sections 9(a), 10(b) and 14(e) of the Exchange Act and Rule 10b-5 and Rule 14e-3 thereunder. Responsibility for compliance with these and any other applicable provisions of the federal securities laws rests with the participants in the Offer.

The Division of Corporation Finance expresses no view with respect to any other questions that the Offer may raise, including, but not limited to, the adequacy of the disclosure concerning, and the applicability of any other federal or state laws to, the Offer.

Sincerely,



Ted Yu
Chief, Office of Mergers and Acquisitions
Division of Corporation Finance

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

December 8, 2016

In the Matter of the Tender Offer by Metalink
Ltd. for its Ordinary Shares

ORDER GRANTING EXEMPTION FROM
EXCHANGE ACT RULE 13E-4 (F)(2)(I)

Metalink Ltd. submitted a letter dated December 8, 2016 requesting that the Securities and Exchange Commission ("Commission") grant an exemption from Exchange Act Rule 13e-4(f)(2)(i) for a tender offer for its Ordinary Shares described in its letter ("Request").

Based on the representations and the facts presented in the Request, and subject to the terms and conditions described in the letter from the Division of Corporation Finance dated December 8, 2016, it is ORDERED that the request for an exemption from Exchange Act Rule 13e-4(f)(2)(i) is hereby granted.

For the Commission, by the Division of Corporation Finance, pursuant to delegated authority.

Brent J. Fields
Secretary

Action as set forth or recommended herein APPROVED
pursuant to authority delegated by the Commission under
Public Law 87-592.

For: Division of Corporation Finance

By: Ted Yu

Date: 12/8/2016

CONFIDENTIAL

December 8, 2016

U.S. Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, D.C. 20549
Attention: Ted Yu, Chief
Daniel F. Duchovny, Special Counsel
Office of Mergers & Acquisitions

Re: Request for Exemption from the Provisions of Rule 13e-4(f)(2)(i) promulgated under the Securities Exchange Act of 1934, as amended.

Dear Sirs:

We are submitting this request for an exemption relief on behalf of our client, Metalink Ltd., a corporation organized under the laws of the State of Israel ("*Metalink*" or the "*Company*"). Metalink intends to commence an issuer tender offer (the "*Offer*") to purchase Ordinary Shares, par value NIS 1.00 per share (the "Ordinary Shares"), of Metalink for an aggregate consideration of up to \$3.0 million.

Metalink hereby requests that the Staff of the U.S. Securities and Exchange Commission (the "*Commission*") grant an exemption from the provisions of clause (f)(2)(i) of Rule 13e-4 ("*Rule 13e-4*") promulgated under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), to allow Metalink to extend its issuer tender offer and conduct a four-calendar day additional offering period as mandated by applicable Israeli law.

It should be noted that a substantially similar exemption was granted by the Staff of the Commission in connection with similar issuer tender offers by Radvision Ltd. (See Exemptive Letter to Radvision Ltd. (July 23, 2010)) and Scitex Corporation Ltd. (See Exemptive Letter to Scitex (May 14, 2004)), and similar exemptions in connection with third party tender offers¹ with respect to Metalink (See Exemptive Letter to Top Alpha Capital S.M. Ltd. (February 16, 2016)), Gilat Satellite Networks Ltd. (see Exemptive Letter to FIMI/Orrick, Herrington & Sutcliffe LLP (November 24, 2014)), Gilat Satellite Networks Ltd. (See Exemptive Letter to KCPS PE Investment Management (2006) Ltd. (June 5, 2009)), Radvision Ltd. (See Exemptive Letter to Zohar Zisapel (April 14, 2009)), Retalix Ltd. (See Exemptive Letter to Ronex Holdings, et al (December 18, 2008)), Given Imaging Ltd. (See Exemptive Letter to Elron Electronics Industries Ltd. (May 15, 2008)), Fundtech Ltd. (See Exemptive Letter to Clal Industries and Investments Ltd. (March 3, 2008)) and Elron Electronic Industries Ltd. (See Exemptive Letter to Discount Investment Corporation Ltd. (June 14, 2004)).

¹ The exemptive relief granted for such third party tender offers was an exemption granted from Rule 14d-7(a)(1) under the Exchange Act.

I. Background

A. The Company

Metalink is a "foreign private issuer" as defined in Rule 3b-4(c) under the Exchange Act. The Company is incorporated under the laws of the State of Israel and is headquartered in Israel.

From the Company's inception in 1992 through the third quarter of 1994, its operating activities related primarily to establishing a research and development organization, developing prototype chip designs which meet industry standards and developing strategic OEM partnerships with leading telecommunications equipment manufacturers. The Company shipped its first chipset in the fourth quarter of 1994. From that time until February 2010, the Company focused on developing additional products and applications, shaping new industry standards and building its worldwide indirect sales and distribution channels. In February 2010, the Company sold its wireless local area network (WLAN) business to Lantiq. The Company currently does not engage in any business. Its plan of operation is to consider strategic alternatives, including a possible business combination, other strategic transaction with a domestic or foreign, private or public operating entity or a "going private" transaction, including with any of its affiliates, and voluntary liquidation.

The Company's Ordinary Shares began trading on the NASDAQ Global Market on December 2, 1999 under the symbol "MTLK". In March 2009, the Company's Ordinary Shares were transferred to the NASDAQ Capital Market. As of December 3, 2000, the Company's Ordinary Shares began trading also on the Tel Aviv Stock Exchange, or TASE, under the symbol "MTLK." The Company voluntarily delisted its Ordinary Shares from trade on the TASE, effective June 14, 2010. On April 21, 2011, the Company's Ordinary Shares were delisted from the NASDAQ Capital Market and are quoted on the OTCQB under the symbol "MTLK". In the United States, the Ordinary Shares are registered pursuant to Section 12(g) of the Exchange Act. As of December 1, 2016, Metalink had 2,690,857 ordinary shares outstanding (excluding 89,850 treasury shares).

The principal holders of Metalink's ordinary shares, as of December 1, 2016, are as follows: based solely on a review of the Schedule TO filed by Top Alpha Capital S.M. Ltd., a corporation organized under the laws of the State of Israel ("Top Alpha"), with the Commission on January 13, 2016, Top Alpha owns 670,000 ordinary shares, representing approximately 24.90% of Metalink's outstanding ordinary shares; Tzvi Shukhman, an individual and resident of the State of Israel ("Shukhman"), owns 591,030 ordinary shares, representing approximately 21.96% of Metalink's outstanding ordinary shares (Shukhman also holds options exercisable into 100,000 ordinary shares of Metalink as of December 1, 2016); and Uzi Rozenberg, an individual and resident of the State of Israel ("Rozenberg", and together with Shukhman and Top Alpha, the "Principal Shareholders") owns 477,535 ordinary shares (which includes 100,000 shares owned by U.S.R. Electronic Systems (1987) Ltd., an Israeli company wholly-owned by Mr. Rozenberg and his wife), representing approximately 17.75% of Metalink's outstanding ordinary shares.

In the manner described below, Metalink has attempted to determine the percentage of Metalink's beneficial shareholders who are U.S. holders (as defined in Instruction 2 to paragraphs (h)(8) and (i) of Rule 13e-4 under the Exchange Act) and the percentage who are non-U.S. holders. Based upon an analysis of a Non-Objecting Beneficial Owners, or NOBO, search conducted in the United States, the list of Metalink's shareholders of record (including

a geographical breakdown) received from Metalink's U.S. transfer agent, and reports by the Principal Shareholders, Metalink estimates that U.S. holders are the beneficial owners of up to 20% of the outstanding shares of Metalink and non-U.S. holders are the beneficial owners of the remaining 80%. The aforesaid analysis was conducted during September 2016, which, consistent with Instruction 2(i) to Rule 13e-4(h)(8) promulgated under the Exchange Act, is no more than 60 days before and no more than 30 days after the public announcement of the planned tender offer². Based on the foregoing estimates, Metalink believes that the proposed Offer qualifies for the Tier II exemption pursuant to Rule 13e-4(i) under the Exchange Act. Among other things, Rule 13e-4(i)(2)(iii) under the Exchange Act would allow Metalink to comply with Israeli law and practice, rather than the notice of extension requirements of Rule 14e-1(d) under the Exchange Act, and Rule 13e-4(i)(2)(iv) under the Exchange Act would allow Metalink to comply with Israeli law and practice, rather than the prompt payment requirements of Rule 14e-1(c) under the Exchange Act. Although the foregoing exemptions are available to Metalink, Metalink intends, subject to the exemptive relief requested herein, to comply with applicable U.S. law, except that it intends to avail itself of Rule 13e-4(i)(2)(iv), which would allow Metalink to pay promptly for the securities tendered in the Offer in compliance with Israeli law and practice.

B. Applicable Israeli Law

Since the Company is organized under the laws of the State of Israel, Metalink's repurchase of its shares is governed by the Israeli Companies Law 1999-5759 (as amended, the "*Israeli Companies Law*"). The *Israeli Companies Law* primarily specifies requirements for matters such as corporate formation, corporate governance and related substantive matters.

Section 328(a) of the *Israeli Companies Law* specifies, inter alia, that a purchase of the shares of a public company may not be made other than by means of a tender offer in accordance with Part VIII, Chapter 2 of the *Israeli Companies Law* ("*Special Tender Offer*") if:

- the result of the purchase would be that the purchaser will own more than 45% of the voting power of the company; and
 - no other person owns in excess of 45% of the voting power of the company,
- or
- the result of the purchase would be that the purchaser will own more than 25% of the voting power of the company; and
 - no other person owns in excess of 25% of the voting power of the company.

Section 333(b) of the *Israeli Companies Law* specifies, inter alia, that if a person's holdings of voting power of a company increases (including by means of a repurchase by an issuer of its own shares), other than by an acquisition in accordance with the provisions of Section 328(a) of the *Israeli Companies Law* (i.e., by means of a *Special Tender Offer*), to a percentage in excess of 25% of the voting power of the company, and no other person owns in

² The contemplated tender offer was publicly announced on August 29, 2016 (see here - <https://www.sec.gov/Archives/edgar/data/1098462/000117891316006348/zk1618945.htm>).

excess of 25% of the voting power, then shares in the possession of such person in excess of 25% of the voting power do not carry any voting rights, as long as they are "held"³ by such person.

In light of Section 333(b) of the *Israeli Companies Law* and Section 328(a) of the *Israeli Companies Law*, we believe the requirements of Section 328(a) of the *Israeli Companies Law* apply even if the increase in a shareholder's stake to over 25% of the voting power is not caused by such shareholder's direct acquisition of shares but rather occurs as a result of an "indirect acquisition" such as the result of an issuer tender offer. Due to Metalink's proposed repurchase of its shares in the Offer, each of Top Alpha, Shukhman and Rosenberg, who own approximately 24.90%, 21.96% and 17.75%, respectively, of the voting power of Metalink, may end up owning more than 25% of the voting power of Metalink, depending on the number of Metalink's ordinary shares tendered by each of them (if any) and by the other Metalink shareholders in the issuer tender offer⁴. Therefore, Metalink is required to conduct the purchase of its shares as a Special Tender Offer pursuant to the requirements and proceedings set forth under Israeli law. Otherwise, Metalink's issuer tender offer will be deemed to violate Section 328(a) of the *Israeli Companies Law* and, pursuant to Section 333(c) of the *Israeli Companies Law*, such violation would also be deemed a violation of a statutory obligation to its shareholders.

Based on the Israeli Companies Law, a Special Tender Offer must meet specified conditions which are applicable to all of the Company's shareholders, wherever located, including the following:

- the Special Tender Offer must be made available to all of the Company's shareholders under Section 331(a) of the *Israeli Companies Law*;
- the Special Tender Offer must result in a purchase of shares representing no less than 5% of the voting power of the Company under Section 332 of the *Israeli Companies Law*;
- as a condition to the completion of the Special Tender Offer, the aggregate number of shares tendered in the Special Tender Offer must exceed the number of shares represented by objections to the Special Tender Offer (under Israeli law, shareholders may accept the offer, not respond to the offer or object to the offer) under Section 331 (b) of the *Israeli Companies Law*. (Pursuant to Section 331 (c) of the *Israeli Companies Law*, in making this calculation, shares held by (i) any party holding 25% or more of the voting power of the Company or who has a "personal interest" (as defined in the *Israeli Companies Law*) in the Special Tender Offer, (ii) any party controlling the bidder, (iii) anyone acting on behalf of any of the foregoing, and (iv) their respective family members and entities controlled by these family members, are generally excluded.); and
- upon satisfaction (or, subject to applicable law, waiver by the bidder) of all of the conditions to the Special Tender Offer, the Special Tender Offer is deemed completed and the bidder is irrevocably required to purchase the shares tendered

³ As such term is defined in the *Israeli Companies Law*.

⁴ However, it is our understanding that each of Messrs. Shukhman and Rosenberg currently intends to inform Metalink that they do intend to tender their shares in a manner that will not result in them holding more than 25% following the tender offer.

during the initial offer period (subject to proration as described below), except that the bidder must provide a four-calendar day additional offering period *without withdrawal rights* for shares tendered during the initial offering period to allow all other shareholders who have not tendered their shares an opportunity to tender in accordance with Section 331(d) of the *Israeli Companies Law*. Upon completion of the four-calendar day additional offering period, the Special Tender Offer is completed and the bidder must purchase all of (i) the shares tendered (and not properly withdrawn) prior to the completion of the initial offering period and (ii) the shares tendered prior to the completion of the four-calendar day additional offering period, subject to proration, if applicable, based on the maximum number of shares sought in the Special Tender Offer.

Subject to the requested relief, Metalink has structured the Offer in the United States and Israel such that it complies with the requirements of the Exchange Act as well as the requirements of the *Israeli Companies Law*.

C. Proposed Offer Structure

Metalink currently intends to offer to purchase Ordinary Shares in the Offer for a consideration of up to \$3.0 million in an issuer tender offer to be conducted in both the United States and Israel. The final size of the Offer as well as the offer price in the Offer will be set forth in the offer to purchase published by Metalink with respect to the Offer. If a number of Metalink's ordinary shares are tendered such that, if accepted for payment, Metalink would be required to pay aggregate consideration of more than the final size of the Offer, Metalink would purchase a pro rata number of Ordinary Shares from all tendering shareholders.

The proration factor, if any, will be calculated by dividing (x) the maximum number of shares that Metalink will offer to purchase, by (y) the aggregate number of shares validly tendered (and not properly withdrawn during the initial offering period) in the Offer during both the initial offering period and the additional offering period.

The Offer would be conditioned, inter alia, on there being Ordinary Shares representing at least 5.0% of the voting power of Metalink validly tendered and not properly withdrawn before the completion date of the initial offering period (the "*Minimum Condition*").

The Offer will be open for an initial offering period of not less than 20 U.S. business days. Under Israeli law, if the applicable conditions to a Special Tender Offer have been satisfied at the completion of the initial offering period, the shareholders who have not yet responded to the Offer and/ or who have objected to the Offer must be provided a four-calendar day additional offering period during which they may tender their Ordinary Shares. By 9:00 am Eastern time on the U.S. business day following completion of the initial offering period, Metalink would announce to the shareholders (i) the results of the initial offering period, including whether or not the conditions to the Offer have been satisfied and the approximate number and percentage of Ordinary Shares tendered to date and (ii) if the conditions to the Offer have been satisfied, that it is extending the offering period following the completion of the initial offering period by a four- calendar day additional offering period. There will be no withdrawal rights during such four- calendar day additional offering period for Ordinary Shares previously tendered in the Offer. Metalink would disclose in the offer to purchase that there would be an extension of the initial offering period to provide for an additional offering period of four-calendar days following the completion of the initial

offering period. All conditions to the Offer will be satisfied (or, subject to applicable law, waived) before commencement of the additional offering period. If the bidder waives an Offer condition, the Offer will be extended, and withdrawal rights will be provided, to the extent required under U.S. rules. Metalink intends to announce the completion of the initial offer period by distributing a press release and filing the announcement as an exhibit to the Schedule TO. Metalink would pay for Ordinary Shares that are tendered in the initial offering period and the additional offering period promptly following the expiration of the additional offering period, subject to proration, if any. Such proration would be determined promptly following the expiration of the additional offering period. This information would be prominently disclosed in the offer to purchase distributed to the Company's shareholders. Because of the potential effects of the application of a proration factor based on the combined results of the Offer during the initial offering period and the additional offering period, payments cannot be made for shares tendered during the initial offering period until the results of the additional offering period are available.

Metalink estimates that shareholders (both in Israel and the U.S.) would be paid no more than four U.S. business days following the expiration of the additional offering period. If Metalink is able to make the payments to tendering shareholders sooner than the estimated four U.S. business days, it will do so. This payment period will comply with the law and practice in Israel for a Special Tender Offer for equity securities that are traded both in Israel and in the U.S., and represents Metalink's best estimate of the minimum time period necessary to pay for securities tendered in the Offer.

As described above, subject to the exemptive relief requested herein, it is intended that the Offer will be structured as a single offer made in both the United States and in Israel. The Offer would be made in the United States and in Israel pursuant to an English language offer to purchase. The consideration offered, and all other terms of the Offer, would be identical for all holders of Ordinary Shares.

Except for the relief requested in this letter, the Offer will be conducted in accordance with the Exchange Act and all applicable rules promulgated thereunder.

II. Additional Offering Period

A. Conflict between U.S. Law and Israeli Law

Israeli law

Under Section 331(d) of the *Israeli Companies Law*, if a Special Tender Offer has been accepted (i.e., all the conditions to such Special Tender Offer, including the Minimum Condition, have been satisfied) at the end of the initial offering period, a bidder is required to provide to the shareholders that have not responded to the Special Tender Offer or have objected to the Special Tender Offer a four-calendar day additional offering period (counted from the end of the initial offering period) during which they may tender their shares. In accordance with Section 331(d), during the four-calendar day additional offering period, no withdrawal rights are applicable to shares previously tendered.

Further, once a bidder has announced at the end of the initial offering period that the Special Tender Offer has been accepted, no further conditions to the Special Tender Offer apply and such bidder becomes irrevocably bound to purchase, subject to proration, the shares tendered in the Special Tender Offer (i.e., in both the initial offering period and the four-calendar day additional offering period). The purpose of this requirement under Israeli law is

to provide shareholders with additional protection by allowing the shareholders the opportunity to wait and see if the Special Tender Offer is indeed accepted (*i.e.*, all of the conditions to the Special Tender Offer have been satisfied or, subject to applicable law, waived) and only then decide whether to tender their shares. It also enables shareholders who initially objected to the Special Tender Offer during the initial offering period to tender their shares during the additional offering period once it is clear that the Special Tender Offer will be successfully completed.

If withdrawal rights were to be permitted, withdrawals during the additional offering period of shares previously tendered could cause the Minimum Condition to become unsatisfied (despite previously having been satisfied upon the completion of the initial offering period), thus undermining the intended protection afforded by the additional offering period. In our experience, all Special Tender Offers subject to the Israeli securities regulations are structured without withdrawal rights during the four-calendar day additional offering period with respect to shares previously tendered.

Although under the *Israeli Companies Law*, the Minister of Justice may adopt regulations, including regulations which provide general exemptions from provisions of the *Israeli Companies Law*, the *Israeli Companies Law* does not grant the Minister of Justice or any other governmental body the authority to grant exemptive relief on a case-by-case basis. While the Minister of Justice has adopted certain regulations under the *Israeli Companies Law*, none of them are applicable to the Offer. Moreover, there is no Israeli regulatory body or other governmental body that has statutory authority to grant such exemptions on a case-by-case basis.

U.S. law

Extension of the Offering Period. Pursuant to Rule 13e-4(f)(2)(i) under the Exchange Act, an issuer making an issuer tender offer is required to permit securities tendered pursuant to the offer to be withdrawn at any time during the period such tender offer remains open. In order to permit Metalink to conduct the four-calendar day additional offering period in accordance with Israeli law, Metalink must extend the offering period following the completion of the initial offering period for a four-calendar day additional offering period. In accordance with the prevailing interpretation of Section 331(d) of the *Israeli Companies Law*, during such four-calendar day additional offering period, shareholders who have previously tendered their shares during the initial offering period shall not have withdrawal rights.. Accordingly, Metalink is requesting an exemption from the provisions of Rule 13e-4(f)(2)(i) under the Exchange Act in order to permit Metalink to extend the offering period following the completion of the initial offering period by the four-calendar day additional offering period as required by Israeli law without offering withdrawal rights during such four-calendar day additional offering period to shareholders who have previously tendered their Ordinary Shares in the Offer.

B. Importance of Requested Relief to Metalink

Requiring a four-calendar day additional offering period without withdrawal rights for shares previously tendered is a critical protective feature provided to shareholders under Israeli law, for which no Israeli exemptive relief is available under the *Israeli Companies Law*. In order for Metalink to purchase any Ordinary Shares in a transaction that may result in any one or more of the Principal Shareholders owning more than 45% or more than 25% of the Company's voting power, Metalink must conduct a tender offer that complies with this

requirement. Based on the above, there is a direct conflict between the requirements of Israeli law and the requirements of U.S. law. Without obtaining the exemptive relief requested herein, conducting the Offer in a manner that would allow withdrawal rights during the four-calendar day additional offering period for shares tendered during the initial offering period (as would otherwise be required by U.S. law) would violate Israeli law.

C. Granting of Requested Relief will not Compromise Protection of U.S. Shareholders

The additional offering period under Israeli law is designed to provide additional protection to shareholders. Shareholders would be afforded the right to wait and see if all conditions to the Offer have been satisfied prior to tendering their Ordinary Shares or to seek to defeat the Offer by objecting to the Offer during the initial offering period with the knowledge that they will be able to tender during the additional offering period if the Offer is nonetheless successful. Metalink would disclose its intention to extend the initial offering period by disclosing its intention to provide an additional offering period in the offer to purchase related to the Offer. U.S. holders of the Ordinary Shares who are concerned about tendering their Ordinary Shares in a manner that will leave them without withdrawal rights during any part of the Offer may wait until the initial offering period has ended before tendering their Ordinary Shares in the additional offering period.

As described above, (i) once Metalink has announced at the end of the initial offering period that the Offer has been accepted, no further conditions to the Offer apply and Metalink becomes irrevocably bound to purchase, subject to proration, the Ordinary Shares tendered in the Offer, and (ii) the offer price for Ordinary Shares that are validly tendered (subject to proration) will be paid as soon as practicable following the four-calendar day additional offering period without further involvement from Metalink. Such payment procedures, coupled with the irrevocability of the Offer following its acceptance at the end of the initial offering period, ensure that Metalink will not be able to capitalize at the expense of its shareholders on market information that becomes available following the completion of the initial offering period. Because all of the conditions to the Offer are irrevocably satisfied prior to the commencement of the additional offering period, Metalink is not able to exercise any discretion that would allow it to shift the economic risk of ownership of the Ordinary Shares (by either waiving conditions or deeming conditions to not have been fulfilled) to shareholders who may have tendered their the Ordinary Shares in the Offer.

Further, we submit that the direct conflict between Israeli law and U.S. law is not otherwise resolvable absent a grant of the requested relief from the Commission. As discussed above, no Israeli regulatory body or other governmental body has statutory authority to grant exemptive relief on a case-by-case basis from the requirement of the *Israeli Companies Law* to provide the four-calendar day additional offering period without withdrawal rights.

In light of the forgoing, we believe that the relief requested herein is consistent with the guidance contained in the Commission's release: Cross-Border Tender and Exchange Offers, Business Combinations and Rights Offerings, Securities Act Release No. 33-7759 (October 26, 1999) (the "*Cross-Border Release*").⁵ Moreover, the Cross-Border Release provides that "[w]hen U.S. ownership is greater than 40 percent, the staff will consider relief on a case-by-case basis only when there is a direct conflict between the U.S. laws and practice and those of the home jurisdiction. Any relief would be limited to what is necessary to

⁵ See fn 41 to the Cross-Border Release and accompanying text.

accommodate conflicts between the regulatory schemes and practices."⁶ As described above, a direct conflict between U.S. and Israeli law does exist and the relief sought is limited to what is necessary to accommodate conflicts between the U.S. and Israeli regulatory schemes and practices.

We also believe that the requested relief is consistent with the relief granted in a number of instances by the Commission with respect to an additional offering period (without withdrawal rights) that was conducted in connection with issuer tender offers and third party tender offers following the time that such tender offer became irrevocable as to acceptance of shares tendered in such offer.⁷

III. Requested Exemptive Relief

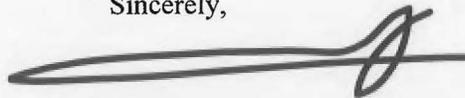
Based on the foregoing, Metalink respectfully requests exemptive relief from the requirement of Rule 13e-4(f)(2)(i) that Metalink allow securities previously tendered pursuant to the issuer tender offer to be withdrawn at any time during the four-calendar day additional offering period.

We hereby confirm that the descriptions of the applicable Israeli law relating to the Offer described in this letter are accurate and complete. I am a member of the Bar of the State of Israel and a member of the Bar of the State of New York.

Please note that the factual representations in this letter regarding the description of Metalink, including its shareholders and estimated percentage of U.S. holders, and the contemplated Offer, have been provided to us by the Company and we have not undertaken any independent investigation of these matters.

If you require any further information or have any questions or comments with respect to this matter, please call me at +972 (3) 608-9834. If for any reason you do not concur with any of the views expressed in this letter, we respectfully request an opportunity to confer with you prior to any written response.

Sincerely,



Ido Zemach, Adv.

⁶ Fn 41 to the Cross-Border Release.

⁷ See, e.g., No-Action Letters in connection with Barclays pic tender offer for ABN AMRO Holding N.V. (August 7, 2007); Royal Bank of Scotland Group pic tender offer for ABN AMRO Holding N.V. (July 23, 2007); Endesa, S.A. (July 3, 2007); E.ON Aktiengesellschaft (December 6, 2006); Bayer AG (April 28, 2006); and Madison Dearborn Partners, LLC (July 9, 2002)), including prior relief granted by the Commission with respect to the same conflict between U.S. and Israeli law described herein (Exemptive Letter to FIMI/Orrick Herrington & Sutcliffe LLP (November 24, 2014), and Exemptive Letters Gilat Satellite Networks Ltd. (June 5, 2009); Radvision Ltd. (April 14, 2009)); Retalix Ltd. (December 18, 2008); Elron Electronics Industries Ltd. (May 15, 2008); Clal Industries and Investments Ltd. (March 3, 2008); and Elron Electronics Ltd. (June 14, 2004)).