



Special Annual General Meeting of the Company's Shareholders to Take Place on August 7, 2019

July 31, 2019

Delek Group Ltd

("the Company")

Type of meeting: Special Annual General Meeting of the Company's shareholders

Date of Meeting: August 7, 2019, at 3:00PM.

Venue of meeting: The Company's offices, 19 Abba Eban Street, Herzliya.

The agenda:

The agenda of the General Meeting will include these items:

1.1.1. **Discussion of the Financial Statements and Directors' Report as of December 31, 2018.**

Discussion of the Company's Financial Statements and Directors' Report for the year ended Monday, December 31, 2018.

1.1.2. **Re-appointment of Auditor**

Reappointment of the Company's auditor, Kost Forer Gabbay and Kasierer until the end of the next AGM of the Company.

Wording of the proposed resolution ("Resolution No. 1"): "To reappoint the accounting firm Kost Forer Gabbay and Kasierer as the Company's auditor until the end of the next AGM of the Company."

1.1.3. **Amendment to the Company's Articles of Association**

It is proposed amending the provisions of the chapter of the Company's Articles of Association concerning indemnity and insurance, using the wording attached as Appendix 2 to this report. The proposed amendment includes adjustments for the regulations dealing with indemnification and liability insurance for officers, in order to adjust the provisions of the Articles of Association with the provisions of section 50P of the Economic Competition Law, 1988 ("Economic Competition Law").

Amendment of the Articles as proposed will facilitate, inter alia, taking out insurance and provision of indemnification for the Company's officers in respect of expenses incurred in proceedings against him under the Economic Competition Law, including reasonable legal expenses, including lawyers' fees.

Wording of the proposed resolution ("Resolution No. 2"): "To approve the amendment to the provisions of the chapter on indemnification and insurance in the Company's Articles of Association, as stipulated in Appendix 2 to the Immediate Report concerning the convening of the General Meeting".

1.1.4. **Update of Company's Compensation Policy**

- A. Update of the Compensation Policy concerning the terms of tenure and employment of the Company's officers, in accordance with the wording of the Policy attached as Appendix A to this report. Compensation Policy in respect of the terms of tenure and employment of the Company's officers was approved on April 2, 2017 by the General Meeting of the Company's shareholders, valid from that date for a period of 3 years from the date of approval at that General Meeting, namely until April 1, 2020 ("the Compensation Policy"). On October 17, 2018 an amendment to the Compensation Policy was approved by the Company's General Meeting. For additional information see the Company's Immediate Reports dated March 19, 2017 (ref. no. 2017-01-025746), April 2, 2017 (ref. no. 2017-01-035496), October 7, 2018 (ref. no. 2018-01-092961, and October 17, 2018 (ref. No. 2018-01-097488).
- B. On June 24, 2019 the Company's Compensation Committee decided to recommend to the Board to update section 7.2.3 of the Compensation Policy to delete sub-section 7.2.3, which stipulated that an increase in the basic salary for a senior officer and others will not rise during the Compensation Policy period (3 years) and will not exceed 15% cumulatively. It is proposed to delete this sub-section so that it will be possible to update maximum gross monthly salary up to the salary ceilings stipulated in the Compensation Policy, to be valid from May 1, 2019. This update to the Compensation Policy was approved by the Company's Board on Wednesday, June 26, 2019.
- C. It should be noted that the update stated in section 2 above arises, inter alia, because the Companies Law and its regulations specify a policy of authorization of changes to the salary of officers, and the Company will act according to these provisions and terms of the Compensation Policy in respect of maximum monthly salary (gross).
- D. Attached as Appendix A to this report is the updated Compensation Policy as approved by the Compensation Committee and

the Board, the update being brought to the Meeting for approval in section 7.2 of the Compensation Policy, marked in comparison with the Compensation Policy approved as stated by the Company's General Meeting on Wednesday, October 17, 2018.

Wording of the proposed resolution ("Resolution No. 3"): "To update the Compensation Policy to be valid from May 1, 2019 in accordance with the wording attached in Appendix 1 of the report convening the General Meeting."

1.1.5. Approval of salary increase for the Company's CEO

An increase in the monthly salary of the Company's CEO, Mr. Asaf Bartfeld, is brought for approval, of NIS 22 thousand, from May 1, 2019, so that the monthly salary of Mr. Bartfeld will be NIS 120 thousand linked to the CPI in accordance with his terms of employment.

The salary of Mr. Bartfeld after the additional salary is in line with the limitation on salary stipulated in section 7.2.2 of the Company's Compensation Policy.

For details concerning the terms of employment of Mr. Bartfeld, see Regulation 21 of Chapter D (Additional Information) in the Company's 2018 Periodic Report published on March 31, 2019 (ref. No. 2019-01-029344), of which the information included there is brought by way of reference ("2018 Periodic Report").

In addition to the foregoing, in accordance with the parameters stated in the Company's compensation plan a bonus was approved for the Company's CEO for 2018 of NIS 1,400 thousand, after having received the approval of the Board on June 26, 2019 and following approval by the Compensation Committee on June 24, 2019, in accordance the Company's Compensation Policy. Apart from the payment of the bonus and the proposed change in the basic salary as detailed above, there has been no change in the terms of employment of Mr. Bartfeld since the publication date of the 2018 Periodic Report.

In accordance with the provisions of the Sixth Addendum to the Reports Regulations, below is an estimate of the annual compensation to which Messrs. Asaf Bartfeld, the Company's CEO, will be entitled, expressed in annual terms for 2019, following approval of the additional salary for the Company's CEO from May 1, 2019, which are brought for approval of the General Meeting, as detailed above (in NIS thousands, in terms of cost to the Company):

Details of recipients of compensation				Compensation for services								Other compensation		Total
Name	Position	Scope of position	Percentage holding in company	Salary	Compensation to directors	Bonus	Share-based payment	Consulting fees	Commission	Other	Interest	Other		
Asaf Bartfeld	CEO	Full	0.02	1,915	692	1,400	-	-	-	-	-	237	4,244	

Wording of the proposed resolution ("Resolution No. 4"): "To approve the salary increase of NIS 22 thousand to the monthly salary of the Company's CEO, Mr. Asaf Bartfeld, from May 1, 2019."