

ISRAELI TAX INFORMATION FORM

This document is being provided to you, a former shareholder of Saifun Semiconductors Ltd. (“Saifun”), in connection with the acquisition of Saifun by Spansion Inc. (“Spansion”). Pursuant to the Agreement and Plan of Merger and Reorganization dated as of October 7, 2007 (the “Signing Date”), and amended as of December 12, 2007 (the “Merger Agreement”), by and among Spansion, Atlantic Star Merger Sub Ltd. (“Merger Sub”), and Saifun, Merger Sub was merged with and into Saifun, and Saifun became a wholly-owned subsidiary of Spansion (the “Merger”), on March 18, 2008 (the “Closing”). As a result of the Merger, each ordinary share of Saifun (the “Saifun Shares”) that was issued and outstanding immediately prior to the Closing was converted into the right to receive, without interest and less any applicable withholding taxes, (i) 0.7238 of a share of Spansion Class A common stock, par value \$0.001 per share (the “Spansion Stock”), together with the right to receive cash in-lieu of a fractional share of Spansion Stock (the “Share Consideration”) and (ii) approximately \$6.20 per share in cash, representing a distribution of a portion of Saifun’s existing cash and cash equivalents, short term investment and marketable securities (the “Cash Distribution”, and, together with the Share Consideration, the “Merger Consideration”).

Saifun and Spansion have obtained from the Israeli Tax Authorities (the “ITA”) a provisional pre-ruling relating to Israeli withholding and tax requirements in connection with the exchange of the Saifun Shares into Spansion Stock (the “Exchange Ruling”). Saifun and Spansion have also obtained from the ITA a pre-ruling relating to Israeli withholding and tax requirements in connection with payment of the Cash Distribution (the “Cash Distribution Ruling”, and together with the Exchange Ruling, the “Tax Rulings”). In the absence of the Tax Rulings, maximum Israeli withholding requirements would apply with respect to payment of the Share Consideration and the Cash Distribution.

Please note that the Tax Rulings set certain deadlines for holders of Saifun Shares (“Saifun Shareholders”) who are eligible to avoid or defer Israeli withholding requirements, and your failure to react in a timely manner to the requirements of the Tax Rulings, as described below, may result in Israeli withholding from the Share Consideration and/or Cash Distribution, even if you are not an Israeli resident or Israeli taxpayer.

A description of the terms of the Tax Rulings and their effect on payment of the Merger Consideration is provided below.

EXCHANGE RULING

The Exchange Ruling obtained from the ITA sets forth certain procedures eligible Saifun Shareholders must follow in order to be exempt from, or entitled to reduced rates of, Israeli tax on the receipt of shares of Spansion Stock in exchange for their Saifun Shares, and provides certain guidance on how the exchange of the Saifun Shares for Spansion Stock will be taxed in Israel. The Exchange Ruling differentiates among Saifun Shareholders on the basis of whether they purchased their shares before or after Saifun’s initial public offering, which occurred on November 8, 2005 (“Saifun’s IPO”), and whether they owned 5% or more of the outstanding Saifun Shares at Closing, which amounts to 1,570,136 or more Saifun Shares. The following is a summary of the Exchange Ruling’s application to the Saifun Shareholders:

Saifun Shareholders who acquired Saifun Shares after Saifun’s IPO and held less than 5% of the outstanding Saifun Shares at the Closing

The Exchange Ruling provides that any Saifun Shareholder who (a) purchased Saifun Shares **after Saifun’s IPO and (b) held less than 5% of the issued and outstanding Saifun Shares at Closing** is exempt from Israeli withholding requirements **in connection with the payment of the Share Consideration** (but is **not** automatically exempted from Israeli withholding requirements in connection with the Cash Distribution – as further described below in the description of the Cash Distribution Ruling).

Saifun Shareholders who acquired Saifun Shares before Saifun’s IPO and/or held 5% or more of the outstanding Saifun Shares at Closing

The Exchange Ruling provides that any Saifun Shareholder who (a) purchased Saifun Shares **prior to Saifun’s IPO or (b) held 5% or more of the issued and outstanding Saifun Shares at Closing**, will be required to pay an advance with respect to the capital gains tax payable on the Share Consideration (in addition to Israeli withholding requirements in connection with the Cash Distribution – as further described below in the

description of the Cash Distribution Ruling), unless such Saifun Shareholder:

- Elects **no later than April 4, 2008** to enter into an arrangement for deferral of tax in connection with payment of the Share Consideration, in accordance with Section 104H of the Israeli Income Tax Ordinance (New Version), 1961, as amended (the “Tax Ordinance”) and delivers documentation satisfactory to Saifun and its legal counsel evidencing such election¹; and/or
- Provides **no later than May 1, 2008** (i) a completed and executed copy of the “Tax Ruling Declaration” distributed with this Tax Information Form, which certifies that such Saifun Shareholder is not an Israeli resident (“Tax Ruling Declaration”), and (ii) a valid certification of such Saifun Shareholder’s residency in a country (a “Treaty Country”) that has a tax treaty with Israel (“Tax Treaty”).² Such certification must be issued by the relevant tax authority in such Saifun Shareholder’s country of residency (a “Residency Certificate”).³ Saifun Shareholders who provide such certification no later than **May 1, 2008** will be subject to Israeli capital gains tax in accordance of the terms of the relevant Tax Treaty, which in many instances, including, generally, with respect to the United States of America (the “U.S.”), Canada, and the United Kingdom (the “U.K.”), would mean a full exemption from Israeli capital gains tax; and/or
- Provides **no later than May 1, 2008** a valid certificate issued by the ITA (“ITA Certificate”), which provides for a reduction in capital gains tax applicable to payment of the Share Consideration in this transaction, and delivers an ITA Certificate satisfactory to Saifun and its legal counsel.

In order to ensure compliance with the provisions of the Exchange Ruling, the Spansion Stock issuable as Share Consideration to such Saifun Shareholders will initially be issued in the name of the trust company retained for the Merger, Eitan Mehulal Pappo Kugler Trustees Ltd. (the “Trustee”), until satisfaction of Israeli tax requirements or confirmation of an exemption from Israeli tax requirements. In the absence of any of the deferrals, exemptions and/or deductions discussed above, the Trustee will calculate the tax advance payable in connection with the Share Consideration on the basis of the original date of acquisition of the Saifun Shares and the price paid for such Saifun Shares. To the extent that such information is not available to the Trustee, and is not provided by a Saifun Shareholder, the Trustee will calculate the maximum amount of the tax advance that could be due by such Saifun Shareholder in accordance with Section 91(d) of the Tax Ordinance. Any amounts payable to the ITA with respect to the Share Consideration will be deductible from cash amounts such Saifun Shareholders are entitled to receive as the Cash Distribution and/or from the sale of a sufficient number of shares of Spansion Common Stock held by the Trustee, at the discretion of the Trustee.

Cash Distribution Ruling

The Cash Distribution Ruling obtained from the ITA sets forth certain procedures eligible shareholders must follow in order to be exempt from, or entitled to reduced rates, of Israeli tax withholding on the Cash Distribution, and provides certain guidance on how the Cash Distribution will be taxed in Israel. Pursuant to the Cash Distribution Ruling, the aggregate Cash Distribution, totaling \$194,675,569 (approximately \$6.20 per share), is divided into two separate components for Israeli tax purposes: (i) \$27,134,031 of the Cash Distribution (approximately \$0.86 per share) is treated as a dividend to Saifun Shareholders for Israeli tax purposes (“Dividend”) and (ii) \$167,541,538 of the Cash Distribution (approximately \$5.34 per share) is treated as a return of capital to the Saifun Shareholders for Israeli tax purposes (“Return of Capital”). The Cash Distribution

¹ Under an arrangement pursuant to Section 104H of the Tax Ordinance, Israeli capital gains tax on the Share Consideration would generally be deferred until the earlier of: (a) two years after the Closing with respect to 50% of the Saifun Shares held by that shareholder, and four years after the Closing with respect to the other 50% of the Saifun Shares held by that shareholder, and (b) the date on which that shareholder sells the Spansion Shares received as Share Consideration, subject to the terms and conditions of Section 104H and the definitive tax ruling that is expected to be issued with respect to such arrangement. There is, however, no assurance that the definitive 104H Ruling will be obtained, and shareholders electing to pursue a deferral under this arrangement will be subject to Israeli capital gains tax if such definitive ruling is not obtained within the period prescribed in the Exchange Ruling.

² The following countries have a Tax Treaty with the State of Israel: **Austria, Belarus, Belgium, Brazil, Bulgaria, Canada, China, Croatia, Czech Republic, Denmark, Ethiopia, Finland, France, Germany, Greece, Hungary, India, Ireland, Italy, Jamaica, Japan, Latvia, Lithuania, Luxembourg, Mexico, Moldova, Netherlands, Norway, Philippines, Poland, Portugal, Romania, Russia, Singapore, Slovakia, Slovenia, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, United Kingdom, Ukraine, United States of America, and Uzbekistan.**

³ Please see the disclosure at the end of this Tax Information Form for further guidance regarding what certificates will be accepted by the ITA as a valid Residency Certificate.

Ruling taxes these two separate components differently, as described below.

Dividend Portion.

The Cash Distribution Ruling requires Saifun to withhold from the Dividend portion of the Cash Distribution the maximum Israeli withholding tax rate, which is equal to 20% of the Dividend portion of the Cash Distribution paid to the Saifun Shareholders, or approximately \$0.17 per share.⁴ In the event that a Saifun Shareholder believes that a lower withholding tax rate should apply pursuant to an applicable treaty between such Saifun Shareholder's state of residency and the State of Israel, such Saifun Shareholder must make a refund claim directly to the ITA. Saifun Shareholders are urged to consult with their tax advisors to determine the availability of a tax refund.

Return of Capital Portion - Post-IPO Shareholders.

The Israeli withholding tax on the Return of Capital portion of the Cash Distribution will be calculated on the basis of the original date of acquisition of the Saifun Shares, and for Saifun Shareholders who purchased their Saifun Shares after Saifun's IPO (after November 8, 2005) such rate of withholding will not exceed a nominal rate of 25%. However, pursuant to the Cash Distribution Ruling, for the purposes of calculating the tax withholding due on the Return of Capital portion, (i) the Israeli withholding tax will be calculated in New Israeli Shekels ("NIS") as of the Signing Date (October 7, 2007) according to the NIS / U.S. Dollar exchange rate in effect on the Signing Date, and (ii) interest will be assessed on the amount withheld for the period between the Signing Date and the date the withheld amount is delivered to the ITA at the rate of 4% per annum plus Israeli consumer price index differences. As a result, the effective tax rate (after taking into account changes in the NIS/U.S. Dollar exchange rate and applicable interest) will be higher than the nominal 25% withholding rate. The Trustee expects that the maximum effective withholding rate, after taking into account exchange rate changes and interest, will be approximately 31.18% of the Return of Capital portion (the "Maximum Withholding Amount"). As a result, the Trustee will retain this amount from the Return of Capital portion of the Cash Distribution in order to ensure that a sufficient amount will be available for withholding. Please note that in order to comply with the terms of the Cash Distribution Ruling, amounts retained by the Trustee from the Return of Capital portion were converted into NIS following the Closing. If no withholding exemption is established by the applicable dates set forth herein, such retained amounts will be paid by the Trustee to the ITA in NIS on June 11, 2008, provided however, that as the Maximum Withholding Amount was calculated in advance while taking into consideration future estimated Israeli consumer price indexes, any amount retained in excess of the tax rate actually due (as will be calculated on June 11, 2008) will be converted back into U.S. Dollars at the then-applicable rate and paid to the Saifun Shareholders in U.S. Dollars. For any Saifun Shareholder who is able to timely claim a tax withholding exemption, the amounts so retained by the Trustee from the Return of Capital portion of the Cash Distribution otherwise payable to such Saifun Shareholder will be converted back into U.S. Dollars at the then-applicable rate and paid to such Saifun Shareholder in U.S. Dollars. Any such Saifun Shareholder is subject to the risk of fluctuations in the NIS/U.S. Dollar exchange rate between the date such retained amounts were converted into NIS following the Closing and the date such amounts will be converted back into U.S. Dollars prior to the date such retained amounts are repaid to such Saifun Shareholder, and any such Saifun Shareholder may suffer an exchange rate gain or loss on any amounts refunded if any such Saifun Shareholder is able to timely claim a withholding exemption. Such Saifun Shareholders are advised to consult with their tax advisors to determine the tax consequences of any such exchange rate gain or loss.

With respect to the Return of Capital portion of the Cash Distribution, a Saifun Shareholder who (a) is a resident of a Treaty Country and (b) provides a Residency Certificate and Tax Ruling Declaration **no later than May 28, 2008**, will be subject to Israeli withholding requirements in accordance with the terms of their Treaty Country's Tax Treaty, which in many instances, including, generally, with respect to the U.S., Canada, and the U.K., would mean a full exemption from Israeli withholding with respect to such Saifun Shareholder's proportional entitlement to the Return of Capital portion of the Cash Distribution. Following receipt of such documents from a Saifun Shareholder and the approval of such documentation, such Saifun Shareholder shall be entitled to a refund of the withheld tax amount or any portion thereof, as applicable.

Saifun Shareholders who are (a) residents of Israel or of a country that does not have a Tax Treaty with Israel, or (b) who do not provide (i) a Residency Certificate and Tax Ruling Declaration (including residents of Treaty Countries who do not provide a Residency Certificate and Tax Ruling Declaration) or (ii) a valid ITA

⁴ Note that Saifun Shareholders who owned more than 10% of the Saifun Shares at Closing are subject to a higher withholding rate of 25% of the Dividend portion of the Cash Distribution.

Certificate entitling such Saifun Shareholder to an exemption from, or reduction of, withholding or tax liability applicable to payment of the Return of Capital portion of the Cash Distribution, in each case by May 28, 2008, will be subject to Israeli withholding as detailed above. In such event, the withheld tax amount shall be delivered by the Trustee to the ITA on June 11, 2008, and any Saifun Shareholder who believes they are entitled to a refund of any amounts withheld will have to file for a refund directly with the ITA, provided however, that as the Maximum Withholding Amount was calculated in advance while taking into consideration future estimated Israeli consumer price indexes, any amount retained in excess of the tax rate actually due (as will be calculated on June 11, 2008) will be converted back into U.S. Dollars at the then-applicable rate and paid to the Saifun Shareholders in U.S. Dollars.

Return of Capital Portion - Pre-IPO Shareholders.

With respect to those Saifun Shareholders who acquired Saifun Shares before Saifun's IPO (prior to November 8, 2005) (the "**Pre-IPO Shareholders**"), the entire Return of Capital portion of the Cash Distribution shall be deposited with the Trustee.

A Pre-IPO Shareholder who (a) is a resident of a Treaty Country and (b) provides a Residency Certificate and Tax Ruling Declaration no later than May 28, 2008 will be subject to Israeli withholding requirements in accordance with the terms of their Treaty Country's Tax Treaty, which in many instances, including, generally, with respect to the U.S., Canada, and the U.K., would mean a full exemption from Israeli withholding with respect to such Pre-IPO Shareholder's proportional entitlement to the Return of Capital portion of the Cash Distribution. Following receipt of such documents from such Pre-IPO Shareholder, the Return of Capital portion of the Cash Distribution shall be paid to such Pre-IPO Shareholder less the applicable tax amount to be retained by the Trustee and paid by it to the ITA.

Pre-IPO Shareholders who are (a) residents of Israel or of a country that does not have a Tax Treaty with Israel, or (b) who do not provide (i) a Residency Certificate and Tax Ruling Declaration (including residents of Treaty Countries who do not provide a Residency Certificate and Tax Ruling Declaration) or (ii) a valid ITA Certificate entitling such Pre-IPO Shareholder to an exemption from, or reduction of, withholding applicable to payment of the Return of Capital portion of the Cash Distribution, in each case by May 28, 2008, will be subject to Israeli withholding at the maximum Israeli withholding tax rate. The maximum Israeli withholding tax rate for this purpose will be calculated based on the date the relevant Saifun Shares were purchased, using a weighted rate of the maximum capital gains tax rate applicable to individuals (47%) and companies (27%) for gains derived before January 1, 2003; and the maximum capital gains tax rate applicable to individuals (20%) and companies (25%) for gains derived after January 1, 2003. The gains derived before and after January 1, 2003 shall be calculated as a portion of the total gain in accordance with the duration held relatively before such date and thereafter. Pursuant to the Cash Distribution Ruling, the tax amount shall be (i) calculated in NIS as of the Signing Date (October 7, 2007) according to the NIS / U.S. Dollar exchange rate in effect on the Signing Date, and (ii) increased by interest assessed after the Signing Date based on the Israeli consumer price index differences plus an interest of 4% per annum. Following the withholding by the Trustee of the applicable tax amount, the Return of Capital portion of the Cash Distribution shall be paid to such Pre-IPO Shareholder less the applicable tax amount to be withheld by the Trustee and paid by it to the ITA. Please note that in order to comply with the terms of the Cash Distribution Ruling, amounts retained by the Trustee from the Return of Capital portion were converted into NIS following the Closing. If no withholding exemption is established by the applicable dates set forth herein, such retained amounts will be withheld and paid by the Trustee to the ITA in NIS on June 11, 2008. For any Pre-IPO Shareholder who is able to timely claim a tax withholding exemption, the amounts so retained by the Trustee from the Return of Capital portion of the Cash Distribution otherwise payable to such Pre-IPO Shareholder will be converted back into U.S. Dollars at the then-applicable rate and paid to such Pre-IPO Shareholder in U.S. Dollars following the approval of such tax withholding exemption by the ITA. Any such Pre-IPO Shareholder is subject to the risk of fluctuations in the NIS/U.S. Dollar exchange rate between the date such retained amounts were converted into NIS following the Closing and the date such amounts will be converted back into U.S. Dollars prior to the date such retained amounts are repaid to such Pre-IPO Shareholder, and any such Pre-IPO Shareholder may suffer an exchange rate gain or loss on any amounts refunded if any such Pre-IPO Shareholder is able to timely claim a withholding exemption.

TAX REFUND

Saifun Shareholders who have had a portion of their Merger Consideration withheld by Saifun or by the Trustee or which have had a tax advance paid on their account may be eligible for a refund of all, or a portion, of

such amounts withheld by filing a tax return with the ITA. Saifun Shareholders who are eligible for a tax refund will need to establish with appropriate documentation the number of Saifun Shares held by them, the amounts withheld with respect to those shares and pertinent information regarding the circumstances entitling such Saifun Shareholders to a refund. Saifun Shareholders are urged to consult with their tax advisors to determine the availability of a tax refund from the ITA.

WHAT DO YOU DO NOW?

Please note the following instructions for minimizing the amounts that will be withheld from the Merger Consideration you will receive in exchange for your Saifun Shares.

IF YOU (A) HOLD YOUR SAIFUN SHARES THROUGH A BROKER OR IN “STREET NAME,” (B) ACQUIRED YOUR SAIFUN SHARES AFTER SAIFUN’S INITIAL PUBLIC OFFERING (AFTER NOVEMBER 8, 2005) AND (C) HOLD LESS THAN 5% OF SAIFUN’S OUTSTANDING SHARES AT CLOSING

Your broker will handle the exchange of shares for you and will provide you with any relevant instructions to be followed for effecting the exchange. In the absence of instructions from your broker, the Merger Consideration, without interest and less withholding taxes, should be credited to your account with your broker. You shall not be subject to any Israeli tax withholding requirements with respect to the shares of Spansion Stock received in exchange for your Saifun Shares. However, (i) approximately \$0.17 per share will be withheld from the Dividend portion of the Cash Distribution received by you and paid to the ITA (“Dividend Withholding”), and (ii) approximately \$1.66 per Saifun Share shall be withheld from the Return of Capital portion of the Cash Distribution and retained by the Trustee, which represents the maximum Israeli tax withholding applicable to such payment as calculated above (“Return of Capital Maximum Withholding Amount”). Thus your brokerage account, absent instructions from your broker, will be automatically credited with (i) 0.7238 of a share of Spansion Stock and (ii) approximately \$4.36 in cash for each Saifun Share you owned as of Closing without any action on your part.

If you believe you are entitled to a refund of the Dividend Withholding you will have to file a refund claim directly to the ITA. Below are instructions for seeking a refund of all or a portion of the Return of Capital Amount held in trust by the Trustee:

TREATY COUNTRY RESIDENTS

If you are a resident of a Treaty Country, please return to your broker, and instruct your broker to return to Computershare, Spansion’s payment agent, by **WEDNESDAY, MAY 28, 2008**:

- A completed and executed Tax Ruling Declaration, AND
- A Residency Certificate (please refer to the discussion below regarding what documents are needed);

OR

- A valid ITA Certificate providing an exemption from withholding tax (or providing for a lower rate of withholding) in connection with the receipt of the Cash Distribution.

If you provide the foregoing documents by Wednesday, May 28, 2008: (A) the amount to be withheld as Israeli tax from the Return of Capital Maximum Withholding Amount will be calculated based upon the applicable withholding rate in the Tax Treaty for your Treaty Country (which for many countries, including the U.S., Canada and the U.K., is equal to 0%), or in accordance with your ITA Certificate, as applicable; and (B) you will be entitled to receive a refund from the Trustee of the difference between the Return of Capital Maximum Withholding Amount and your calculated withholding amount (which, if you are a resident of the U.S., Canada and the U.K., will result in the return of the entire principal amount of Return of Capital Maximum Withholding Amount, subject, however, to the risk of exchange rate fluctuations between NIS and U.S. Dollars as detailed above).

If you DO NOT provide the foregoing documents by Wednesday, May 28, 2008: The Trustee will pay all amounts withheld with respect to your Saifun Shares to the ITA, you will not be entitled a refund of any portion of the Return of Capital Maximum Withholding Amount from the Trustee, and if after consultation with your tax advisor you believe you are entitled to a refund of all or a portion of the Return of Capital Maximum Withholding Amount, you will need to make a refund claim directly to the ITA, provided however, that as the Return of Capital Maximum Withholding Amount was calculated in advance while taking into consideration future estimated Israeli consumer price indexes, any amount retained in excess of the tax rate actually due (as will be calculated on June 11, 2008) will be converted back into U.S. Dollars at the then-applicable rate and paid to the Saifun Shareholders in U.S. Dollars.

ISRAELI RESIDENTS OR NON-TREATY COUNTRY RESIDENTS

If you are an Israeli resident or a resident of a country who is not party to a Tax Treaty with Israel, you will not be entitled to a refund of the Return of Capital Maximum Withholding Amount unless you return to your broker and your broker returns to Computershare, Spansion's payment agent, by **WEDNESDAY, MAY 28, 2008**, an ITA Certificate providing for an exemption from withholding tax (or a lower rate of withholding) in connection with the Cash Distribution.

If you provide a valid ITA Certificate by May 28, 2008: (A) the amount to be withheld as Israeli tax from the Return of Capital Maximum Withholding Amount will be calculated in accordance with your ITA Certificate; and (B) you will be entitled to receive a refund from the Trustee of the difference between the Return of Capital Maximum Withholding Amount and the withholding amount as calculated above, subject, however, to the risk of exchange rate fluctuations between NIS and U.S. Dollars as detailed above. If after consultation with your tax advisor you believe you are entitled to a refund of all or a portion of the Return of Capital Amount, you will need to make a refund claim directly to the ITA.

IF YOU FAIL TO DELIVER A COMPLETED AND EXECUTED TAX RULING DECLARATION AND RESIDENCY CERTIFICATE OR A COMPLETED AND EXECUTED ITA CERTIFICATE TO YOUR BROKER BY WEDNESDAY, MAY 28, 2008 OR YOUR BROKER FAILS TO DELIVER THESE DOCUMENTS TO COMPUTERSHARE BY WEDNESDAY, MAY 28, 2008, THEN THE TRUSTEE WILL SUBMIT ALL AMOUNTS WITHHELD TO THE ITA, AND IF YOU BELIEVE THAT YOU ARE ENTITLED TO A REFUND, YOU WILL BE REQUIRED TO FILE A CLAIM DIRECTLY WITH THE ITA. PLEASE ALLOW ENOUGH TIME FOR ANY DOCUMENTS SUBMITTED TO YOUR BROKER TO BE RECEIVED BY YOUR BROKER, DELIVERED BY YOUR BROKER TO COMPUTERSHARE AND RECEIVED BY COMPUTERSHARE BY WEDNESDAY, MAY 28, 2008. PLEASE CONSULT WITH YOUR BROKER TO FIND OUT WHEN YOUR BROKER WILL NEED TO RECEIVE YOUR DOCUMENTS, IN ORDER FOR THEM TO PROVIDE THE DOCUMENTS TO COMPUTERSHARE BY WEDNESDAY, MAY 28, 2008. COMPUTERSHARE, SPANSION AND SAIFUN HAVE NO LIABILITY TO ANY PERSON IN RESPECT OF FORMS NOT RECEIVED BY COMPUTERSHARE BY MAY 28, 2008, REGARDLESS OF WHEN SUCH DOCUMENTS ARE PROVIDED TO YOUR BROKER.

******IMPORTANT! PLEASE RETURN ALL APPLICABLE TAX DOCUMENTATION TO YOUR BROKER DIRECTLY, AND DO NOT SUBMIT ANY DOCUMENTATION DIRECTLY TO COMPUTERSHARE, SPANSION OR SAIFUN. IF YOU SUBMIT ANY DOCUMENTATION DIRECTLY TO COMPUTERSHARE, SPANSION OR SAIFUN, IT WILL BE RETURNED TO YOU AND YOU FACE THE RISK THAT YOU WILL NOT BE ABLE TO RESUBMIT THE DOCUMENTS TO YOUR BROKER IN SUFFICIENT TIME FOR YOU AND YOUR BROKER TO MEET THE ABOVE DEADLINES.*****

IF YOU (A) HOLD YOUR SAIFUN SHARES THROUGH A BROKER OR IN “STREET NAME” AND (B) ACQUIRED YOUR SAIFUN SHARES PRIOR TO SAIFUN’S INITIAL PUBLIC OFFERING (PRIOR TO NOVEMBER 8, 2005) OR HOLD 5% OR MORE OF SAIFUN’S OUTSTANDING SHARES AT CLOSING

Your broker will handle the exchange of shares for you and will provide you with any relevant instructions to be followed for effecting the exchange. Please note that the Tax Rulings require Saifun to withhold the following portions of the Merger Consideration until Saifun is able to determine the appropriate withholding amounts pursuant to the Tax Rulings: (a) the entire Share Consideration and the Return of Capital portion of the Cash Distribution from all Saifun Shareholders who acquired their shares prior to Saifun’s Initial Public Offering (prior to November 8, 2005), and (b) the entire Share Consideration and the maximum withholding amount from the Return of Capital portion of the Cash Distribution.

Therefore, (I) if you acquired your shares prior to Saifun’s IPO, (a) the Return of Capital portion (approximately \$5.34 per share) of the Cash Distribution and the Share Consideration (0.7238 shares of Spansion per share) will be retained in their entirety by the Trustee, until clarification of your tax liability as further described herein, (b) your brokerage account, absent instructions from your broker, will be automatically credited with approximately \$0.69 in cash for each Saifun Share you owned as of Closing, which represents the Dividend portion of the Cash Distribution received by you after withholding the Dividend Withholding (approximately \$0.17 per share); and (c) the Share Consideration (0.7328 shares of Spansion Stock per share) will be retained in its entirety by the Trustee, until clarification of your tax liability as further described herein, and (II) if you acquired your shares after Saifun’s IPO but hold 5% or more the issued and outstanding Saifun Shares at Closing, the Share Consideration (0.7328 shares of Spansion Stock per share) will be retained in its entirety by the Trustee, until clarification of your tax liability as further described herein, and (b) your brokerage account, absent instructions from your broker, will be automatically credited with approximately \$0.69 in cash for each Saifun Share you owned as of Closing, which represents the Dividend portion of the Cash Distribution received by you after withholding the Dividend Withholding (approximately \$0.17 per share), and approximately \$3.67 in cash for each Saifun Share you owned as of Closing, which represents the Return of Capital portion of the Cash Distribution received by you after retaining the Return of Capital Maximum Withholding Amount (approximately \$1.66 per share).

Please note the following with respect to the amounts withheld into trust, and the steps you must take to minimize the amount that will be withheld by the Trustee and paid to the ITA:

THE SHARE CONSIDERATION

With respect to the Share Consideration, you will be liable for Israeli capital gains tax unless you (a) provide written notice of a 104H tax deferral arrangement (“104H Election”) to the Trustee by **FRIDAY, APRIL 4, 2008**, or (b) if you do not make a “104H Election”, you provide to your broker and your broker provides to Computershare by **THURSDAY, MAY 1, 2008**:

- A completed and executed Tax Ruling Declaration, AND
- A Residency Certificate;

OR

- An ITA Certificate providing for an exemption from Israeli capital gains tax (or providing for a lower rate of tax) with respect to the Share Consideration.

If you provide the foregoing documents by Thursday, May 1, 2008: Israeli tax advance payments on the Share Consideration you will receive will be determined: (a) in accordance with the provisions of the applicable tax treaty between your Treaty Country and Israel (for many countries, including the U.S.A, Canada and the U.K., no advance payment will apply) or (b) in accordance with the ITA Certificate. The Trustee will make any such capital gains tax advance payments to the ITA, and will distribute the remaining Share Consideration to you, and, absent instructions from your Broker, such shares of Spansion Stock will be automatically credited to your brokerage account.

If you DO NOT provide the foregoing documents by Thursday, May 1, 2008: An Israeli tax advance will be payable with respect to the Spansion Shares you will receive and will be calculated by the Trustee on the basis of the original date of acquisition of your Saifun Shares and the price paid for your Saifun Shares. To the extent that such information is not available to the Trustee, and is not provided by the Saifun Shareholder, the Trustee will calculate the maximum amount of the tax advance that could be due by you in accordance with Section 91(d) of the Tax Ordinance and will provide for payment of the maximum tax advance payment required, and will distribute the remaining Share Consideration to you, and, absent instructions from your Broker, such shares of Spansion Stock will be automatically credited to your brokerage account.

CASH DISTRIBUTION

As described above, your brokerage account, absent instructions from your broker, will be automatically credited with approximately \$0.69 in cash for each Saifun Share you owned as of Closing, which represents the Dividend portion of the Cash Distribution received by you after withholding the Dividend Withholding (approximately \$0.17 per share). Please note the following with respect to the Return of Capital portion of the Cash Distribution.

PRE-IPO SHAREHOLDERS

If you acquired your shares prior to Saifun's IPO, the Return of Capital portion of the Cash Distribution will be held by the Trustee until **WEDNESDAY, MAY 28, 2008**, or until you are able to establish an exemption from Israeli tax withholding (or a lower rate of reduction) by providing to your broker and instructing your broker to supply to Computershare by **WEDNESDAY, MAY 28, 2008**:

- A completed and executed Tax Ruling Declaration, AND
- A Residency Certificate;

OR

- An ITA Certificate providing for an exemption from Israeli tax withholding (or providing for a lower rate of withholding) with respect to the Cash Distribution.

If you provide the foregoing documents by Wednesday, May 28, 2008: The Trustee will determine withholding on the Return of Capital portion: (a) in accordance with the provisions of the applicable tax treaty between your Tax Country and Israel (for many Tax Countries, including the U.S., Canada and the U.K., no withholding will apply) or (b) in accordance with your ITA Certificate. Based upon this withholding calculation, the Trustee will withhold the appropriate amount from the Return of Capital portion of your Cash Distribution and will distribute the remaining funds to you. Following such distribution, and absent any instructions from your broker, your brokerage account will be automatically credited with the Return of Capital portion of your Cash Distribution, minus the amounts withheld by the Trustee.

If you DO NOT provide such documents by Wednesday, May 28, 2008: The Trustee shall withhold the maximum tax amount as required under the Cash Distribution Ruling. The maximum Israeli withholding tax rate for this purpose will be calculated according to the date on which your Saifun Shares were purchased, by using a weighted rate of the maximum capital gains tax rate applicable to individuals (47%) and companies (27%) for gains derived before January 1, 2003; and the maximum capital gains tax rate applicable to individuals (20%) and companies (25%) for gains derived after January 1, 2003. The gains derived before and after January 1, 2003 shall be calculated as a portion of the total gain in accordance with the duration held relatively before such date and thereafter. The tax amount shall be (i) calculated in NIS as of the Signing Date (October 7, 2007) according to the NIS / U.S. Dollar exchange rate in effect on the Signing Date, and (ii) increased by interest assessed after the Signing Date based on the Israeli consumer price index differences plus an interest of 4% per annum. Based upon this withholding calculation, the Trustee will withhold the appropriate amount from the Return of Capital portion of your Cash Distribution and will distribute the remaining funds to you. Following such distribution, and absent any instructions from your broker, your brokerage account will be automatically credited with the Return of Capital portion of your Cash Distribution, minus the amounts withheld by the Trustee.

5% OR MORE SAIFUN SHAREHOLDERS

If you hold 5% or more of the issued and outstanding Saifun Shares at Closing, approximately \$1.66 per Saifun Share shall be withheld from the Return of Capital portion of the Cash Distribution and retained by

the Trustee, which represents the maximum Israeli tax withholding applicable to such payment as calculated above (“Return of Capital Maximum Withholding Amount”). Thus your brokerage account, absent instructions from your broker, will be automatically credited with approximately \$4.36 in cash (including the Dividend portion of the Cash Distribution) for each Saifun Share you owned as of Closing without any action on your part.

The Return of Capital Maximum Withholding Amount will be held by the Trustee until **WEDNESDAY, MAY 28, 2008**, or until you are able to establish an exemption from Israeli tax withholding (or a lower rate of reduction) by providing to your broker and instructing your broker to supply to Computershare by **WEDNESDAY, MAY 28, 2008**:

- A completed and executed Tax Ruling Declaration, AND
- A Residency Certificate;

OR

- An ITA Certificate providing for an exemption from Israeli tax withholding (or providing for a lower rate of withholding) with respect to the Cash Distribution.

If you provide the foregoing documents by Wednesday, May 28, 2008: (A) the amount to be withheld as Israeli tax from the Return of Capital Maximum Withholding Amount will be calculated based upon the applicable withholding rate in the Tax Treaty for your Treaty Country (which for many countries, including the U.S., Canada and the U.K., is equal to 0%), or in accordance with your ITA Certificate, as applicable; and (B) you will be entitled to receive a refund from the Trustee of the difference between the Return of Capital Maximum Withholding Amount and your actual withholding amount (which, if you are a resident of the U.S., Canada and the U.K., will result in the return of the entire principal amount of Return of Capital Maximum Withholding Amount, subject, however, to the risk of exchange rate fluctuations between NIS and U.S. Dollars as detailed above).

If you DO NOT provide the foregoing documents by Wednesday, May 28, 2008: The Trustee will pay all amounts retained with respect to your Saifun Shares to the ITA, you will not be entitled a refund of any portion of the Return of Capital Maximum Withholding Amount from the Trustee, and if after consultation with your tax advisor you believe you are entitled to a refund of all or a portion of the Return of Capital Maximum Withholding Amount, you will need to make a refund claim directly to the ITA, provided however, that as the Return of Capital Maximum Withholding Amount was calculated in advance while taking into consideration future estimated Israeli consumer price indexes, any amount retained in excess of the tax rate actually due (as will be calculated on June 11, 2008) will be converted back into U.S. Dollars at the then-applicable rate and paid to the Saifun Shareholders in U.S. Dollars.

IF YOU FAIL TO DELIVER PROOF OF RESIDENCE TO YOUR BROKER BY WEDNESDAY, MAY 28, 2008 OR YOUR BROKER FAILS TO DELIVER THESE DOCUMENTS TO COMPUTERSHARE BY WEDNESDAY, MAY 28, 2008, THEN THE TRUSTEE WILL SUBMIT ALL AMOUNTS WITHHELD TO THE ITA, AND IF YOU BELIEVE THAT YOU ARE ENTITLED TO A REFUND, YOU WILL BE REQUIRED TO FILE A CLAIM DIRECTLY WITH THE ITA. PLEASE ALLOW ENOUGH TIME FOR ANY DOCUMENTS SUBMITTED TO YOUR BROKER TO BE RECEIVED BY YOUR BROKER, DELIVERED BY YOUR BROKER TO COMPUTERSHARE AND RECEIVED BY COMPUTERSHARE BY WEDNESDAY, MAY 28, 2008. PLEASE CONSULT WITH YOUR BROKER TO FIND OUT WHEN YOUR BROKER WILL NEED TO RECEIVE YOUR DOCUMENTS, IN ORDER FOR THEM TO PROVIDE THE DOCUMENTS TO COMPUTERSHARE BY WEDNESDAY, MAY 28, 2008. COMPUTERSHARE, SPANSION AND SAIFUN HAVE NO LIABILITY TO ANY PERSON IN RESPECT OF FORMS NOT RECEIVED BY COMPUTERSHARE BY MAY 28, 2008, REGARDLESS OF WHEN SUCH DOCUMENTS ARE PROVIDED TO YOUR BROKER.

******IMPORTANT! PLEASE RETURN ALL APPLICABLE TAX DOCUMENTATION TO YOUR BROKER DIRECTLY, AND DO NOT SUBMIT ANY DOCUMENTATION DIRECTLY TO COMPUTERSHARE, SPANSION OR SAIFUN. IF YOU SUBMIT ANY DOCUMENTATION DIRECTLY TO COMPUTERSHARE, SPANSION OR SAIFUN, IT WILL BE RETURNED TO YOU AND YOU FACE THE RISK THAT YOU WILL NOT BE ABLE TO RESUBMIT THE DOCUMENTS TO YOUR BROKER IN SUFFICIENT TIME FOR YOU AND YOUR BROKER TO MEET THE ABOVE DEADLINES.*****

IF YOU ARE A REGISTERED SHAREHOLDER, ACQUIRED YOUR SAIFUN SHARES AFTER SAIFUN'S INITIAL PUBLIC OFFERING (AFTER NOVEMBER 8, 2005) AND HAVE BEEN ISSUED SHARE CERTIFICATES FOR YOUR SAIFUN SHARES

Until you surrender your Share Certificates representing your Saifun Shares and deliver a properly completed Letter of Transmittal, including a Form W-8 or W-9, duly signed by you to Computershare, you will not receive the Merger Consideration. No interest will be paid or will accrue on the Merger Consideration or any portion thereof. Please note that upon receipt of your Share Certificates and a properly completed Letter of Transmittal to Computershare, Computershare will pay to you your Merger Consideration, subject to the Israeli Tax withholdings discussed herein, and any other applicable withholding taxes. You shall not be subject to any Israeli tax withholding requirements with respect to the shares of Spansion Stock received in exchange for your Saifun Shares. However, please note the following with respect to the exemptions from Israeli withholding taxes available to you, and the time limitations placed thereon:

CASH DISTRIBUTION

With respect to the Cash Distribution, approximately \$0.17 per share will be withheld from the Dividend portion (approximately \$0.86 per share) of the Cash Distribution received by you from Computershare and will be paid to the ITA. Additionally, the maximum Israeli withholding tax (as discussed below) will be retained from the Return of Capital Portion (approximately \$5.34 per share) of the Cash Distribution paid to you by Computershare. Thus, your account will be automatically credited with (i) 0.7238 of a share of Spansion Stock and (ii) approximately \$4.36 in cash (including the Dividend portion of the Cash Distribution) for each Saifun Share you owned as of Closing without any action on your part.

If you believe you are entitled to a refund of the Dividend Withholding you will have to file a refund claim directly to the ITA. Below are instructions for seeking a refund of all or a portion of the Return of Capital Maximum Withholding Amount held in trust by the Trustee:

TREATY COUNTRY RESIDENTS

If you are a resident of a Treaty Country, please return to your broker, and instruct your broker to return to Computershare, Spansion's payment agent, by **WEDNESDAY, MAY 28, 2008**:

- A completed and executed Tax Ruling Declaration, AND
- A Residency Certificate (please refer to the discussion below regarding what documents are needed);

OR

- A valid ITA Certificate providing an exemption from withholding tax (or providing for a lower rate of withholding) in connection with the receipt of the Cash Distribution.

If you provide the foregoing documents by Wednesday, May 28, 2008: (A) the amount to be withheld as Israeli tax from the Return of Capital Maximum Withholding Amount will be calculated based upon the applicable withholding rate in the Tax Treaty for your Treaty Country (which for many countries, including the U.S., Canada and the U.K., is equal to 0%), or in accordance with your ITA Certificate, as applicable; and (B) you will be entitled to receive a refund from the Trustee of the difference between the Return of Capital Maximum Withholding Amount and your actual withholding amount as calculated above (which, if you are a resident of the U.S., Canada and the U.K., will result in the return of the entire principal amount of Return of Capital Maximum Withholding Amount, subject, however, to the risk of exchange rate fluctuations between NIS and U.S. Dollars as detailed above).

If you DO NOT provide the foregoing documents by Wednesday, May 28, 2008: The Trustee will pay all amounts retained with respect to your Saifun Shares to the ITA, you will not be entitled a payment of any portion of the Return of Capital Maximum Withholding Amount from the Trustee, and if after consultation with

your tax advisor you believe you are entitled to a refund of all or a portion of the Return of Capital Maximum Withholding Amount, you will need to make a refund claim directly to the ITA, provided however, that as the Return of Capital Maximum Withholding Amount was calculated in advance while taking into consideration future estimated Israeli consumer price indexes, any amount retained in excess of the tax rate actually due (as will be calculated on June 11, 2008) will be converted back into U.S. Dollars at the then-applicable rate and paid to the Saifun Shareholders in U.S. Dollars.

ISRAELI RESIDENTS OR NON-TREATY COUNTRY RESIDENTS

If you are an Israeli resident or a resident of a country who is not party to a Tax Treaty with Israel, you will not be entitled to a payment of the Return of Capital Maximum Withholding Amount unless you return to your broker and your broker returns to Computershare, Spansion's payment agent, by **WEDNESDAY, MAY 28, 2008**, an ITA Certificate providing for an exemption from withholding tax (or a lower rate of withholding) in connection with the Cash Distribution (an "ITA Certificate").

If you provide a valid ITA Certificate by May 28, 2008: (A) the amount to be withheld as Israeli tax from the Return of Capital Maximum Withholding Amount will be calculated in accordance with your ITA Certificate; and (B) you will be entitled to receive a refund from the Trustee of the difference between the Return of Capital Maximum Withholding Amount and your actual withholding amount as calculated, subject, however, to the risk of exchange rate fluctuations between NIS and U.S. Dollars as detailed above. If after consultation with your tax advisor you believe you are entitled to a refund of all or a portion of the Return of Capital Maximum Withholding Amount, you will need to make a refund claim directly to the ITA.

IF YOU ARE A REGISTERED SHAREHOLDER, ACQUIRED YOUR SAIFUN SHARES PRIOR TO SAIFUN'S INITIAL PUBLIC OFFERING (PRIOR TO NOVEMBER 8, 2005) AND HAVE BEEN ISSUED SHARE CERTIFICATES FOR YOUR SAIFUN SHARES

Until you surrender your Share Certificates representing your Saifun Shares and deliver a properly completed Letter of Transmittal, including a Form W-8 or W-9, duly signed by you to Computershare, you will not receive the Merger Consideration. No interest will be paid or will accrue on the Merger Consideration or any portion thereof. Please note that upon receipt of your Share Certificates and a properly completed Letter of Transmittal to Computershare, Computershare will pay to you your Merger Consideration, subject to the Israeli Tax withholdings discussed herein, and any other applicable withholding taxes. Please note the following with respect to the exemptions from Israeli withholding taxes available to you, and the time limitations placed thereon:

CASH DISTRIBUTION

The Return of Capital portion (approximately \$5.34 per share) of the Cash Distribution will be retained in their entirety by the Trustee, until clarification of your tax liability as further described herein, and your account, will be automatically credited with approximately \$0.69 in cash for each Saifun Share you owned as of Closing, which represents the Dividend portion of the Cash Distribution received by you after withholding the Dividend Withholding (approximately \$0.17 per share).

The Return of Capital portion of the Cash Distribution will be held by the Trustee until **WEDNESDAY, MAY 28, 2008**, or until you are able to establish an exemption from Israeli tax withholding (or a lower rate of reduction) by providing to Computershare by **WEDNESDAY, MAY 28, 2008**:

- A completed and executed Tax Ruling Declaration, AND
- A Residency Certificate;

OR

- An ITA Certificate providing for an exemption from Israeli tax withholding (or providing for a lower rate of withholding) with respect to the Cash Distribution.

If you provide the foregoing documents by Wednesday, May 28, 2008: The Trustee will determine withholding on the Return of Capital portion: (a) in accordance with the provisions of the applicable tax treaty between your Tax Country and Israel (for many Tax Countries, including the U.S., Canada and the U.K., no withholding will apply) or (b) in accordance with your ITA Certificate. Based upon this withholding calculation, the Trustee will withhold the appropriate amount from the Return of Capital portion of your Cash Distribution and will distribute the remaining funds to you. Following such distribution, your account will be automatically credited with the Return of Capital portion of your Cash Distribution, minus the amounts withheld by the Trustee.

If you DO NOT provide such documents by Wednesday, May 28, 2008: The Trustee shall withhold the maximum tax amount as required under the Cash Distribution Ruling. The maximum Israeli withholding tax rate for this purpose will be calculated according to the date on which your Saifun Shares were purchased, by using a weighted rate of the maximum capital gains tax rate applicable to individuals (47%) and companies (27%) for gains derived before January 1, 2003; and the maximum capital gains tax rate applicable to individuals (20%) and companies (25%) for gains derived after January 1, 2003. The gains derived before and after January 1, 2003 shall be calculated as a portion of the total gain in accordance with the duration held relatively before such date and thereafter. The tax amount shall be (i) calculated in NIS as of the Signing Date (October 7, 2007) according to the NIS / U.S. Dollar exchange rate in effect on the Signing Date, and (ii) increased by interest assessed after the Signing Date based on the Israeli consumer price index differences plus an interest of 4% per annum. Based upon this withholding calculation, the Trustee will withhold the appropriate amount from the Return of Capital portion of your Cash Distribution and will distribute the remaining funds to you. Following such distribution, your account will be automatically credited with the Return of Capital portion of your Cash Distribution, minus the amounts withheld by the Trustee.

SHARE CONSIDERATION

Additionally, as you acquired your Saifun Shares prior to Saifun's IPO (prior to November 8, 2005, with respect to the Share Consideration, you will be liable for Israeli capital gains tax unless you (a) provide written notice of a 104H Election to Computershare by **FRIDAY, APRIL 4, 2008**, or (b) provide to Computershare by **THURSDAY, MAY 4, 2008**:

- your Share Certificate(s);
- a properly completed Letter of Transmittal, including a Form W-8 or W-9;

AND EITHER:

- BOTH a completed and executed Tax Ruling Declaration and a Residency Certificate (please refer to the description of "Proof of Residence" below for a description of what this entails);

OR

- A valid certificate from the ITA providing for an exemption from Israeli capital gains tax (or providing for a lower rate of tax) with respect to the Share Consideration (an "ITA Certificate").

If you provide the foregoing documents by Thursday, May 1, 2008: Israeli tax advance payments on the Share Consideration you will receive will be determined: (a) in accordance with the provisions of the applicable tax treaty between your Treaty Country and Israel (for many countries, including the U.S.A, Canada and the U.K., no advance payment will apply) or (b) in accordance with the ITA Certificate. The Trustee will make any such capital gains tax advance payments to the ITA, and Computershare will distribute the remaining Share Consideration to you.

If you DO NOT provide the foregoing documents by Thursday, May 1, 2008: An Israeli tax advance will be payable with respect to the Spansion Shares you will receive and will be calculated by the Trustee on the basis of the original date of acquisition of your Saifun Shares and the price paid for your Saifun Shares. To the extent that such information is not available to the Trustee, and is not provided by the Saifun Shareholder, the Trustee will calculate the maximum amount of the tax advance that could be due by you in accordance with Section 91(d) of the Tax Ordinance and will provide for payment of the maximum tax advance payment required, and Computershare will distribute the remaining Share Consideration to you.

IN ORDER TO BE ELIGIBLE FOR ANY APPLICABLE EXEMPTION TO OR REDUCTION OF THE ISRAELI TAX WITHHOLDING REQUIREMENTS, YOU MUST RETURN THE TAX DOCUMENTS INDICATED ABOVE, ALONG WITH YOUR SHARE CERTIFICATE(S) AND A PROPERLY EXECUTED LETTER OF TRANSMITTAL TO COMPUTERSHARE BY THE DATES INDICATED ABOVE. FAILURE TO PROVIDE THE REQUIRED DOCUMENTATION BY THE DATES INDICATED ABOVE WILL RESULT IN ISRAELI TAX WITHHOLDINGS AT THE MAXIMUM ISRAELI WITHHOLDING TAX RATES DESCRIBED IN THE ATTACHED ISRAELI TAX INFORMATION FORM AND IF YOU BELIEVE YOU ARE ENTITLED TO A REFUND OF ANY SUCH AMOUNTS WITHHELD, YOU WILL BE REQUIRED TO FILE A CLAIM DIRECTLY WITH THE ITA. YOU SHOULD ALLOW SUFFICIENT TIME FOR THE DOCUMENTS TO GET TO COMPUTERSHARE THROUGH THE MAILS, AND WE STRONGLY RECOMMEND THAT YOU USE REGISTERED MAIL FOR THE DELIVERY OF YOUR SHARE CERTIFICATE(S), LETTER OF TRANSMITTAL AND ANY APPLICABLE TAX DOCUMENTATION. IF YOU DO NOT PROVIDE THE REQUIRED DOCUMENTATION BY THE DATES INDICATED ABOVE, COMPUTERSHARE WILL NOT BE RESPONSIBLE IF YOU LOSE YOUR RIGHT TO ANY APPLICABLE EXEMPTION FROM ISRAELI TAX WITHHOLDINGS.

PROOF OF RESIDENCY

Each Saifun Shareholder who is a resident of a Treaty Country, and who would like to avoid or defer Israel withholding or tax advance deductions that otherwise would not apply under the terms of the Tax Rulings, will need to provide, in a timely manner, a certificate issued by the relevant tax authority in such Saifun Shareholder's country of residency ("Residency Certificate") **as well as** a "Tax Ruling Declaration" in the form provided together with this Tax Information Form ("Tax Ruling Declaration") completed and executed by the Saifun Shareholder. A Residency Certificate and Tax Ruling Declaration are referred to collectively as "Proof of Residence".

For Saifun Shareholders resident in the United States of America ("U.S."), a Residency Certificate means a United States residency certificate on Internal Revenue Service Form 6166, which may be obtained by filing Form 8802, Application for United States Residency Certification, with the Internal Revenue Service. The receipt of Form 6166 from the United States Internal Revenue Service may take **45 days or more after** the filing of Form 8802. United States resident Saifun shareholders that wish to timely claim an exemption from certain of the withholding requirements imposed by the ITA tax rulings should contact their own tax advisor and file Form 8802 *as soon as possible*.

For Saifun Shareholders resident in a Treaty Country other than the U.S., Proof of Residence means a document from the relevant tax authority in the Treaty Country they are resident in. Non-U.S. Treaty Country resident Saifun shareholders that wish to timely claim an exemption from certain of the withholding requirements imposed by the ITA tax rulings should contact their own tax advisor to determine whether such certification is available from the tax authorities in the applicable Treaty Country, how to obtain any such certification, and how long it may take to obtain any such certification, and should request any such certification as soon as possible.

Notwithstanding the foregoing, with respect to the following classes of Saifun Shareholders, the Israeli Tax Authority has indicated that Proof of Residence will be established as follows:

* **For an investment fund residing in a Treaty Country**, which is operated by residents of such Treaty Country and mainly markets to residents of such Treaty Country, Proof of Residence means: (1) a written declaration from the fund manager with respect to incorporation, residency of the fund and the percentage of holdings in the fund held by residents of such Treaty Country as of March 17, 2008, with written confirmation from an external CPA or legal advisor to the fund and (2) a written declaration from the fund manager that Israeli-resident right holders in the fund hold less than a 10% interest in the fund as of March 17, 2008 and that, as of March 17, 2008, Israeli residents are not in the aggregate eligible, directly or indirectly, to more than 25% of the fund's profits and/or earnings with written confirmation from an external CPA or legal advisor of the declaration.

* **For U.S. partnerships that are venture capital funds**, Proof of Residence means: (1) an executed form W-8 or W-9 for each of the partners of the partnership as of the date of closing and (2) a written declaration from the managing partner stating that, as of March 17, 2008, the partnership has no other partners other than the partners for whom W-8 or W-9 forms have been provided, and stating that Israeli residents are not in the aggregate eligible, directly or indirectly, to more than 25% of the partnership's profits and/or earnings, with a written confirmation from an external CPA or legal advisor of the declaration;

* **For Non-U.S. partnerships that are venture capital funds, and resident in a Treaty Country**, Proof of Residence means: (1) confirmation from the manager referring to all documentation according to which the partnership is withholding tax and (2) a written declaration from the managing partner stating the residency of each of the partners, confirming that as of March 17, 2008 there are no other partners, and stating that Israeli residents are not in the aggregate eligible, directly or indirectly, to more than 25% of the fund's profits and/or earnings, with written confirmation from an external CPA or legal advisor of the declaration.

* **For pension funds and/or non profit organizations**, such as provident funds which manage investments and reside in a Treaty Country, which are managed by residents of such Treaty Country, markets its services primarily to the residents of such Treaty Country and benefits from a permanent tax exemption on its activities, including with respect to the investment in the Saifun Shares, "Proof of Residence" means a written declaration from other organization's manager stating the country of residence, place of incorporation and the country which granted the fund its tax-exempt status, with written confirmation from an external CPA or legal advisor

of the declaration.

If you have any questions regarding the Residency Certificate, please feel free to contact Eitan, Mehulal, Pappo, Kugler Trustees Ltd., Tel: 972-9-9726000, Fax: 972-9-9726001, Attention: Guy Hadar, Adv., Shira Rosenberg, Adv. and Noa Lev Goldstein, Adv. (please note that the trustee is located in Israel and available during normal business hours in Israel, Sunday through Thursday).

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