



**Supplementary Information to Binding Proposal to Amend the Company's Deeds of Trust and to Reports for Convening of Meeting dated June 17, 2020**

**Tel Aviv, June 15, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY)** ("the Company") announces as follows:

Further to that stated in the Company's immediate report dated May 17, 2020 concerning a binding proposal to amend the deeds of trust for the Company's debentures (Ref. No.: 2020-01-048816), to immediate report dated May 25, 2020 concerning the extension of the foregoing binding proposal until June 1, 2020 (Ref. No.: 2020-01-052497), to immediate report dated June 10, 2020 as amended on June 11, 2020 (Ref. No.: 2020-01-061104), under which the Company issued a revised binding proposal to amend the Company's deeds of trust, which was formulated as part of the negotiations conducted with the debenture trustees, representatives of the debenture holders, and their advisors, and which is valid until June 18, 2020, (the "June 11, 2020 Proposal"), and is contingent on approval by the debenture holders by that date (June 18, 2020) and on a condition with regard to regulating the Company's relations with the relevant banks, as this term is defined in section 9 of the revised proposal report, based on the principles that the Company set out in an immediate report dated June 4, 2020 (Ref. No.: 2020-01-057492), the Company is pleased to provide supplementary information prior to the general meetings of debenture holders to be convened according to notice of convening issued by the Trustees in immediate reports dated June 13, 2020, as follows:

- A. Attached as **Appendix A** to this report is the revised binding proposal to amend the Company's deeds of trust, that was formulated as part of the negotiations with the debentures trustees, representatives of the debenture holders, and their advisors, and which is valid until June 18, 2020, with tracked changes as compared with the June 11, 2020 Proposal (the "Revised Proposal").
- B. Attached as **Appendix B** to this report are some of the appendices to the Revised Proposal:
- 1) Appendix as per section 6.1.3 to the Revised Proposal - Appendix A;
  - 2) Appendix as per section 6.1.6 to the Revised Proposal - Appendix B;
  - 3) Appendix as per section 7 to the Revised Proposal - Appendix C;
  - 4) Appendix as per section 8.1.1.7 to the Revised Proposal - Appendix D;
  - 5) Appendix as per sections 5.4 and 9.1 to the Revised Proposal - Appendix F;
  - 6) Appendix as per section 10.1 to the Revised Proposal - Appendix G;
  - 7) Appendix as per section 10.5 to the Revised Proposal - Appendix H;
  - 8) Appendix as per section 15 to the Revised Proposal - Appendix 15.

C. Breakdown of information concerning the Pledged Assets under the Revised Proposal

Name of Pledged Asset <sup>1</sup>	Section in Revised Proposal	Description of Pledged Asset	Additional information
Delek Drilling – Limited Partnership (“Delek Drilling”)	6.1.1	Delek Drilling is a public limited partnership, as defined in the Partnerships Ordinance [New Version] 1975, which holds interests in oil assets in the Mediterranean Sea, including inter alia, Tamar Reservoir, Leviathan Reservoir and Aphrodite Reservoir in Cyprus.	For further information pertaining to Delek Drilling, see Delek Drilling’s period report for 2019, published on March 30, 2020 (Ref. No.: 2020-01-032010), and immediate report dated May 17, 2020 (Ref. No: 2020-01-048609).
Delek Energy Systems Ltd. (“Delek Energy”)	6.1.2(A)	Delek Energy is a private wholly owned and controlled subsidiary of the Company, through which the Company engages in the Energy sector in Israel <sup>2</sup> , primarily through holdings in Delek Drilling and royalty rights in Delek Drilling’s oil assets <sup>3</sup> and the Karish and Tanin oil assets <sup>4</sup> .	For further information pertaining to the energy sector in Israel, see section 1.7 to the Description of the Company’s Business in the Company’s Periodic Report for 2019 <sup>5</sup> (“Chapter A of the Periodic Report”) and Note 34 to the Company’s consolidated financial statements as at December 31, 2019, as included in the Periodic Report (the “Annual Financial Statements”).
Delek Financial Investments (2012) Limited Partnership (“Delek Financial Investments”)	6.1.2(B) and 6.1.4	Delek Financial Investments is a subsidiary partnership wholly owned and controlled by the Company, and it holds shares and debentures of the Company that were acquired through buybacks.	For further information concerning Delek Financial Investments holdings of Company shares and debentures, see the Company’s immediate report with regard to holdings or interested parties and officers as at March 31, 2020, issued by the Company on April 7, 2020 (Ref. No.: 2020-01-037296). For further information, see section 1.3 to Chapter A of the Periodic Report, and Note 26B to the Annual Financial Statements.
DKL Investments (“DKL Limited”) <sup>6</sup>	6.1.2(C)	DKL is a private company registered in Balliwick of Jersey, wholly owned and controlled by the Company through its holdings in the energy sector abroad <sup>7</sup> , which includes interests in oil assets in the US Gulf of Mexico and oil and gas assets in the UK North Sea.	For further information concerning the energy sector abroad, see section 1.8 to Chapter A of the Periodic Report, and Note 34 to the Annual Financial Statements.

<sup>1</sup> For further information concerning the liens on the foregoing assets and the terms and conditions (if any) under which each asset will be pledged, see section 6 to the immediate report issued by the Company on June 11, 2020 (Ref. No.: 2020-01-061104) (the “Report concerning the Revised Proposal”).

<sup>2</sup> The Company’s holdings in this operating segment are through its direct holding in Delek Drilling and its holding in Delek Energy, which directly and indirectly holds Delek Drilling and royalty rights in the oil assets.

<sup>3</sup> Excluding the I/12 Tamar and I/13 Dalit leases.

<sup>4</sup> The Company’s Periodic Report for 2019 published by the Company on May 3, 2020 (Ref. No.: 2020-01-043356) (the “Periodic Report”), where the information contained therein is presented in this Report by way of reference.

<sup>5</sup> The I/16 Tanin and I/17 Karish leases. For further information concerning the engagement to sell the royalty rights in the Karish and Tanin oil assets to a third party dated May 25, 2020, see below.

<sup>6</sup> For further information regarding the terms and conditions for registering the lien with respect to this asset, see section 6.1.2(C) of the Report concerning the Revised Proposal.

<sup>7</sup> Holdings in this operating segment are through DKL’s holdings in wholly owned subsidiaries (other than holding in the Block 7 License, which is held by B.C. 1099494 Ltd., a private Canadian company that is wholly owned and controlled by the Company).

Delek Petroleum Ltd. ("Delek Petroleum") <sup>8</sup>	6.1.2(D)	Delek Petroleum is a private wholly owned and controlled subsidiary of the Company, through which the Company engages in the fuel products sector in Israel, which includes the sale of fuels and oils, operation of gas stations and convenience stores at the gas stations, providing fuel storage and distribution services in Israel and two power generation plants;  Delek Petroleum's operations in the sector are through Delek - The Israel Fuel Corporation Ltd. ("Delek Israel"), a wholly owned and controlled subsidiary of Delek Petroleum.	For further information concerning the fuel products segment in Israel, see section 1.9 to Chapter A of the Periodic Report, and Note 34 to the Annual Financial Statements.  For further information concerning the signing of a detailed agreement for the sale of Delek Israel's interests in Delek Pi Gllilot Limited Partnership ("Pi Gllilot"), as well as the land on which the Pi Gllilot operated fuel terminals are located in Haifa, Ashdod, Beer Sheva and Jerusalem to a third party, and with regard to the memorandum of understanding for the sale of the two power plants owned by Delek Israel to a third party, see immediate reports issued by the Company on May 7, 2020 (Ref. No.: 2020-01-057975) and June 7, 2020 (Ref. No. 2020-01-057975).
Rights due to loans that provided to the Company or any of the private companies under its control <sup>9</sup>	6.1.3	Including the interests of the Company and the private companies under its control (other than the Ithaca companies, Delek Israel companies <sup>10</sup> , Delek Drilling and any private company under its control) due to the loans it provided to the company or any of its private companies, as listed in Appendix A to the Amended Deed of Trust.	See Appendix A to the Amended Deed of Trust that is attached as Appendix A to this immediate report.
Overriding royalties with respect to the Leviathan Reservoir <sup>11</sup>	6.1.5	The Company holds, directly and indirectly <sup>12</sup> , royalty rights with respect to the Leviathan Reservoir, under an agreement for the transfer of oil rights to Delek Drilling from 1993 <sup>13</sup> at a rate of 1.5% before ROI and 6.5% after ROI from its share in Delek Drilling.	For further information concerning the rights of the Company and Delek Energy to overriding royalties with respect to the Leviathan Reservoir, see section 1.7.30(J) to Chapter A of the Periodic Report.
Contractual rights under an agreement for the sale of the overriding royalty rights with respect to the Karish and Tanin Reservoirs <sup>14</sup>	6.1.5	On May 25, 2020 the Company and Delek Energy engaged in an agreement for the sale of their overriding royalty rights with respect to the Karish and Tanin Reservoirs <sup>15</sup> to a third party in return for an amount of NIS 318 million with the addition of VAT <sup>16</sup> .	For further information regarding the agreement for the sale of the rights to overriding royalties with respect to the Karish and Tanin reservoirs, see the immediate report issued by the Company on May 25, 2020 (Ref. No.: 01-2020-052266).

<sup>8</sup> For further information regarding the terms and conditions for registering the lien with respect to this asset, see section 6.1.5 of the Report concerning the Revised Proposal

<sup>9</sup> Other than the excluded companies, as defined in section 6.1.3 of the Report concerning the Revised Proposal.

<sup>10</sup> Ithaca companies and Delek Israel companies, as defined in section 3.1 of the Report concerning the Revised Proposal.

<sup>11</sup> The I/14 Leviathan South and 15 Leviathan North leases. For further information regarding the terms and conditions for registering the lien with respect to this asset, see section 6.1.5 of the Report concerning the Revised Proposal.

<sup>12</sup> The holding is split according to 25% to the Company and 75% to Delek Energy.

<sup>13</sup> The 1993 rights transfer agreement between Delek Energy and Delek Israel and the general partner in Delek Drilling (the "1993 Agreement")

<sup>14</sup> For further information regarding the terms and conditions for registering the lien with respect to this asset, see section 5.6.1 of the Report concerning the Revised Proposal.

<sup>15</sup> The royalty rights arise from Energean Israel Ltd obligations to pay royalties to the Company and to Delek Energy. Energean Israel Ltd. undertook the foregoing obligations after it purchased Delek Drilling's holdings in the Karish and Tanin leases, which were including in the obligations under the 1993 Agreement.

<sup>16</sup> The proceeds will be split pro rata to their share in the overriding royalties (25% to the Company and 75% to Delek Energy).

Repayment of loans provided to third parties not controlled by the Company (including a Seller's loan)	6.1.6	All the rights of the Company and of every private company under its control (excluding Delek Drilling and private companies under its control, Ithaca companies and Delek Israel companies) for repayment of the loans provided to them to third parties that are not under the Company's control (including the Seller's loan they provided), as set out in Appendix B to the Amended Deed of Trust	- --
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D. The Company believes that approval of the Revised Proposal will benefit the debenture holders and the Company's operations as a going concern, and this primarily for the following reasons:

- 1) Approval of the Revised Proposal, together with the agreements with the banks that are secured creditors, will enable the Company to continue to maximize the mass of its assets and to complete the execution of actions and programs designed to enable the repayment of its debts to its creditors and the continuation of the Company as a going concern.
- 2) In accordance with the Revised Proposal, the Company pledged to raise an additional NIS 313 million during the coming year, and a further NIS 50 million in the following year, in addition to the capital that the Company raised in cash in the amount of NIS 137 million. The foregoing capital that will be raised is expected to increase the mass of the Company's assets in a way that will reduce the Company's leverage rate, and therefore benefits the holders of its debentures. Needless to say, only the continuation of the Company as a going concern will enable it to complete the planned capital raising in accordance with the terms of the Revised Proposal.
- 3) The position of the debenture holders before approval of the Revised Proposal, as unsecured creditors, is substantially improved in view of the terms and conditions of the Revised Proposal, according to which liens will be created and recorded in their favor immediately, subject to and after approval of the Revised Proposal, and they will also benefit from gradual increase of the liens over time. In addition to the foregoing, the Company assumes distribution restrictions and other restrictions as set out in the Revised Proposal and all without any changes to the settlement schedule.

E. Attached as **Appendix C** to this Report is a revised forecast of cash flows for the two years ending on June 30, 2022, that was drafted under the assumption that the Revised Proposal will be approved.

Sincerely,

**Delek Group Ltd.**

By: Mr. Gabi Last, Chairman of the Board of Directors

Leora Pratt Levin, Chief Legal Counsel and Company Secretary

**APPENDIX A**

**AMENDED DEED OF TRUST DATED \_\_\_\_\_**

Made and signed in Tel Aviv on \_\_\_\_\_, 2020

**Between: Delek Group Ltd.,**

Of 19 Sderot Abba Eban, Herzliya

Tel: 09-8638444

Fax: 09-8854955

("the Company")

Of the first part;

**And: \_\_\_\_\_ Ltd.**

Of \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

("the Trustee")

Of the second part;

Whereas The Company entered into an agreement with the Trustee on \_\_\_\_\_ in a deed of trust relating to the terms of the Debenture (Series \_\_\_) of the Company (the deed, its appendices and amendments together: "the Original Deed of Trust"); and

Whereas On \_\_\_\_\_, the Company proposed to the holders of Debentures (Series \_\_\_) ("the Debenture Holders") an amendment to the Original Deed of Trust, as described in this document and its appendices ("the Amended Deed" or "the Deed Amendment"), and the Company further proposed, on the same date, amendments also to the other deeds of trust of the Debentures (Series B13, B18, B19, B22, B31, B33 and B34) **[Note: delete the series referred to in the Original Deed of Trust]** of the Company ("the Other Series", and "the Other Deeds of Trust") as set forth in this document below, including its appendices ("the Other Amended Deeds"); and

Whereas On \_\_\_\_\_, 2020 ("the Date of Approval"), the general meeting of the Debenture Holders approved the Amended Deed and instructed the Trustee to sign the Amended Deed,

and also approved, by the Date of Approval of each of the general meetings of the Debenture Holders of the Other Series of the Company, amendment of the relevant deed from among the Other Amended Deeds and instructed the Trustee to sign the relevant deed.

**Now therefore, the parties declare and stipulate as follows:**

1. **Force** – The Amended Deed comes into force on the Date of Approval.<sup>17</sup> A condition precedent for the Amendment to come into force on the Date of Approval is ~~that the Company reach an agreement as~~ described in section 9.4 below. ~~The main thrust of~~ in connection with the Banks Plan (as this term is defined in section 9 below), in section 3.1.5 in connection with the agreement will be published prior to the general meetings at which the agenda includes approval with Bank Mizrahi and the consortium of lenders; and in section 3.1.6 in connection with the agreement with the consortium of lenders of the proposed amendmentHerzliya property. The Amended Deed and ~~The agreement with the banks~~Banks Plan will take effect simultaneously.
2. **Raising capital** –
  - 2.1 The Company undertakes to raise capital, in cash, on the dates and in the amounts listed below in this section 2.1. Failure by the Company to raise capital<sup>18</sup>, in cash, on the dates and in the amounts listed below, shall establish cause for the Trustee and the Debenture Holders to call for immediate repayment of the Company's debt to them and also cause for exercise of all the collaterals granted to the Trustee to secure the undertakings of the Company.
    - 2.1.1 By May 31, 2020, NIS 200 million of capital will be raised in cash;
    - 2.1.2 By July 30, 2020, a further NIS 100 million of capital will be raised in cash;
    - 2.1.3 By December 15, 2020, a further NIS 150 million of capital will be raised in cash.
    - 2.1.4 By April 8, 2021, a further NIS 50 million of capital will be raised in cash.

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<sup>17</sup> The Company will sign the Amended Deed on the Date of Approval and will deliver a signed copy to the Trustee at that time; the Trustee will add its signature on the Date of Approval and will deliver a signed copy to the Company. The Company's proposal for the Amended Deed of Trust as described in this document, will remain in force until June 18, 2020, and if not approved by the Debenture Holders until this date, it will expire.

<sup>18</sup> It is clarified that for the purpose of the Deed Amendment, "raising capital" does not include any raising against the issuance of securities which the Company is required, or may at its initiative, deposit or pay for them (other than distribution of a dividend, if the Company is permitted to do so).

It is clarified that in any case where by one of the dates noted in sub-sections 2.1.1-2.1.4 above, the full amount in cash noted alongside it is not actually raised by that date, the ~~Trustee~~Trustees and the Debenture Holders shall have cause to call for immediate repayment of the Company's debt to them, as well as cause for exercise of all the collaterals granted to the Trustee to secure the undertakings of the Company. Notwithstanding the foregoing, if by May 31, 2020 the sum of at least NIS 100 million but less than NIS 200 million is actually raised (the difference between the amount raised and NIS 200 million is hereinafter referred to as "the Shortfall"), and in addition the Shortfall is raised by July 30, 2020 (in addition to the amount that the Company must raise pursuant to sub-section 2.1.2 above by July 30, 2020; so that in practice according to sub-sections 2.1.1 and 2.1.2 above cash capital raised for the Company by July 30, 2020 amounts to NIS 300 million) then in such case, cause for the Trustee and the Debenture Holders to call for immediate repayment shall not be established in respect of failure to attain the capital target by May 31, 2020<sup>19</sup>.

It is clarified that a delay in execution of any of the undertakings stipulated in this section 2 above in a timely manner, of 3 business days at the most, will not be considered a breach of that undertaking.

- 2.2 The capital raisings shall be effected either by means of a proposal by way of rights for the Company's shareholders to purchase shares of the Company, or options to purchase shares of the Company or a standard capital issue, provided that on any of the dates in section 2.1 above the Company actually receives the amount noted alongside it.

### 3. **Negative pledge and limitation of guarantees –**

- 3.1 The Company undertakes that commencing on the Date of Approval and by the elapse of 7 days from the date on which the Company published an immediate report pursuant to which the Expiration Condition (as defined below) is fulfilled ("the Determining Period"), it and any private company in its control (not including Delek Drilling – Limited Partnership ("Delek Drilling")) and private companies in its control)<sup>20</sup> - (1) will not encumber assets (including not

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<sup>19</sup> In practice, the Company raised NIS 137 million in cash according to section 2.1.1 above, and accordingly, its undertaking under section 2.1.2 above is to raise capital in cash of an additional amount of NIS 163 million.

<sup>20</sup> For the matter of this Amended Deed – "control" – as defined in the Securities Law, 1968. The Company confirms that there is no company under the control of Delek Drilling in which it has additional rights beyond its indirect rights in that company via its holding of Delek Drilling, with the exception of Yam Tethys Ltd.

re-encumber assets under lien that are released from the liens, and will not increase the debt secured by existing liens as at the publication date of the Deed Amendment) and will not agree to endorsement or assign of ~~existing~~ liens on assets existing as at the publication date of the Deed Amendment; and (2) will not issue guarantees of any kind or type, with the exception of guarantees during the Company's regular course of business that are not in favor of financial creditors, at an amount that does not cumulatively exceed a total of NIS 10,000,000, for the entire Determining Period; however, this undertaking shall not apply to –

- 3.1.1 the liens granted under this Amended Deed;
- 3.1.2 liens granted by and guarantees and undertakings to indemnify delivered by DKL Investments Limited or any company in its control (together: "Ithaca Companies") in favor of any of the Ithaca Companies or their creditors;
- 3.1.3 liens granted by and guarantees and undertakings to indemnify delivered by Delek The Israel Fuel Corporation Ltd ("Delek Israel") and any company controlled by Delek Israel (together: "Delek Israel Companies") in favor of any of the Delek Israel Companies or their creditors;
- 3.1.4 a lien on 176,072,204 participation units of Delek Drilling—~~Limited Partnership ("Delek Drilling")~~, which are owned by the companies of Delek Group Ltd., Delek Energy Systems Ltd. and Delek Drilling Management (1993) Ltd. ("Delek Drilling Management") (and which constitute, on the date of publication of the Amended Deed, 15% of all the participation units of Delek Drilling,<sup>21</sup> provided that the following two obtain: (1) prior to or together with encumbrance of a certain number of the units as aforesaid, all or some of them (in this subsection: "the Encumbered Units"), the Company raises capital in cash, raised as an additional amount by the Company beyond the Company's undertaking to raise the capital in cash in accordance with the provisions of section 2 above and with the other provisions of the Amended Deed which require the raising of capital (it is clarified that this undertaking to raise capital shall apply at any time the Company receives additional financing in respect of those units that were encumbered, so that it is ensured that against any financing received in respect of the units, capital was raised in cash at the same time), so that the amount of total capital in cash received by the Company

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<sup>21</sup> For the avoidance of doubt, it is clarified that prior to fulfillment of the minimum condition (as defined in Section 7 below), no participation units of Delek Drilling will be encumbered by force of this section other than the quantity of Delek Drilling participation units that are not encumbered on the date that this Amended Deed is published.



by the date of encumbrance of the Encumbered Units, pursuant to the capital raised as aforesaid in this subsection, will be a total cumulative amount equal to the result of the product of (i) the number of Encumbered Units times (ii) the average of the closing prices on the TASE of the participation units of Delek Drilling during the 30 consecutive trading days that preceded the aforesaid date that the capital was raised; (2) the capital amounts raised as aforesaid shall be used to repay the debts to banks that exist at the time that this Amended Deed is published that are secured by participation units of Delek Drilling, to repay debts to the Debenture Holders of the Company or to repay debts and liabilities existing, on the date of publication of the Amended Deed, of Delek Energy Systems Ltd. ("Delek Energy") where the lender has cause to demand them and for participation in a rights issue of Delek Drilling (provided that a pro rata part of the units that will be allotted in respect thereof, according to the proportionate part of the units under lien to the Trustees out of all the units owned by the Group, will be encumbered in favor of the Trustees).

- 3.1.5 specific liens in favor of Bank Mizrahi and the consortium of lenders as set forth in Appendix 3.1.5, pursuant and subject to the terms set forth in Appendix 3.1.5, which include the summary of the agreement ~~contracted between which~~ the Company ~~and intends to enter into with~~ Bank Mizrahi and the consortium of lenders ("the Consortium Agreement"). Signing of the Consortium Agreement by June 16, 2020 and publication of an immediate report thereof by June 16, 2020 constitute a condition precedent for entry into force of this amendment.
- 3.1.6 specific liens in favor of the lenders for the property in Herzliya (office building) as set forth in Appendix 3.1.6, pursuant and subject to the terms set forth in Appendix 3.1.6, which include the summary of the agreement ~~contracted between the Company and these lenders which~~ the Company intends to enter into with these lenders ("the Herzliya Financing Agreement"). Signing of the Herzliya Financing Agreement by June 16, 2020 and publication of an immediate report thereof by June 16, 2020 constitute a condition precedent for entry into force of this amendment.

The Company will deliver to the Trustee, within 7 days of the publication date of the Company's quarterly and annual statements, confirmation from a senior officer at the Company, in writing, regarding fulfillment of all of the undertakings set forth in section 3.1 above.

3.2 For the matter of this Amended Deed – "the Expiration Condition" means that all of the following conditions, together, on the same date, are met:

3.2.1 The equity of the Company<sup>22</sup> as appeared in the most recent consolidated financial statements (annual or quarterly) published by the Company, and in the statements published in the preceding quarter, exceeded the higher of (a) NIS 2.8 billion less any amount in cash that the Company raises as capital after publication of the Deed Amendment beyond the amounts raised pursuant to section 2 above; and (b) NIS 2.1 billion. However, for fulfillment of the Expiration Condition in the matter of making a distribution as described in section 11.456(ii) below, that equity shall not be less than NIS 3 billion after making the distribution (including a dividend or buyback of shares).

3.2.2 The ratio of the equity of the Company to the total balance sheet as they appear in the most recent separate financial statements (annual or quarterly) published by the Company, and as they appear in the statements published in the preceding quarter, shall not be less than 22.5%.

3.2.3 The most recent rating of the Company's debentures is at least A according to the ratings scale of S&P Maalot.

If the Expiration Condition was met, the Company shall deliver to the Trustee confirmation signed by a senior officer at the Company, that the Expiration Condition has been met and setting out the full basis for fulfillment of the condition and any requisite detail, as well as publication of an immediate report regarding fulfillment of the Expiration Condition.

#### 4. **No early payments -**

4.1 The Company undertakes that in the Determining Period it and any private company in its control (not including Delek Drilling and private companies in its control) will not make a payment to any creditor on a date earlier than the date set for its payment according to the schedule defined in the engagement with that creditor, as is on the date of publication of the Amended Deed.

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<sup>22</sup> In this Amended Deed, the equity means the equity attributed to the shareholders of the Company, without minority rights, as defined in standard accounting principles.

4.2 The undertaking in section 4.1 above shall not apply to –

- 4.2.1 Early payment to the relevant banks ~~7 (as defined below)~~, provided that if the Company or the company in its control is entitled, under the ~~relevant financing agreement with the bank~~ Banks Plan, to release participation units of Delek Drilling against making such payment, then the units that can be released will be released against making the payment and will be transferred to the account of the Trustees to which they are encumbered ~~7 ("the Trustees' Account")~~, if they have the right to such under this Amended Deed.
- 4.2.2 Early payments that are made by any of the Ithaca Companies to any of their creditors, or by any of the Delek Israel Companies to any of their creditors.
- 4.2.3 Making the payments referred to in sections 5.2 and 5.3 below (subject to the terms appearing in those sections).
- 4.2.4 Full repayment of the secured loan in the Company's office building in Herzliya only from proceeds from sale of the building or refinancing in respect of the building on the following terms. In the event of repayment of the loan by way of receipt of a new loan, it shall be made on standard market terms for a property of this kind, provided that - (1) no additional security or guarantee shall be given to secure the new loan beyond the collateral that currently secures the existing loan ("the Loan Collateral"), and - (2) a second lien shall be created and registered in favor of the Trustees in respect of the Loan Collaterals, subordinate to the first lien for them<sup>23</sup>. The Company will work to obtain the approval of the lender for creation and registration of such second lien, but it is hereby agreed that if despite the Company's attempts, the financing entity that owns the first lien does not agree to grant of a second lien in favor of the Trustees – the Company will not be seen as being in breach of its undertaking. Furthermore, it is agreed that if a surplus remains from sale of the building (over payment of the secured loan in the building), then that surplus will be deposited in the ~~account encumbered in favor of the Trustees~~ Trustees' Account, and used for payment to the Debenture Holders in

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<sup>23</sup> As part of the second lien, it may be determined that the Trustees will not be entitled to oppose disposal of the first lien, and that they will not be entitled to dispose of the second lien until after the debt secured by the first lien is repaid, or subject to consent from the first lienor, according to the earlier event.

accordance with the loan schedule- (subject to the provisions of the Balancing Appendix in the event of an insolvency event).

The Company will deliver to the Trustees, within 7 days of the publication date of the Company's quarterly and annual statements, confirmation from a senior officer at the Company, in writing, regarding fulfillment of all of the undertakings set forth in this section 4. It is clarified that this Amended Deed does not prevent the Company from performing actions that do not conflict with the provisions of this Amended Deed and do not constitute a breach of the provisions of this Amended Deed.

#### 5.1 **Restrictions relating to the Ithaca Companies –**

5.1 The Company undertakes that in the Determining Period neither it nor any private company in its control (excluding Delek Drilling, private companies in its control and Ithaca Companies) will transfer money (including by way of a loan) or any other asset, to any of the Ithaca Companies and/or in favor of any of its creditors and/or for settlement of its debt; will not make any undertaking relating to Ithaca Companies or their operations or their debts or their liabilities; will not provide a guarantee to a third party relating to the debts or liabilities of Ithaca Companies; and in everything relating to payments to BNP Paribas ("BNP") and to Nomura PLC International ("Nomura"), they can be made only in accordance with and subject to the following provisions in this section 5:

5.2 The undertaking in section 5.1 above shall not apply to making payments that the Company is entitled to pay to Nomura pursuant to an explicit provision of this Amended Deed and to a payment that the Company or Delek Energy is required to make to Nomura by virtue of their guarantee to Nomura under the terms of the existing finance agreements (in the wording of the guarantee and the agreements as is on April 30, 2020), provided that written notice of any such payment is delivered to the Trustee at least 7 days in advance, together with detailed reasons by virtue of which the obligation to make the payment arises.

5.3 The undertaking in section 5.1 above shall not apply to making a payment that the Company is required to make to BNP by virtue of its guarantee to BNP under the terms of the existing finance agreements (in the wording of the guarantee and the agreements as is on April 30, 2020), provided that written notice of any such payment is delivered to the Trustee at least 7 days in advance, together with detailed reasons that establish the obligation to make the payment.

- 5.4 The Company may make early repayment to BNP that, together with all the amounts that the Company may pay according to section 5.3 above, amounts to USD 50 million, provided that all of these conditions obtain: (a) prior to or at the same time as making the payment to BNP, a lien was imposed on 469,525,877 of the participation units of Delek Drilling, which are 40% of the participation units of Delek Drilling on the date of publication of the Amended Deed, and – for the avoidance of doubt—, the Company has met all of its undertakings to create and register liens pursuant to this Amended Deed; (b) previously thereto or at the same time, all the proceeds from the sale of the overriding royalties of Karish Tanin were received and were paid as described in section 6 below; (c) the source of the payment to BNP is the balance of receipts from the sale of Delek Israel shares, if such remains after use of the sales receipts for the purpose of repayment of debts to the relevant banks as defined in section 9 below, according to these debts as set forth in Appendix F to this Amended Deed, and/or a dividend from Delek Israel actually distributed after full repayment of the debts to the relevant banks; it is clarified that in the event that the debts to the relevant banks, pursuant to Appendix F to this Amended Deed, are fully repaid, and the considerations from the sale of the overriding royalties from Karish Tanin are ~~only fully~~ or partly received in parallel or afterward, then – despite the provisions of this section above, and despite the provisions of section 6.1.5(2)(b)(1) below – the source of the payment to BNP mentioned at the beginning of this section 5.4 will be the considerations from the sale of the overriding royalties from Karish Tanin, and the balance of the considerations from the sale of the overriding royalties of Karish Tanin will be entirely used pursuant to the provisions of section 6.1.5(2)(b)(2) below; (d) the Company met its undertakings to raise capital in cash in the amount of NIS 300 million as described in sections 2.1.1 and 2.1.2 above; (e) up to the date of the payment to BNP, no cause was established for immediate repayment to the Trustee or to the Debenture Holders.
- 5.5 The Company may make additional payments to BNP, provided that prior to or at the same time as making such payments, the Company raises capital in cash in an amount equal to the amount of the payment to BNP, as additional capital raised by the Company beyond the Company's undertaking to raise capital in cash in accordance with the provisions of section 2 above and the other provisions of the Amended Deed that require the raising of capital.

5.6 Without derogating from the foregoing, the Company undertakes that a condition for recycling the BNP loan is the removal and clearance of the Company's guarantee in connection with this debt (whether the existing one or after the recycling).

5.7 Despite the provisions of section 5 above, the Company will be entitled to transfer each year, as of the Date of Approval, a cumulative amount of NIS 2 million per year to DKL Investments Limited, in order to pay expenses for advisors and service providers, which includes the need to prepare the financial statements. Amounts transferred as aforementioned will be considered administrative and general expenses of the Company for that year for the purpose of calculating the maximum amounts permitted for the Company pursuant to section 11.6 below.

## 6. Liens in favor of the trustees –

The Company undertakes that within 30 business days of the Date of Approval, but in any case before or at the same time as registration of the ~~lien on the Delek Israel shares in favor of the relevant banks, as described in section 9~~ liens according to Appendices 3.1.5 and 3.1.6 of the Deed Amendment below, senior liens will be created and registered in favor of the Trustee, together with the trustees of the Other Series (together: "the Trustees"), for the Debenture Holders from the series of each of the Trustees, unlimited in amount, on all of the following assets (and their yields and associated rights<sup>24</sup>), in order to secure all the undertakings of the Company under the Original Deed of Trust (as amended under the Amended Deed) and under the Other Deeds of Trust (as amended under the Other Amended Deeds) (together: "the Secured Undertakings"). The Company also undertook that the lien for the Delek Drilling participation units set out in section 6.1.1 below will be created and registered before or at the same time as registration of the lien on Delek Israel shares in favor of the relevant banks, as set out in section 9 below.

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<sup>24</sup> The "associated rights" means: all the associated rights and/or those that will stem from the encumbered assets, including (a) any dividends that are distributed in cash or kind and the right to receive them; (b) all the shares, options, assets, monies, bonus shares, participation units, preemptive rights or the rights of any kind that will be due or be issued from time to time in respect of or instead of the encumbered assets (above and below: "the Additional Rights", in whole or in part; and all the rights, options, assets, monies, bonus shares, participation units, preemptive rights or rights of any kind in respect of or by virtue of the Additional Rights; (c) all the rights stemming from the encumbered assets towards third parties, including by virtue of the corporate bylaws in which the rights or their shares or their participation units are encumbered and/or any other agreement.

- 6.1.1 126,040,739 participation units of Delek Drilling owned by ~~the Company and/or~~ Delek Energy, constitute 10.7% of all the participation units of Delek Drilling which are not encumbered as at the date of publication of the Amended Deed by the Company. The Company declares that Delek Drilling does not owe to it or to a company in its control, any material financial debt.<sup>25</sup>
- 6.1.2 All the shares and rights owned by the Company or by companies in its control in the following companies, and all the rights of the Company or of companies in its control towards the following companies, including the rights by virtue of loans to those companies:
- a. Delek Energy;
  - b. Delek Financial Investments 2012, Limited Partnership ("Delek Financial Investments");
  - c. DKL Investments Limited – notwithstanding the foregoing, this lien will be registered soon after expiration of the Company's undertaking towards Nomura for a negative pledge on this asset; the Company will deliver to the Trustees confirmation from an officer, in writing, upon expiration of the negative lien undertaking as described in this sub-section ~~3c~~;
  - d. With reference to Delek ~~Petrols~~Petroleum Ltd. –
    - a. the right of Delek Petrol Ltd. to receive the balance of the consideration in respect of the sale of 100% of the shares of Delek Israel will be encumbered for the Trustees within 7 business days of the Date of Approval, if any balance remains after consideration of the sale is paid to the relevant banks as described in the Amended Deed, including to BNP, subject to the terms of the provisions of section 5.4 above (the balance of the consideration, if such remains, will be deposited in the ~~account~~Trustees' Account encumbered in their favor ~~of the Trustees~~).
    - b. 100% of Delek Israel shares owned by Delek ~~Petrols~~Petroleum, and all of the rights by virtue of the loans provided by the Company and any company controlled by Delek Israel, will be encumbered for the Trustees within 7 business days of the date of payment of all of the debts to the relevant banks, as set forth in Appendix F to this Amended Deed (in the event that

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<sup>25</sup> The foregoing does not derogate from the Company's allegations in TA 11675-01-19 which is being heard in the Tel Aviv District Court.

such payment is not made from considerations from the sale of Delek Israel shares, and they remain under the ownership of Delek Petroleum).

The Company declares that Delek Petroleum Ltd. has no asset or right other than its holding in 100% of the shares of Delek Israel and other non-material assets as shown in the annual financial statements for 2019.

The Company declares that Delek Drilling Management (1993) Ltd. ("Delek Drilling Management") has no asset other than a holding in 5.6% of the participation units of Delek Drilling and other non-material assets as shown in the annual financial statements for 2019.

- 6.1.3 All the rights of the Company and of the private companies in its control (excluding the Ithaca Companies, the Delek Israel Companies, Delek Drilling and any private company in its control (hereinafter together: "the Excluded Companies")), by virtue of loans that were provided by them to the Company or to any of the private companies in its control, in accordance with the loan details in Appendix A to this Amended Deed. The Company declares that except as set forth in that appendix, there are no other inter-company loans<sup>26</sup>. The Company also declares that the Excluded Companies will not provide any loan to the Company or to any of the private companies in its control (this declaration shall not apply to loans provided by any of the Excluded Companies to a company under ~~its~~their control).
- 6.1.4 All the assets of Delek Financial Investments~~2012~~ ~~Limited Partnership~~ (including the debentures and the shares it holds).
- 6.1.5 All the rights of the Company and Delek Energy to the overriding royalties in connection with the Leviathan field<sup>27</sup>, and all of the contractual rights of the Company and of Delek Energy (including the rights to receive money of any kind or type) pursuant to the sales agreement dated May 25, 2020, as reported by the Company on May 25, 2020 ("the Sales Agreement") for the sale of the rights of the

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<sup>26</sup> It is clarified that some of these loans were provided to companies without assets and/or repayment is not expected.

<sup>27</sup> A lien registered with the Companies Registrar ~~within 14 dayson the date stipulated regarding the remaining liens, as set out at the beginning of the Date of Approval~~this section 6, simultaneous to which a request— for approval from the Petroleum Commissioner for this lien is submitted, and the Company will act to the best of its ability to obtain this approval as soon as possible, as its receipt constitutes a condition for the lien coming into force. It is clarified that the Commissioner's approval may also be received after the above date of registration of the lien.



Company and Delek Energy to the overriding royalties related to the Karish and Tanin fields (together: "the Overriding Royalty Rights")<sup>28</sup>.

Furthermore, in the event that the Sales Agreement is terminated for any reason (including in the event that a cancellation notice is sent by any of the parties, or if implementation thereof is not completed within the deadline) before the transaction to transfer the Overriding Royalty Rights in Karish Tanin is completed pursuant to the provisions of the Sales Agreement, the Company will deliver in respect of this an immediate report. In addition, the Company and Delek Energy will create and record a lien in favor of the Trustees and the Debenture Holders for the full rights of the Company and of Delek Energy to the overriding royalties in the Karish and Tanin fields (such a lien shall be signed and filed with the Companies Registrar within 7 business days of the date of the termination of the Sales Agreement as aforesaid, and at the same time, the Company will submit a request for approval from the Petroleum Commissioner for this lien, and will act to receive it as soon as possible).

The Company may-:

- (1) sell the Overriding Royalty Rights in Karish and Tanin for a consideration that is not less than NIS 300 million, and (2) may securitize the Royalty Rights in Leviathan against receipt of financing in an amount that is not less than NIS 600 million and/or sell those Overriding Royalty Rights at its discretion, at an appropriate economic value taking into account the minimum amount set for securitization.

In such a case –

- (a) the lien in favor of the Trustees on the rights being sold or from such securitization shall be removed;
- (b) the Company undertakes that the receipts (net, after taxes) in respect of sale of the Overriding Royalty Rights from Karish and Tanin shall be used only for
  - (1) up to 75% of those receipts will be used for making payments for the purpose of repayment of the Company's and Delek Energy's debts to the relevant banks (as this term is defined in section 9.1) (the pro rata part) against releasing the lien of the participation units of Delek Drilling that were encumbered to secure these debts against the release of those participation units (if they were

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<sup>28</sup> Royalties from Delek Drilling related to the Leviathan, Karish and Tanin fields, as stipulated in the 1993 transfer of rights agreement between Delek Energy ~~and, Delek —The Israel Fuel Corporation Ltd.~~ and Delek Drilling Management. The Company and Delek Energy do not possess any additional right of any kind or type in respect to these fields, except as set forth in this 1993 transfer of rights agreement.

encumbered), if the Company is entitled, pursuant to the ~~agreements with those relevant banks (as per their wording on the Date of Approval)~~Banks Plan for release of these participation units, as well as simultaneous transfer (the same day) of these participation units to the Trustees (as part of the lien for them);

- (2) the balance of the aforementioned receipts ("the Amount of the Karish Tanin Deposit") shall be used for repayment of the debts to the Company's Debenture Holders from all the debenture series of the Company, in accordance with the loan schedule ~~-, whereby~~ initially the first debt will be paid for whichever series is first along the timeline, and then the next one along the timeline, and so on until the Amount of the Karish Tanin Deposit is depleted; all subject to the balance appendix to this Amended Deed that, after the Date of Approval, will be attached by the Trustees as an appendix to this Amended Deed<sup>29</sup> ("the Balance Appendix") in the event of an insolvency event as defined below, and for that purpose, the amount of the Karish Tanin Deposit will be placed in ~~an account~~the Trustees' Account encumbered in ~~their~~ favor ~~of the Trustees~~;<sup>30</sup>

(c) all the receipts in respect of the sale or securitization of the overriding royalties from Leviathan ("the Amount of the Leviathan Deposit") will be used for repayment of the debts to the Debenture Holders according to the existing loan schedule (initially the first debt will be paid for whichever series is first along the timeline, and then the next one along the timeline, and so on until the Amount of the Leviathan Deposit is depleted; all subject to the Balance Appendix in the event of an insolvency event), and for that purpose, the Amount of the Leviathan Deposit will be placed in ~~an account of the Trustees that is~~the Trustees' Account encumbered in their favor.

For the purpose of this Amended Deed and for the purpose of the Balance Appendix, an "Insolvency Event" refers to the earliest date on which one or more of the

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<sup>29</sup> The draft of the Balance Appendix will be delivered to the Company by the Trustees after the Date of Approval, and the Company will not have any right or authority to intervene regarding the content or wording of the Balance Appendix; the Company hereby grants its prior consent to the Balance Appendix that will be delivered as aforesaid by the Trustees.

<sup>30</sup> See in this respect the provisions at the end of section 5.4(c), in the event that some of the consideration from the sale of Karish Tanin is used for repayment to BNP as mentioned in section 5.4 above. In such a case, the balance will be fully used for repayment to the Debenture Holders pursuant to this sub-section. It is clarified that regarding the Karish Tanin consideration that according to this Amended Deed, they are meant to be in fact used for payment to the relevant banks, because they will be transferred to the Company's account and not to the account encumbered in favor of the Trustees, and simultaneously, the Company will deliver a confirmation to the Trustees from an officer, in writing, specifying the amount remaining in the Company's account as aforesaid, and confirming that this amount will be fully used for repayment of the debts to the relevant banks pursuant to the provisions of this Amended Deed.

following events takes place – (1) the Company does not make one of its payments (principal or interest) for any of the series; or (2) immediate repayment was legally demanded for a debt of the Company for any of the series; or (3) any of the Trustees legally initiated a lien disposal proceeding; or (4) an order was issued to begin proceedings against the Company, or a trustee was appointed for the Company pursuant to the Insolvency and Rehabilitation Law, 2018 (and/or pursuant to any law similar to it or that may replace it).

- 6.1.6 All the rights of the Company and any private company in its control (~~excluding Delek Drilling and private companies in its control, the Ithaca Companies and the Delek Israel Companies~~ other than the excluded companies) to payback of the loans that were provided by them to third parties that are not controlled by the Company (including a seller loan that it provided) ("Loans to Third Parties"), as described in Appendix B<sup>31</sup>.

The Company declares that other than the loans listed in the aforementioned appendix, there are no other loans to third parties.

It is clarified that the Company will not encumber to the Trustees its rights in negotiable securities that it holds on the Date of Approval, of Delek Royalties (2012) Ltd. and Ratio Petroleum Energy – Limited Partnership, valued at NIS 140 million (as at May 1, 2020), but for the removal of doubt, these securities will not be encumbered to any other third party (with the exception of a lien in favor of Bank Mizrahi and the consortium of lending banks, pursuant and subject to the provisions of Appendix 3.1.5 to this Amended Deed), and the Company undertakes that the consideration at the time of their disposal (insofar as it is not used for purchasing other negotiable securities pursuant to the provisions of this Amended Deed) and any yields from them (including dividends) will be used in full only for repayment of the debts of the Company and Delek Energy to the banks to which the participation units of Delek Drilling are encumbered and to the Debenture Holders of the various series, as well as for the day-to-day expenses of the Company.

The Company undertakes, for the purpose of this Amended Deed, that the money of the Company and the private companies in its control, and the Company's assets such as negotiable securities, will not be deposited in accounts at banks or other financial institutions that are

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<sup>31</sup> It is clarified that the Company will not create or register any collateral pursuant to foreign law or in registries outside of Israel regarding its rights to repayment of these loans, and that that this could be detrimental to the validity of the lien and the possibility of its disposal.

creditors to the Company or to any of the companies that it controls. (to avoid any doubt, within 14 days of the Date of Approval, all these funds and marketable securities will be transferred to the accounts of banks that are not creditors of the Company or any of the companies under its control, and at the same time, a written confirmation from an executive officer in the Company regarding completion of execution of the foregoing will be given to the Trustees). This will not apply to - (1) the participation units of Delek Drilling that are encumbered at this time, as long as they have not been released from this lien; (2) a lien on securities or money deposited in a bank account that will provide credit to the Company after the Determining Period, as long as these are fully encumbered upon deposit into the account to secure that credit only.

**7. Lien in favor of the Trustees on participation units of Delek Drilling that will be released from the lien in favor of the banks –**

The Company undertakes that in respect of all the participation units in Delek Drilling which at the date of publication of this Amended Deed are owned by the Company or Delek Energy are encumbered in favor of the banks, first liens will be created and registered in favor of the Trustees for the Debenture Holders of the series of each of the Trustees, and will be unlimited in amount (including on any asset related to those units and the yields from them and rights associated with them), immediately upon fulfillment of the terms (pursuant to the ~~existing agreements with the banks as at the Date of Approval, including the agreement with the relevant banks~~ Banks Plan as described in section 9 below) for expiration or removal of a lien on those units (all or some of them) in favor of any of the banks, or for their release from such lien, or at the time that this lien is removed, according to the earlier event ("Date of Release of the Units from the Bank"). These liens shall serve to secure all undertakings that are secured.

Notwithstanding ~~the foregoing all provisions of this amendment~~, it is clarified that the Company's undertaking to encumber additional participation units of Delek Drilling in favor of the Trustees according to this amendment, will end on the date on which the total number of the participation units in Delek Drilling encumbered to the Trustees reaches 469,525,877 Delek Drilling participation units of NIS 1 par value each, which as at the date of signing this Amended Deed constitutes 40% of all the participation units of Delek Drilling ("the Minimum Condition").

Appendix C to this agreement ("the Lien Mechanism Appendix") describes the primary provisions settled between the Company ~~and~~, Delek Energy, DKL Investments Limited and the relevant and other banks for ensuring grant and registration of the lien in favor of the Trustees in respect of the participation units in Delek Drilling in accordance with this section 7. Despite all of the aforementioned and following provisions in this Amended Deed, the Company undertakes that any payment made on a certain date ("the Relevant Date") on account of the Company's debts to the relevant banks ("the Relevant Payment") will only be made directly by the collateral trustee who is appointed pursuant to the banks plan (as this terms is defined in section 9.2 below) ("the Collateral Trustee"), who will transfer to the relevant banks against – (1) simultaneous release of the Delek Drilling participation units encumbered for those relevant banks, according to the conditions and amounts set forth in the agreements with the relevant banks, as updated in the ~~principles plan~~ Banks Plan, and their transfer by the relevant banks to the Collateral Trustee on the Relevant Date; and (2) the transfer on the Relevant Date of such participation units that were released from the lien, by the Collateral Trustee, to the ~~account~~ Trustees' Account encumbered in ~~their favor of the Trustees~~. For the avoidance of doubt – no Relevant Payment will be made to the relevant banks by the Company or by any other third party (including, but not limited to, by any company in which the Company has rights, or by a functionary, if such is appointed for the Delek Israel shares that will be encumbered in favor of the relevant banks).

The Company also undertakes that by October 30, 2020<sup>32</sup>, and no later, unlimited first liens will be created and recorded by the Company and/or companies under its control pursuant to this Amended Deed, in favor of the Trustees for the Debenture Holders for the series of each of the Trustees, for 469,525,877 Delek Drilling participation units of NIS 1 par value each that, as at the date that this amendment is signed, constitute 40% of the total participation units of Delek Drilling (for the avoidance of doubt, in a manner that upon fulfillment of the Company's undertaking pursuant to this paragraph, the Minimum Condition will be considered fulfilled.)

Commencing January 1, 2022, and provided that the Minimum Condition is met and the Company is in compliance with all its undertakings pursuant to the deeds of trust of the various series (and their amendments) and no cause is established for immediate repayment for any of the series of the Company's debentures – upon the Company's request, 70,428,881 participation units will be released from the lien in favor of the Trustees, which at the date of signing this Amended Deed constitute 6% of all the participation units of Delek Drilling, so that they can simultaneously be encumbered to a third party in order to receive financing from it, so that after the release of all

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<sup>32</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

the participation units than can be released as aforesaid, 399,096,995 participation units constituting 34% of the participation units of Delek Drilling at the date of signing this Amended Deed, will remain encumbered in favor of the Trustees, provided that – (1) all the financing that is received in connection with the encumbrance of those participation units will be transferred directly to ~~an encumbered account in the name of the Trustees~~ the Trustees' Account and will serve as collateral for the Company's debt to the Debenture Holders of the various series, and will be paid to the Debenture Holders (according to the loan schedule, subject to the provisions of the Balance Appendix in the event of an Insolvency Event); (2) prior to and/or at the same time as the encumbrance of all or some of the units as aforesaid (in this sub-section – “the Released Units”), the Company will raise capital in cash, with an additional amount being raised by the Company beyond the Company's undertaking to raise capital in cash pursuant to the provisions of section 2 above and to the other provisions of the Amended Deed requiring that capital be raised (it is clarified that this undertaking to raise capital shall apply whenever the Company receives additional financing in respect of those units that are encumbered, in a way that will ensure that against any financing received in respect of the units, capital was raised in cash at the same time, so that the amount of total capital in cash received by the Company by the date of encumbrance of the Released Units, pursuant to the capital raised as aforesaid in this sub-section, plus the amount of financing that the Company receives in cash against the Released Units, will be a total cumulative amount equal to the result of the product of (i) the number of Released Units times (ii) the average of the closing prices on the TASE of the participation units of Delek Drilling during the 30 consecutive trading days that preceded the aforesaid date that the capital was raised.

Commencing January 1, 2023, and provided that the Minimum Condition was fulfilled and the Company is in compliance with all its undertakings pursuant to the deeds of trust of the various series (and their amendments) and no cause is established for immediate repayment for any of the series of the Company's debentures – upon the Company's request, some of the participation units of Delek Drilling that are encumbered to the Trustees will be released to the Company so that they can be encumbered, at the same time, to a third party in order to receive financing from it, provided that the following three obtain: (1) immediately after release of the encumbered units as aforesaid, the result of the division of (a) the value of all the participation units of Delek Drilling that are encumbered to the Trustees after release of the lien (a value that will be determined according to an average closing price, on the stock exchange, of Delek Drilling participation units over 30 consecutive trading days prior to the date of release of the lien); by (b) the total of the Company's debt (principal and interest) to all the series of the Company's debentures, as is immediately after release of the units as aforesaid, exceeds 1.15; (2) all the financing received in connection with the

encumbrance of those participation units will be transferred directly to ~~an~~the Trustee's Account ~~account in the name of the Trustees~~ and will serve as collateral for the Company's debt to the Debenture Holders of the various series, and will be paid to the Debenture Holders (according to the loan schedule, subject to the provisions of the Balance Appendix in the event of an Insolvency Event); (3) prior to and/or at the same time as the encumbrance of all or some of the units as aforesaid (in this sub-section – "the Released Units"), the Company will raise capital in cash, with an additional amount being raised by the Company beyond its undertaking to raise capital in cash pursuant to the provisions of section 2 above and to the other provisions of the Amended Deed requiring that capital be raised (it is clarified that this undertaking to raise capital shall apply whenever the Company receives additional financing in respect of those units that are encumbered, in a way that will ensure that against any financing received in respect of the units, capital was raised in cash at the same time), in a way that will ensure that against any financing received in respect of the units, capital was raised in cash at the same time, so that the amount of total capital in cash received by the Company by the date of encumbrance of the Released Units, pursuant to the capital raised as aforesaid in this sub-section, plus the amount of financing that the Company receives in cash against the Released Units, will be a total cumulative amount equal to the result of the product of (i) the number of Released Units times (ii) the average of the closing prices on the TASE of the participation units of Delek Drilling during the 30 consecutive trading days that preceded the aforesaid date that the capital was raised.

Commencing January 1, 2024, and provided that the Minimum Condition was fulfilled and the Company is in compliance with all its undertakings pursuant to the deeds of trust of the various series (and their amendments) and no cause is established for immediate repayment for any of the series of the Company's debentures – upon the Company's request, some of the participation units of Delek Drilling that are encumbered to the Trustees will be released to the Company, provided that immediately after release of the encumbered units as aforesaid, the result of the division of (a) the value of all the participation units of Delek Drilling that are encumbered to the Trustees after release of the lien (a value that will be determined according to an average closing price, on the stock exchange, of Delek Drilling participation units over 30 consecutive trading days prior to the date of release of the lien); by (b) the total of the Company's debt (principal and interest) to all the series of the Company's debentures, as is immediately after release of the units as aforesaid, exceeds 1.15.

**Relief upon fulfillment of the Expiration Condition:** Notwithstanding the foregoing, the Company's undertaking to raise capital as a condition for release and encumbrance of participation units as

described in this section 7 above and as a condition for encumbrance of participation units as provided in section 3 above, shall expire upon fulfillment of the Expiration Condition.

## **8. Provisions relating to assets that will be encumbered in favor of the Trustees –**

8.1 The dividend money, any distribution and any receipts or additional rights that will be paid or granted (whether in cash or cash equivalents, including as securities) in respect of any of the assets and/or rights encumbered in favor of the Trustees, will be directly deposited into the ~~account encumbered in favor of the Trustees~~ Trustees' Account, and will be part of the assets encumbered for the Trustees. Without derogating from the foregoing -

(1) As long as the Company is in compliance with all its undertakings<sup>33</sup> pursuant to the deeds of trust of all the series of debentures and as long as no cause is established for immediate repayment of any of the series of the Company's debentures, all of the encumbered dividends that are received in respect of encumbered participation units of Delek Drilling and a dividend in respect of other encumbered shares and/or payments in respect of repayment of encumbered loans, shall be used for repayment of the debts to the holders of the Company's debentures from all the series, in accordance with the loan schedule (initially the first debt will be paid for whichever series is first along the timeline, and then the next one along the timeline, and so on; subject to the provisions of the Balance Appendix in the event of an Insolvency Event);

(2) Despite the aforesaid, as long as the Company is in compliance with all its undertakings<sup>34</sup> pursuant to the deeds of trust of all the series of debentures and as long as no cause is established for immediate repayment of any of the series of the Company's debentures. The Company will be entitled to leave in the Company's register, from receipts that it periodically receives ("Date of Receipt of the Money"), as a dividend in respect of other encumbered shares (for the avoidance of doubt – not as a dividend or any other receipt that is received in respect of, or in relation with, participation units of Delek Drilling) and/or as payments in respect of loan repayments ("the Other Receipts"), an amount that completes the total cash

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<sup>33</sup> Undertakings for the purpose of this sub-section (1) – excluding negligible undertakings (that are not payment undertakings). This does not derogate from the rights of the Trustees and the Debenture Holders in respect of a breach of negligible undertakings by the Company.

<sup>34</sup> Undertakings for the purpose of this sub-section (2) – excluding negligible undertakings (that are not payment undertakings). This does not derogate from the rights of the Trustees and the Debenture Holders in respect of a breach of negligible undertakings by the Company.



and cash equivalents (including money, deposits and securities) found on the Date of Receipt of the Money in the accounts of the Company and the accounts of the private companies in its control, so that it reaches a cumulative total of NIS 200 million, on condition that up to the Date of Receipt of the Money, the Company delivers the Trustees confirmation from a senior officer at the Company, in writing, specifying the total amount of cash and cash equivalents (including money, deposits and securities) that exists at that time in the accounts of the Company and the accounts of the private companies under its control; the amount of the Other Receipts that were received on the Date of Receipt of the Money ("the Total Amount"); the amount from these that completes the sum to NIS 200 million as aforesaid ("the Completing Amount"). On the Date of Receipt of the Money, the Completing Amount will remain in the Company's register, while the balance of the total amount that exceeds the Completing Amount (insofar as such a balance exists) will be transferred at that time to the Trustees' ~~account~~Account. For the avoidance of doubt, this money that is transferred to the Company's register will not be used in any way that is forbidden or limited pursuant to the provisions of this Amended Deed<sup>35</sup>.

For the avoidance of doubt, the encumbered loans as described in the Appendix to section 6.1.3, and/or any one of them (including the debit and credit balances between the Company and/or the companies in its control as aforesaid in this appendix) can be repaid during the course of the Company's regular operations (such repayments will not be considered a breach, nor will they require receipt of the consent of the Trustees).

Creation and recording of the liens:

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<sup>35</sup> Notwithstanding the foregoing, in the event that (1) all Delek Sea Maagan 2011 Ltd. shares and/or assets are sold for a consideration received by October 30, 2020 ("the Akko Transaction") and under the Akko Transaction a consideration is received for the loan provided by the Company to Delek Sea Maagan 2011 Ltd. ("the Akko Loan") by October 30, 2020; and (2) as at the date of receipt of the consideration for the Akko Loan, the full debts to the Relevant Banks have not been settled as set out in Appendix F (the balance of the debt to the Relevant Banks at that date will be referred to as: "the Debt to Banks on the Date of the Akko Transaction"), and (3) the entire consideration for the Akko Transaction less the amount of the Akko Loan ("the Balance of the Akko Consideration less the Loan") is insufficient to repay the Debt to Banks on the Date of the Akko Transaction; and (4) all amounts received by October 30, 2020 cumulatively for the sources set out in section 9.6.2 below (excluding the source in section 9.6.2(1) below) amounts to less than NIS 200 million (the difference between NIS 200 million and the cumulative amount received, as aforesaid, by October 30, 2020 will be referred to as: "The Balance of the 9.6.2 Proceeds"), then even if at that time, the Company has over NIS 200 million in its coffers, it may use the Fixed Amount (as defined below) from the Akko Loan to pay the Relevant Bank to settle debts to them, instead of transferring the fixed amount into the Trustees' Account (the Balance of the Akko Loan will be transferred to the Trustees' Account). For this purpose - "the Fixed Amount" means the lower of the following amounts: (A) the result of the shortfall of the Debt to Banks on the Date of the Akko Transaction less the Balance of the Akko Consideration less the Loan; and (b) the Balance of the 9.6.2 Proceeds.

8.1.1 The Company and/or any other company that encumbers an asset to the Trustees pursuant to this amendment, as relevant, will provide the Trustees with the following documents for each of the liens pursuant to this amendment, within 30 days of the Date of Approval, or – with regard to the participation units in Delek Drilling as aforesaid in section 7 above, within 30 days of any Date of Release of the Units from the Banks<sup>36</sup>:

1. The original lien agreement and the “Details of Mortgages and Liens” form (for liens registered with the Companies Registrar or for an application to record a pledge for liens, registered with the Registrar of Pledges), worded in a manner acceptable to the Trustees as per their reasonable requests, stamped with the “Submitted for Examination” stamp and the date, by the Companies Registrar or the Registrar of Pledges, as relevant. It is clarified that insofar as it is not possible to receive this stamp, confirmation will be provided (by the Company or the Company’s attorney) regarding submission of these documents to the Companies Registrar or the Registrar of Pledges, as relevant.
2. Certificates of registration of the relevant lien with the Companies Registrar, or confirmation of registration of the pledge from the Registrar of Pledges, as well as confirmation of registration with any other relevant registry (including confirmation of registration in the Petroleum Registry and any other registry where the lien must be registered<sup>37</sup>), as relevant.
3. A printout from the registry of the encumbering company with the Companies Registrar or the Registrar of Pledges, as relevant, attesting, *inter alia*, to the correct and precise registration of the relevant lien.
4. Regarding rights or loans (that are not by virtue of the negotiable debentures) or private company shares (meaning, that are not negotiable/electronic shares) – irrevocable provision statements from the encumbering company to the obligated company or to the company whose shares are being encumbered, as relevant (each separately: “Recipient of the Provisions”), regarding the lien on the rights, loans or shares as relevant, in favor of the Trustees, which will include an

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<sup>36</sup> It is clarified that regarding encumbering of Delek Israel shares, insofar as the Company is required to record such a lien in favor of the Trustees, the Company will provide the documents within 14 days of the date that the debt established the creation of the lien.

<sup>37</sup> Confirmations of registration in the Petroleum Registry, when required, will be provided within 14 days of the date that confirmation is received from the Petroleum Commissioner for registration of the lien.

irrevocable provision that any payment or distribution (money or in kind) for the rights, loans or shares, as relevant ("Yields of the Lien") will be paid as follows: (a) As long as the Recipient of the Provisions has not received written notice from the Trustees, according to which pursuant to the provisions of this Amended Deed, the Company and the encumbering company are no longer entitled to leave money that they receive from the Recipient of the Provisions in their register ("the Cessation Notice") – the Yields of the Lien will be directly transferred to the ~~account~~Trustees' Account encumbered in their favor~~-of the Trustees~~ and/or to the Company's account, pursuant to the written provisions delivered by a senior officer of the Company to the Recipient of the Provisions, in advance and in proximity to the transfer of any such payment ("the Payment Provisions"), with a copy of the Payment Provisions provided to the Trustees at the same time. The Company undertakes that the Payment Provisions will be pursuant to the provisions of section 8.1 above, without any deviation from them, and that they will specify the information that shows that the Payment Provisions comply with section 8.1 above; (b) as of the date when the trustee delivers the Cessation Notice – the Yields of the Lien will be directly transferred into the ~~account~~Trustees' Account encumbered in their favor~~-of the Trustees~~.

5. Regarding any of loans (that are not by virtue of the negotiable debentures) that are encumbered – a copy of each existing agreement due to which the loan was established.
6. Regarding the private company shares (meaning, that are not negotiable/electronic shares) that are encumbered – one or more share certificates in respect of all of the encumbered shares, as well as the registry of shareholders of the relevant private company whose shares are being encumbered, according to which the lien was registered in that registry as well (in addition to the lien with the Companies Registrar), with the shareholders registry signed by a senior officer of that company.
7. An undertaking according to the wording in Appendix D to this amendment, signed and original, from each encumbering company that is not the Company.
8. Confirmation from a senior officer at the encumbering company and at the Company, confirmed by an attorney, stating that, *inter alia*, the lien created by that company does not contradict or conflict with other undertakings of the

encumbering company and the Company ~~(each officer addressing the relevant company).~~

9. An opinion addressing each such lien from external attorneys for the Company, regarding the manner in which the lien was registered, its term (including its registration in every relevant registry by law), its creditor ranking, its legality and the fact that it is disposable and enforceable at the ranking that it was registered.
10. Any agreement and/or confirmation and/or notice and/or other document related to the creation and/or registration of the lien, that is required according to the reasonable opinion of the Trustees, including based on legal advice that they receive, and including by any law.

8.1.2 The participation units in Delek Drilling that will be encumbered in favor of the Trustees, and any negotiable security that is encumbered pursuant to section 6 above, will be deposited in the account encumbered in favor of the Trustees, within 3 business days of the Date of Approval or from any Date of Release of the Units from the Banks, as relevant.

8.2 The Company declares and undertakes with regard to the assets that will be encumbered in favor of the Trustees by virtue of this Amended Deed ("the Encumbered Assets") that –

8.2.1 On the date of their encumbrance to the Trustees, the Encumbered Assets will be free and clear of any third party right, lien, demand or pledge ("Free and Clear"), except as expressly provided otherwise in this Amended Deed.

8.2.2 The Company and any company in its control may not encumber or sell or transfer or make any other disposition of any of the Encumbered Assets, including also not being able to effect transfer or sale or allotment of shares or rights in those private companies in which the rights are encumbered to the Trustees as part of the Encumbered Assets (it is clarified for the removal of doubt that in any case of an allotment of shares or rights or participation units in companies that are not private and in which the rights are encumbered to the Trustees as part of the Encumbered Assets ("the Encumbered Rights"), the lien pursuant to this Amended Deed shall apply also to any share or right or participation unit that is allotted in connection with the Encumbered Rights, and all unless expressly provided otherwise in this Amended Deed.

The Company ~~undertakes will be able~~ to use its sources and those of private companies in its control, whether funds in the Trustees' Account (but not any other asset or right encumbered to the Trustees or deposited in the Trustees' Account) or free, in order to exercise all rights allocated for the Delek Drilling participation units encumbered to the Trustees. If these sources are insufficient to exercise all rights for all Delek Drilling participation units owned by the Company and companies in its control, (to avoid any doubt, funds in the Trustees' Account may be used only for exercise of rights for the participation units encumbered to the Trustees), it is agreed that first the rights for the Delek Drilling participation units encumbered to the Trustees will be exercised before any other right is exercised. ~~Notwithstanding the foregoing, if the Company elects not to exercise (meaning, not partially either) the rights issued for the Delek Drilling participation units owned by it or any company under its control, such rights will not be exercised and instead, the rights to be issued for the Delek Drilling participation units encumbered to the Trustees will be sold on the TASE and their full consideration will be transferred to the account of the Trustees encumbered in their favor.~~

Notwithstanding the foregoing, if the Company elects to exercise only part of the rights issued for the Delek Drilling participation units which it and any company under its control hold, then (1) the Company undertakes to first exercise its rights and those of companies under its control that were issued for the Delek Drilling participation units encumbered to the Trustees, and only if all rights for the participation units encumbered to the Trustee are exercised may the Company exercise rights for other participation units of the Company and companies under its control that are not encumbered to the Trustees; and (2) if not all rights for the participation units encumbered to the Trustees are exercised, then the Company undertakes to dispose of the rights issued to it and companies under its control for the Delek Drilling participation units encumbered to the Trustees not exercised during trading on the TASE and the full consideration for them will be transferred to the account of the Trustees encumbered in their favor.

To avoid any doubt, the participation units to be received for exercise of rights issued for the participation units encumbered to the Trustees will be deposited in the Trustees' Account and will also be part of the Encumbered Assets to the Trustees

- 8.2.3 The Company undertakes that the liens on the Encumbered Assets will be created according to documents requested by the Trustees (including documents of liens, debentures, approvals of officers, legal opinions and other similar documents), in

accepted, appropriate and reasonable wording and form. At the Trustees' reasonable discretion and at their choice concerning the type and procedure of lien on each of the Encumbered Assets (including whether it is a fixed lien and/or assignment by way of the lien, and including a fixed lien and/or floating lien<sup>38</sup>, of the rights to the account/s of the Trustees and any other bank account/s in the Trustees' name in which the Delek Drilling participation units or any other Encumbered Asset will be deposited).

- 8.2.4 The lien on the Encumbered Assets will be created and registered in favor of the Trustees jointly and severally, each of the Trustees for the Debenture Holders from the series for which it serves as trustee, and the receipts of exercise of the Encumbered Assets shall be divided pro rata among the Debenture Holders of all the series, in accordance with the provisions of the Balance Appendix.
- 8.2.5 Each of the Trustees may, independently, at its discretion (at any time it has a right to exercise collateral or the right to call for immediate repayment of the debt), take all the legal steps available to it for exercise of the lien in respect of all or some of the Encumbered Assets, including any legal proceeding for exercise of the lien, without need for the consent of the Company or of any company in its control or of any of the other Trustees, but subject to giving 14 days' written notice (the Trustee will have the right to bring dates forwards if necessitated for protection of the rights of the holders). The other Trustees may, but are not required to, join the proceeding adopted by the Trustee as aforesaid, at their discretion and/or in accordance with a resolution of a general meeting of the shareholders of the series for which they serve as trustee.
- 8.2.6 Immediately after the final, full and exact repayment of the Secured Liabilities for any of the debenture series, the liens in favor of the Trustees will be considered automatically corrected without the need to correct the lien and/or registration documents, in a manner that the lien will no longer be in favor of that series and its Trustee, and all rights of that series under the said lien will be considered as converted in favor of the remaining debenture series without the need for any further action. Without derogating from the foregoing, in any event, as set out above, the Company shall act as soon as possible, in coordination with the Trustees,

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<sup>38</sup> Note: The Trustees will act to obtain a legal opinion on the best way of encumbering the rights in the bank account in which the Delek Drilling participation units will be deposited, including by way of a fixed and/or floating lien, in order to reduce to the extent possible the possible impairment of the rights of the Debenture Holders by virtue of such lien as a result of the provisions of section 244 of the Insolvency and Rehabilitation Law, 2018. The actual lien will be recorded according to the opinion received.

for an appropriate amendment of the lien documents, in cooperation with the Trustees (including with the Trustee of the debenture series for which the debt was repaid).

- 8.3 In the event of insolvency, the entire consideration and proceeds in connection with the assets and rights encumbered in favor of the Trustees and the entire consideration and proceeds to which the Debenture Holders of all series are entitled out of the remaining assets and rights not encumbered to Trustees, will be divided between the Debenture Holders according to the provisions of the Balance Appendix.
- 8.4 Whenever under this Deed Amendment the Company may make payments to the Debenture Holders according to the repayment schedules, out of the funds in the account of the Trustees that is encumbered in their favor, the Trustees will transfer such funds from the encumbered account directly to the nominee company, after receiving a written request from the Company for such release that includes the amount requested to be released for the purpose of such payment together with an instruction to the nominee company regarding such payment and a written confirmation from an executive Company officer that the conditions under this Deed Amendment for release of such funds have been met; and if the amount in the Trustees' ~~account~~Account encumbered in their favor is insufficient to cover the full relevant payment, the Company will also attach a reference of the transfer of the balance of the amount to the nominee company.
- 8.5 As long as the Company complies with all of its liabilities<sup>39</sup> under the Deed of Trusts of all debenture series and as long as there is no cause for immediate repayment of any of the debenture series, the Company or the encumbered company, as the case may be, may use the voting rights for the encumbered participation units or shares, provided that the vote does not harm the rights of the Debenture Holders in respect of the said participation units or shares. For this purpose, the Trustees will provide the relevant company with a proxy power of attorney for the relevant encumbered participation units or shares, to use at all meetings of the unit holders and/or shareholders, when use thereof is subject to the Company's compliance with its liabilities as aforesaid and that there is no cause for immediate repayment. The Company and/or the encumbered company (as the case may be) will sign the margins of the power of attorney to confirm their consent to act according to its provisions.
- 8.6 To the Company's proposal for amendment of the Deed as set forth in this document, additions and adaptation will be made upon the reasonable demand of the Trustees in

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<sup>39</sup> Liabilities for this subsection - other than negligible liabilities (that are not payment liabilities). The foregoing does not derogate from the rights of the Trustees and Debenture Holders for breach of negligible liabilities by the Company.

everything relating to the undertakings and wording connected with the creation and registration of the liens.

8.7 It is clarified that the Trustee was not obligated to review, and in practice the Trustee did not review, the economic value of the assets encumbered in favor of the Trustees. The Trustee was not required to carry out and in practice did not carry out economic, accounting or legal due diligence as to the business position of the Company and the companies in its control. In his engaging in the Amended Deed, the Trustee is not giving its opinion as to the economic value of the assets encumbered in favor of the Trustees. Furthermore, the Trustee is not giving its opinion as to the ability of the Company to comply with its undertakings towards the Debenture Holders. Nothing in the foregoing derogates from the functions of the Trustee and its duties under the law and the Deed of Trust.

**9. Condition precedent – Settlement of the Company’s Relationship with the Banks; and Delek Israel**

- 9.1. The Company is working to settle its relationships with banking corporations, which are secured creditors: Bank Discount, Bank Hapoalim, Bank Mizrahi, Bank HSBC, Nomura (“the Relevant Banks”), as well as with BNP. Appendix F describes the liens and guarantees that exist for the Relevant Banks, and the scope of the debt to each of them as at May 31, 2020. The Company undertook that all debts to the Relevant Banks, as set out in Appendix F, will be repaid by and no later than October 30, 2020<sup>40</sup>.
- 9.2. The plan which the Company seeks to reach with the Relevant Banks will include provisions whereby subject to pledging the Company’s shares in Delek Israel (“Delek Israel Shares”) in their favor, the Relevant Banks will not pursue immediate repayment of the debts owed to them, during the term and under the conditions that are stipulated, and will not demand provision of any additional securities whatsoever, nor demand early payment, nor pursue proceedings to realize liens (“the Banks Plan”), and all during the period and under the conditions set out in the Banks Plan. The Banks Plan will include the consent of the Relevant Banks to all liens granted to the Trustees and Debenture Holders under this Deed Amendment (both at the date of consent and thereafter), as well as provisions as set out in the Liens Mechanism Appendix.
- 9.3. Soon after the Approval Date, parallel to granting the liens to the Trustees pursuant to the Deed Amendment, the Company will be entitled to pledge Delek Israel Shares to the Relevant Banks, subject to implementation of the mechanism as set forth in the Liens Mechanism appendix to this Deed Amendment regarding the rights of the trustees to receive liens, as set forth in Section 7 above.
- 9.4. If the Company reaches the Banks Plan with the Relevant Banks and it is signed by the parties, and an immediate report thereof<sup>41</sup> is published setting out, inter alia, the principles of the Banks Plan, ~~prior to all by the Approval Date and the vote end of the Debenture Holders regarding the Deed Amendment day on June 16, 2020~~, this constitutes a condition precedent for the Deed Amendment and the obligations of the Company and the Trustees thereunder.

<sup>40</sup> It is clarified that a delay of ~~three~~3 business days ~~maximum at the most~~ will not be considered a breach.

<sup>41</sup> In addition to the immediate report published by the Company on June 4, 2020.



9.5. The Trustee and the Debenture Holders will have cause to demand immediate repayment of the amount due to the Debenture Holders according to the debentures, as well as the right to dispose of any collateral provided to secure the Company's liabilities under the Deed of Trust, immediately, under each of the following circumstances:

9.5.1. Any of the Relevant Banks has demanded immediate payment of the debt owed to it;

9.5.2. Any of the Relevant Banks has initiated any realization process whatsoever (including, but not limited to, a request to appoint a receiver or unilateral realization) of the Delek Drilling units encumbered in its favor or instituted legal proceedings against the Company or Delek Energy, or demanded exercise of the guarantees. This shall not apply to the realization of Delek Israel Shares pursuant to the agreement that the Company reaches with the Relevant Banks as aforementioned.

The Company will provide the Trustees with a written confirmation from an executive Company officer, in the occurrence of any of the events set out in this section 9.5.

9.6. The grounds will be established for Trustee and Debenture Holders to call for immediate repayment of the amount due to the Debenture Holders under the Debenture and the right to exercise any collateral provided to secure the Company's liabilities under the Deed of Trust, immediately, in each of the following cases:

9.6.1. In the period after the Approval Date until October 30, 2020<sup>42</sup>, the Company does not receive a cash payment of at least NIS 400 million as a dividend ("the First Dividend") or as a subordinated loan<sup>43</sup> to be transferred by Delek Petroleum Ltd. (out of a dividend in the same amount to be distributed from Delek Israel to Delek Petroleum Ltd.).

In this regard, the Company undertakes to use the First Dividend to repay its debts to the Relevant Banks simultaneously to release of the lien on the Delek Drilling participation units encumbered to secure those debts (if encumbered), if the Company has the right under the ~~agreements with those Relevant Banks (in the version as at the date of the confirmation)~~Banks Plan to release those participation units, and at the same time, transfer of the foregoing participation units to the Trustees (as part of the lien in their favor). Any remaining balance of the First Dividend after full repayment of the Company's debts to the Relevant Banks (as such debts are set out in Appendix F to this Deed Amendment), after reduction of the amount which the Company will actually use at that time to settle specific debts to BNP according and subject to the provisions of section 5.4 above (if such right is established for the Company under section 5.4 above) will be transferred within seven days from receipt of the First Dividend at the Company, to the account of the Trustees encumbered to them.

9.6.2. In the period after the Approval Date until October 30, 2020<sup>44</sup>, the Company does not receive (in addition to the First Dividend) any cash payment of less than NIS 200 million originating from one or more of the following:

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<sup>42</sup> It is clarified that a delay of ~~three~~ 3 business days ~~maximum at the most~~ will not be considered a breach.

<sup>43</sup> For the purpose of the Deed Amendment - "subordinated loan" means a subordinated and deferred loan in all aspects vis-a-vis all debts and liabilities of the Company to the Trustees and Debenture Holders, including in any event of insolvency or liquidation proceedings of the Company or any of the companies under its control, including in a manner in which it will not be possible to take any action to collect the loan prior to full repayment of the debts and liabilities to the Trustees and Debenture Holders, and all according to the letter of subordination and deferral, in a format to the satisfaction of the Trustees, at their sole discretion.

<sup>44</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

1. A dividend and/or return of shareholders loans received by the Company from Delek Sea Maagan 2001 Ltd;
2. Funds paid in cash to the Company for the sale of the rights in the Herzliya property described in section 3.1.6 above, after settlement of the secured debts of this property;
3. ~~A dividend~~An amount paid to the Company by Delek Petroleum as a dividend or subordinated loan (in addition to the First Dividend) ("the Second Dividend");
4. Funds paid in cash to the Company from any Ithaca companies for the sale of the rights in any Ithaca companies (in whole or in part), after settlement of the secured debts in these sold rights;
5. Funds received by the Company for sale agreements signed after the Approval Date, for the assets of the Company or private companies under its control, and such assets or the proceeds for them are not encumbered in favor of the Trustees under this Deed Amendment.

The amounts to be received under this section 9.6.2 will be transferred to the Company or the account of the Trustees encumbered in their favor according to the provisions of this Deed Amendment. According to the provisions of this Deed Amendment. Notwithstanding the foregoing, it is clarified that (1) the Second Dividend will be used first to pay the Relevant Bank to settle the debts to them set out in Appendix F, if such debts have not yet been repaid as at the date of receipt of the Second Dividend; (2) after repayment of the debts to the Relevant Banks, any balance of the Second Dividend, if any, will be used by the Company first to repay specific debts to BNP according and subject to the provisions of section 5.4 above, and this if the Company has such right under section 5.4 above.

- 9.6.3. In 2021 (until December 31, 2021)<sup>45</sup>, the Company does not receive a cash payment of at least NIS 200 million as a dividend or subordinated loan to be ~~paid~~transferred by Delek Petroleum Ltd. (out of a dividend in the same amount to be distributed from Delek Israel to Delek Petroleum Ltd.), and this, in addition to the First Dividend and the Second Dividend. This amount will initially be used to repay debts to the Relevant Banks as set out in Appendix F, if not yet settled at that time (without derogating from the Company's obligation to repay such debts in full by October 30, 2020, and without derogating from the rights of the Trustees and Debenture Holders in the event of a breach of this obligation), and any balance will be transferred directly from Delek Petroleum Ltd into the Trustees Account encumbered to them.

## 10. Grounds for Immediate Repayment –

- 10.1. **General** – During the period from the Approval Date until May 31, 2021 ("the Consented Period") only, and on condition that the Company and any company under its control meet all of the Secured Liabilities, as this term is defined above (this is also on condition that the Company has made and is making all of the payments that it must pay to the Debenture Holders), the Trustee and the Debenture Holders will not demand immediate payment of the debentures based on claims that are only based on the state of the Company's business, until publication of the Deed Amendment.

For the sake of clarity – at the end of the Consented Period, this section will not limit the Trustee or the Debenture Holders in any way.

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<sup>45</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

Furthermore, this section will not prevent the Trustee or the Debenture Holders, during the Consented Period, from making claims or initiating proceedings based on events which took place after publication of the Deed Amendment that materially deteriorated the state of the Company's business compared with its state on the date of publication of the Deed Amendment, when these could also rely on the Company's state until the date of publication of the Deed Amendment, including but not limited to in specific cases that will be set forth in Appendix G related to material deterioration, in the event that such occur, at the Ithaca or Delek Drilling companies. (without derogating from the foregoing, and for avoidance of any doubt, occurrence of any one of the cases described in Appendix G will give rise to grounds for the Debenture Holders to call for immediate repayment of the debt to them and the right to exercise any collateral encumbered in favor of the Trustees).

10.2. **Low rating** – During the Consented Period and on condition that the Company and any company under its control meet all of the Secured Liabilities, as this term is defined above (this is also on condition that the Company has made and is making all of the payments that it must pay to the Debenture Holders), the Trustee and the Debenture Holders will not demand immediate repayment of the debentures on the grounds of a low rating of the debentures. In the event that, at the end of the Consented Period, the rating of the debentures is lower than BBB- according to Maalot S&P, the Trustee and the Debenture Holders will then have grounds for immediate repayment and realization of the securities due to this cause, without having to wait another period of time from that date in order to establish these grounds.

10.3. **Low equity** – These grounds are established in such a manner that –

10.3.1. Regarding all of the Company's financial statements until and including the statements for the first quarter of 2021 – the grounds for immediate repayment of the Deeds of Trust in respect of low equity will not apply.

10.3.2. For purposes of this section – “the Determining Equity” means the Company's equity according to the Company's financial statements for the second quarter of 2020 (“the Determining Statements”), but in any event, will not be lower than NIS 400 million.

10.3.3. For purposes of this section – “the Equity Examined” means the Company's equity in the relevant statement less any addition to equity that the Company acquired since the Determining Statements and until the relevant statement (including the relevant statement), the source of which is revaluations (including for cancellation of a write-off or cancellation of the value reduction).

10.3.4. Regarding all of the Company's financial statements from the statements for the second quarter of 2021 and until the annual statements of 2021 – the grounds for immediate repayment will be established if in one of the statements, the Equity Examined is lower than the result of the summation of the Determining Equity plus NIS 600 million, unless the equity in the relevant statement was at least NIS 1.6 billion (in which case, the grounds will not be established).

10.3.5. Regarding all of the Company's financial statements from the statements for the first quarter of 2022 and until the annual statements of 2022 – the grounds for immediate repayment and for exercise of collateral for all Trustees and debenture series will be established if in one of the statements, the Equity Examined is lower than the result of the summation of the Determining Equity plus NIS 1 billion, unless the equity in the relevant statement was at least NIS 2 billion (in which case, the grounds will not be established).

- 10.3.6. Regarding all of the Company's financial statements from the statements for the first quarter of 2023 and until the annual statements of 2023 – the grounds for immediate repayment and for exercise of collateral for all Trustees and debenture series will be established if in one of the statements, the Equity Examined is lower than the result of the summation of the Determining Equity plus NIS 1.4 billion, unless the equity in the relevant statement was at least NIS 2.4 billion (in which case, the grounds will not be established).
- 10.3.7. As of the first quarter statements for 2024, the minimal equity will be NIS 2.6 billion, meaning that if lower equity appears in the Company's statements, there will be grounds for immediate repayment and for exercise of collateral for all Trustees and debenture series.

The Company will give the Trustees, within seven days from the date of publication of its quarterly and annual financial statements, a written confirmation from an executive Company officer regarding compliance or non-compliance with the cause for repayment according to this section 10.3 above

#### **10.4. Ratio of equity to total balance –**

- 10.4.1. The ratio for purposes of these grounds will be set such that instead of the minimum determining ratio in the Deeds of Trust for Series 31, 33 and 24, the following ratio will apply:
- 10.4.2. These grounds will not be established (without derogating from the foregoing) regarding the period ending, inclusively, on the date of the statements for the first quarter of 2021.
- 10.4.3. Furthermore, regarding all of the Company's financial statements from the statements for the second quarter of 2021 and until the annual statements for 2021, the grounds for immediate repayment and for exercise of collateral for all Trustees and debenture series will arise if the Company's equity falls below 12.5% of the total balance sheet in accordance with the Company's audited or reviewed separate statements, as the case may be, for two consecutive quarters.
- 10.4.4. Regarding all of the Company's financial statements from the first statements for 2022 and until the annual statements for 2022, the grounds for immediate repayment and for exercise of collateral for all Trustees and debenture series will arise if the Company's equity falls below 15% of the total balance sheet in accordance with the Company's audited or reviewed separate statements, as the case may be, for two consecutive quarters.
- 10.4.5. regarding all of the Company's financial statements from the first quarter statements for 2023 and until the annual statements for 2023, the grounds for immediate repayment and for exercise of collateral for all Trustees and debenture series will arise if the Company's equity falls below 17.5% of the total balance sheet in accordance with the Company's audited or reviewed separate statements, as the case may be, for two consecutive quarters.
- 10.4.6. Regarding all of the Company's financial statements from the first quarter statements for 2024 and onward, the grounds for immediate repayment and for exercise of collateral for all Trustees and debenture series will arise if the Company's equity falls below 20% of the total balance sheet in accordance with the Company's audited or reviewed separate statements, as the case may be, for two consecutive quarters.

10.4.7. For the sake of clarity, a breach of said ratio by the Company during the last quarter of any of the periods noted above, along with a breach of said ratio during the first quarter of the period that follows, will constitute a continued breach of two quarters (establishing grounds). These grounds will be added to the Deeds of Trust for all of the series.

Within seven days from the date of publication of its quarterly and annual financial statements, the Company will provide the Trustees with a written confirmation from an executive Company officer regarding compliance or non-compliance with the grounds for repayment according to this section 10.4 above

10.5. To the Original Deed of Trust and each of the other Deeds of Trust, all of the grounds for immediate repayment found in any of these Deeds of Trust and not found in that specific deed will be added and an update regarding the notices section, as set forth in **Appendix H** to this Deed Amendment, which sets forth, inter alia, which immediate repayment grounds will be added to each Deed of Trust as aforementioned and they will be amended accordingly.

10.6. It is clarified regarding all Trustees and all debenture series that if for a specific event or specific circumstances, the grounds arise in accordance with the Deeds of Trust or this Deed Amendment, for immediate repayment or exercise of collateral, such grounds will remain in force in favor of the Trustees even if the Deeds of Trust or this Deed Amendment contain additional grounds for immediate repayment or exercise of collateral in respect of the same event or circumstances, which have not been met at that time because of the fact that there are additional terms to be met which have not been met.

#### **11. Additional declarations and undertakings of the Company –**

11.1. The Company declares that this Deed Amendment and the other amendments were all approved by the Company's Board of Directors, as well as by all of the required institutions of each relevant company under the Company's control, and the aforementioned does not require any additional approval whatsoever from the Company or from any other company under its control.

11.2. The Company declares that for it to engage in this amendment and for implementation of its undertakings thereunder, other than if explicitly indicated in this amendment, no confirmation is required from any third party, whether a creditor of the Company, a government authority or any other person, or that such approval, if required, was received before the approval date.

11.3. The Company declares that it, and any company under its control, have not contracted in any form with the controlling shareholder or any companies under its control (that are not companies under its own control), with the exception of those described on page D-18 to the Company's 2019 financial statements ("2019 Financial Statements"), and that it and any company under its control do not owe the controlling shareholder or to companies under its control as aforementioned any amount whatsoever, and that the controlling shareholder and the companies under its control do not owe it or any company under its control any amount whatsoever.

11.4. The Company declares and undertakes that, without derogating from the provisions of Section 6.1.5 above, (1) 75% of the total amount that it has raised as stated in Section 2 above will be used to make payments to Relevant Banks (pro rata between them) against the release of the Lien of the Delek Drilling participation units encumbered to secure those debts (if encumbered), if the Company has the right under the agreements with those Relevant Banks (in the version as at the date of the confirmation) to release those participation units, and at the same time

(on the same day), and to transfer the foregoing participation units to the Trustees (as part of the lien in their favor), and the balance of this amount that is raised will be used for repayment of the Company's debts to the Debenture Holders from all of the Company's debenture series, according to the repayment schedule (the first debt to whichever series will be paid chronologically, followed by the next chronological series, and so on, all subject to the Balance Appendix in the event of an insolvency event)), as well as for the Company's current expenses; (2) all funds which the Company or any private company under its control (~~and companies under its control, other than Delek Drilling and companies under its control and excluding Ithaca companies~~other than Delek Drilling, companies under its control and Ithaca companies, and other than funds received by Delek Israel, however it shall be prevented from increasing them for Delek Petroleum, in accordance with the law or an agreement existing as at the publication date of the Deed Amendment) is entitled to receive or which will be received by the Company or any such company on account of disposal of assets of the Company and of private companies under its control, by virtue of disposals of assets that are not encumbered in favor of Trustees, that took place in 2020 (unless otherwise stated in this Deed Amendment regarding disposal of some of the assets, meaning – the sale of Delek Israel and royalties for Karish and Tanin), will be used to make payments to the Relevant Banks (pro rata) against the release of the Delek Drilling participation units from the lien for those debts (if encumbered), insofar as the Company retains the right to the said release under the agreements with the Relevant Banks (in the version as at the date of the confirmation) to release those participation units, and at the same time (on the same day), transfer of the said participation units to the Trustees (as part of the lien in their favor), as well as for payment of the Company's debts to the Debenture Holders from all of the Company's debenture series, according to the repayment schedule (the first debt to whichever series will be paid chronologically, followed by the next chronological series, and so on; all subject to the Balance Appendix in the event of an insolvency event), as well as for the Company's current expenses.

11.5. The Company undertakes that during the determining period that it and any private company under its control (with the exception of Delek Drilling and private companies in its control, Delek Israel companies and Ithaca companies) will not purchase assets, make any investments of any kind or take any credit (~~to avoid any doubt,~~ on October 30, 2020<sup>46</sup>, the rights of the Company and Delek Energy to all the credit facilities and financing that exists as at the publication date of this Deed Amendment at the Relevant Banks will be cancelled); will not assume additional financial liabilities to an existing financial creditor, change the terms of the Banks Plan (including all documents signed until the ~~date~~Date of approval thereof)<sup>47</sup> or change the terms of agreements existing as at this time with the Relevant Banks (as defined in section 9.1 above), all unless such action is permitted under the Deed Amendment (this provision will apply to management of a current investment portfolio via which marketable securities are purchased in a non-material scope). This section does not apply to the purchase of assets during the regular course of business in a scope that does not exceed NIS 20 million cumulatively throughout the entire determining period.

11.6. During the determining period –

- i.      The Company's administrative and general expenses (including Delek Energy and the headquarter companies) will not surpass in 2020 (including costs for the Deed Amendment outline) those of 2019, as per the Company's financial statements; in 2021, they will not

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<sup>46</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

<sup>47</sup> This provision with regard to prohibition on changing the Bank Plan also applies to Ithaca companies.

exceed NIS 45 million; in 2022, they will not exceed NIS 40 million; and from 2023 onward, they will not exceed NIS 35 million annually.

- ii. The Company will not ~~execute~~make a distribution, including a dividend and share repurchases, and will not make any payment to holders of preferred shares (if issued)<sup>48</sup>.
- iii. The Company and any company under its control will not contract with the controlling shareholder or companies under its control (that are not under its own control) in any manner, and will not pay them any payment whatsoever, and will not contract in any manner with a third party when its controlling shareholder or companies under its control have a personal interest in said engagement, other than officers insurance under the same terms to the other officers, as aforesaid. To avoid any doubt, the foregoing does not apply to the existing engagements set out in the 2019 reports.
- iv. The Company undertakes that it, and any private company under its control, will not sell or purchase, directly or indirectly (in cash or otherwise), Company debentures (for this series or for any other debenture series). With regarding to Delek Drilling and private companies under its control, the Company undertakes to act by virtue of its rights under any law or agreement, if any and if such is dependent upon it, in order for Delek Drilling and the said companies to refrain from purchasing or selling debentures of the Company (whether this series or any other debenture series).

11.7. Within seven days of the date of publication of its quarterly and annual financial statements, the Company will give the Trustees a written confirmation from an executive Company officer regarding fulfillment of all of its undertakings set out this section 11 above

11.8. Breach of any of the undertakings in this Deed Amendment will constitute a fundamental breach of the Original Deed of Trust (which this Deed Amendment amends), and will provide the Trustee and the Debenture Holders with the grounds to demand immediate repayment of the amount due to the Debenture Holders according to the debentures, as well as to realize any security provided to the Trustee to secure its Secured Liabilities.

For the sake of clarity, in instances when according to the Original Deed of Trust (including according to this Deed Amendment), grounds are established for the Trustees and Debenture Holders to demand immediate repayment, they will also have the right to immediately realize any security provided to the Trustee to secure the Secured Liabilities.

11.9. The Company hereby approves and provides its prior consent to any agreement that may be reached at any time regarding the various series of the Company's Debenture Holders, which does not change the Company's overall undertakings or the amounts and the payment dates under its repayment schedules.

11.10. The Company undertakes to bear all expenses and fees of the Trustees and their representatives (including legal and economic advisors) in connection of the Deed Amendment, including, but not limited to, in connection with the negotiations preceding it and its execution, and in connection with the liens to be recorded in favor of the Trustees in accordance with the Deed Amendment.

## **12. Approval for changing some of the Company's undertakings, by a regular majority at a joint meeting –**

In the event that the Company requests to change any of the terms set forth in Sections 2-5 above, or requests approval to act contrary to any of these terms, in order to implement such changes or provide the Company with such approval, a regular resolution at a consolidated meeting of the

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<sup>48</sup> For purposes of this subsection – as aforementioned, the condition in subsection 3.2.1 is equity following the distribution that is not lower than NIS 3 billion.

Debenture Holders, together with the Debenture Holders of the other series, (as shall be at that time), is sufficient, when resolved by a majority of at least 50% of all of the participants eligible to vote together as a single meeting, except for the abstentions. Attached as Appendix 12 to this Deed Amendment is a list of provisions applicable with regard to any such special meeting

13. The provisions of the Original Deed of Trust that were not explicitly amended in this Deed Amendment will remain unchanged. In the event of any contradiction between the provisions of the Deed Amendment and the provisions of the Original Deed of Trust, the provisions of the Deed Amendment will prevail. To avoid any doubt, it is clarified that the provisions of this Deed Amendment do not in any manner or form change or derogate from the rights of the Debenture Holders of the said series whose Deeds of Trust include provisions regarding the option of interest increases under specific conditions, to existing and future interest increases in the conditions set out in the Deeds of Trust (in their format prior to entry into effect of this Deed Amendment).
14. It is clarified that the provisions of this Deed Amendment and its appendices do not give rise to any right to any third party that is not a party to this Deed Amendment.
15. Attached herewith as Appendix 15 to this Deed Amendment is a written confirmation addressed to the Trustees from the companies under the Company's control listed in the said appendix, according to which they will act according to the provisions relevant to them in this Deed Amendment. The Company undertakes that in practice, the signature of DKL set out in Appendix 15 will be implemented and sent to the Trustees by and no later than within 14 days from the Date of Approval.



**In witness whereof, the parties have set their hands**

\_\_\_\_\_

\_\_\_\_\_

**Delek Group Ltd.**

\_\_\_\_\_ **Ltd.**

**Attorney Confirmation**

I, the undersigned, \_\_\_\_\_, attorney for Delek Group Ltd., confirm that this document was duly signed by the authorized signatories of Delek Group Ltd., and that this document is binding for Delek Group Ltd.

\_\_\_\_\_

\_\_\_\_\_, Adv.

## **APPENDIX B**

### **Appendix 3.1.6 to the Amended Deed**

#### **The key points of the plan to amend the existing agreement with the funders of the property in Herzliya ("the Lender")**

It was agreed with the Lender that despite all that is stated in the previous documents signed between the Company and the Lender:

1. The debt to the Lender shall be repaid by October 31, 2020 with an option of extending this date, under certain circumstances, to December 31, 2020.
2. On the date of the registration of the Liens in favor of the Trustees as defined in Section 6 of the Amended Deed, the Company shall deposit in an account pledged in favor of the Lender a sum of NIS 8.9 million as additional collateral to secure the debt to it. Rent payments (if they are deposited by the Lessee of this property) shall also be used as collateral to secure the debt.
3. If by June 30, 2020, no checks for annual rent are deposited in the pledged account, and the Company shall request to use the funds deposited in the pledged account<sup>49</sup> for the purpose of the current repayment of the loan – the Company shall deposit in the pledged account an amount of an additional NIS 4.5 million (one half of the annual rent) to secure the debt.
4. If the debt has not been repaid by the date mentioned in Section 1, then the Lender may collect the full debt and exercise the pledged assets, and the Company gives its consent to this.
5. It was agreed that until the date allocated for repayment of the loan as mentioned in Section 1 above, and subject to the fulfilment of the Company's obligations as detailed above, the Lender shall not present the debt for immediate repayment, nor shall it engage in proceedings to exercise the existing Liens in its favor based on various causes that were stipulated in the loan agreement, including causes which according to the Lender are applicable to it on the date of signing the agreement with it. It is clarified that the agreement with the Lender does not grant the Lender any right to demand the strengthening of collateral or the deposit of funds to secure the debt to it; to increase additional interest beyond that which was already given following the reduction of the rating (as long as there is no increased interest to the holders); or to bring forward payments prior to the date scheduled for repayment of the full debt.

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<sup>49</sup> As of June 1, 2020, NIS 8 million are deposited in the pledged account.

### Appendix 6.1.3

Intercompany loans as at May 31, 2020

Lender	Borrower	Country of incorporation of borrower	Outstanding principal as at May 31, 2020 (NIS millions)	Date of loan agreement/capital note	Terms of the loan/capital note
Delek Group Ltd.	Delek GOM Holdings	Delaware, USA	333	Capital notes 1-13 (12 paid up) dated January 1, 2019 to November 18, 2019 issued for investment in Mexico Bay. Total of USD 97 million.	USD-denominated unlinked, non-interest bearing capital note
Delek Group Ltd.	DKL Investments Limited	Jersey	2,010	Capital notes 1-16 issued for investment in Ithaca in the period of October 13, 2015 to December 31, 2019 - balance of USD 572 million.	USD-denominated unlinked, non-interest bearing capital note
Delek Group Ltd.	DKL Energy Limited	Jersey	1,268	Capital note issued to purchase Chevron dated November 4, 2019 in the amount of USD 362 million.	USD-denominated unlinked, non-interest bearing capital note
Delek Group Ltd.	Ithaca Energy Limited	Jersey	875	USD loan dated April 11, 2020.	Loan principal: USD 250 million, bears annual interest of 4.75%
Delek Group Ltd.	Delek Sea Maagan 2011 Ltd.	Israel	134	Capital notes 1-20 issued to purchase land in Akko in the period of November 13, 2011 to March 25, 2020.	NIS-denominated unlinked, non-interest bearing capital note
Delek Group Ltd.	Delek Power Stations Partnership	Israel	254	No agreement.	
Delek Group Ltd.	Delek Energy Systems Ltd.	Israel	135	NIS-denominated interest-bearing loan.	
Delek Hungary Holdings Ltd.	Delek Petroleum Ltd.	Israel	31	Current receivables and payables.	

## Appendix 6.1.6

Loans given to third parties:

<b>Lender</b>	<b>Borrower</b>	<b>Country of incorporation of borrower</b>	<b>Loan principal as at May 31, 2020 (NIS millions)</b>
Delek Group Ltd.	Belenus Lux S.a.r.l.	Luxembourg	235
Delek Group Ltd.	Navitas Petroleum Limited	Israel	18
Delek Group Ltd.	Fattal Hotels Ltd.	Israel	36

**Appendix C – Section 7 of the Amended Deed**

June 14, 2020

To:  
I.B.I Trust Management  
Company registration no. 51-502042-8  
("The Collateral Trustee")

Subject: **Irrevocable Instructions for the Collateral Trustee**

**Whereas** On June 14, 2020, Delek Group Ltd., company registration no. 52-0044322-0 ("Delek Group"), Delek Energy Systems Ltd, company registration no. 52-003268-1 ("Delek Energy") and DKL Investments Limited that is incorporated in Jersey and whose company registration no. is 116681 ("DKL") (Delek Group, Delek Energy and DKL referred to jointly as "the Companies"), Delek Petroleum Ltd., company registration no. -334328-5, the Banks detailed in Appendix A to this Deed of Irrevocable Instructions ("the Banks"), together with the Collateral Trustee signed a Trustee Agreement ("Trustee Agreement");

**And whereas** As part of the Trustee Agreement, including all its appendices, it was agreed that in return for the transfer of repayment amounts to the Banks and given the fulfilment of certain conditions, the Banks shall release and transfer to the Collateral Trustee, to an account in its name (regarding which the Banks have no rights in that account), Participation Units of Delek Drilling, Limited Partnership, partnership no. 55-001309-8 ("Participation Units"). Moreover, it was agreed that the Collateral Trustee shall act in respect of the Participation Units pursuant to the provisions of this document;

**And whereas** The Companies and the Debenture Holders' Trustee (as defined below) seek to provide the Collateral Trustee with irrevocable instructions regarding what action to take with the Participation Units to be received by it, and all as is detailed in this Deed of Instructions below;

**And whereas** The Collateral Trustee agreed to undertake the execution of the actions detailed in this Deed of Irrevocable Instructions, and all is pursuant and subject to its provisions.

**Therefore, we irrevocably instruct you to act in accordance with and pursuant to this Deed of Instructions, as follows:**

1. The preamble to this Deed of Instructions constitutes an integral part thereof.
2. As soon as Receipts ("Receipts") are received by the Collateral Trustee, including in the trustee account that is the subject of the Trustee Agreement ("Trustee Account"), we instruct the Collateral Trustee to act as follows:
  - 2.1. Within one business day of the date of receiving the Receipts, the Collateral Trustee shall send to the Companies and the Debenture Holders' Trustees (series\_\_\_\_\_,\_\_\_\_\_,\_\_\_\_\_,\_\_\_\_\_,\_\_\_\_\_,\_\_\_\_\_,\_\_\_\_\_) of Delek Group (the Debenture Holders' Trustee), a notification regarding the number of Participation Units that are expected (insofar as they are expected) to be received in the Trustee's account (regarding which the Banks shall have no rights) ("the Additional Account"),

- together with the transfer of the Receipts to the Banks ("the Collateral Trustee's Notification").
- 2.2. Within one business day of the date of receipt of the Collateral Trustee's Notification, the Debenture Holders' Trustee shall send to the Companies and the Collateral Trustee a notification detailing the number of Participation Units held by it, as well as details of the bank account for the transfer of additional Participation Units (insofar as the Debenture Holders' Trustee shall have the right to receive additional units pursuant to the provisions of the Amended Deed between Delek Group and the Debenture Holders' Trustee, from June \_\_\_\_, 2020, attached as Appendix B to this Deed of Instructions) ("the Debenture Holders' Trustee's Notification").
  - 2.3. Together with the transfer of the Receipts to the Banks by the Collateral Trustee as mentioned in Section 2.1 above and receipt of the Participation Units in the Additional Account, the Collateral Trustee shall transfer Participation Units to the account regarding which the Debenture Holders' Trustee shall provide instructions, and this shall be to a maximum number of 469,525,877 Participation Units with a par value of NIS 1 each, that shall be accumulated in the possession of the Debenture Holders' Trustee ("the Maximum Number of Participation Units"). Insofar as Participation Units remain with the Collateral Trustee (as a result of the fact that the Debenture Holders' Trustee has the Maximum Number of Participation Units), the Collateral Trustee shall transfer the remaining Participation Units to the bank account that the Companies shall provide him.
  - 2.4. Without derogating from the abovementioned, it is hereby clarified that in any event in which Participation Units are received by the Collateral Trustee (also under circumstances different to what is described in this Section 5 above), on receipt of the Participation Units, the Collateral Trustee shall transfer the Participation Units to the Debenture Holders' Trustee, and this shall be to the Maximum Number of Participation Units.
3. This Deed of Instructions shall be neither amended nor rescinded, without the written consent of the Companies and the Debenture Holders' Trustee.
  4. Any notification sent by a party to this Deed of Instructions shall be sent by electronic mail.

The email addresses of the parties:

**The Collateral Trustee:**

FAO: Adv. Keren Talmor

Email: [Keren\\_T@IBI.co.il](mailto:Keren_T@IBI.co.il)

**The Companies:**

FAO: Adv. Leora Pratt Levin

Email: [leorapl@delek-group.com](mailto:leorapl@delek-group.com)

**The Debenture Holders' Trustee:**

FAO: \_\_\_\_\_

Email: \_\_\_\_\_

5. This Deed of Instructions shall be subject to the laws of the State of Israel. It is hereby agreed by the parties that the sole jurisdiction for any matter regarding this Deed of Instructions shall lie with the competent court of law in the Tel-Aviv-Jaffa District.

\_\_\_\_\_  
Delek Group Ltd.

\_\_\_\_\_  
Delek Energy Systems Ltd.

\_\_\_\_\_  
Debenture Holders' Trustee

**Attorney confirmation**

I the undersigned, Adv. \_\_\_\_\_, legal counsel for Delek Group Ltd, company registration no. 52-0044322-0 ("the Company"), hereby certify that this Deed of Irrevocable Instructions was duly signed by the Company, through \_\_\_\_\_, and that this Deed of Irrevocable Instructions was signed by the Company according to law and pursuant to the current documents of incorporation of the Company, as they are valid today. Moreover, I hereby certify that this Deed of Irrevocable Instructions was signed by those who are authorized to bind the Company, and that their signature on this document together with the Company's stamp or its printed name, binds the Company for all intents and purposes.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attorney's signature and stamp

**Attorney confirmation**

I the undersigned, Adv. \_\_\_\_\_, legal counsel for Delek Energy Systems Ltd, company registration no. 52-003268-1 ("the Company"), hereby certify that this Deed of Irrevocable Instructions was duly signed by the Company, through \_\_\_\_\_, and that this Deed of Irrevocable Instructions was signed by the Company according to law and pursuant to the current documents of incorporation of the Company, as they are valid today. Moreover, I hereby certify that this Deed of Irrevocable Instructions was signed by those who are authorized to bind the Company, and that their signature on this document together with the Company's stamp or its printed name, binds the Company for all intents and purposes.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attorney's signature and stamp

**Confirmation by the Collateral Trustee**

We hereby certify that we have received the above Deed of Instructions, and we undertake to act pursuant to its provisions. Moreover, we hereby certify that the Participation Units and the Additional Account shall be held and/or managed by us in escrow for Delek Group, Delek Energy and the Debenture Holders' Trustee, and shall duly act in accordance with the provisions of the above Deed of Instructions.

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I.B.I Trust Management



**Appendix A**  
**The List of Banks**

- A. Bank Hapoalim Ltd.
- B. Israel Discount Bank Ltd.
- C. Mizrahi Tefahot Bank Ltd.
- D. HSBC Bank PLC.
- E. Nomura International PLC.

**Appendix D – Section 8.1.1.7 of the Amended Deed**

**To:**

**Reznik Paz Nevo Trusts 2007 Ltd.**

**Hermetic Trust (1975) Ltd.**

**Hermetic Capital Ltd.**

**Mishmeret – Trust Services Company Ltd.**

We the undersigned, \_\_\_\_\_ Ltd., company registration no. \_\_\_\_\_, confirm and undertake that we shall follow all the instructions relevant to us in the amended deed dated \_\_\_\_\_ for which our approval hereby is attached to it as Appendix D ("the Amended Deed"). Furthermore, we agree and undertake, in an irrevocable undertaking, to pledge our full rights in the assets/property owned by us, which the Company undertook to pledge as detailed in the Amended Deed to secure the guaranteed obligations as per the definition of this term in the Amended Deed. We are aware that this undertaking of ours is irrevocable as it was provided to secure third-party rights. As long as the Liens are valid pursuant to the provisions of the Amended Deed, all our obligations shall remain fully valid, and this is the case even in the event of a debt arrangement, or an order to commence proceedings or the liquidation of the Company and/or the undersigned, including a compromise or arrangement by a court of law, or a compromise or another arrangement of the Company and/or the undersigned. We hereby waive in advance any rights or claims that the Guarantee Law 1967 ("the Guarantee Law") (or any provision of law that might come in its place) grants, including with regard to rights, exemptions and discharges by virtue of Sections 5, 6, 7(b), 8, 11 and 15(a) of the Guarantee Law. We agree that rights to resort to the Company to which we are entitled pursuant to the Guarantee Law or pursuant to any law in respect of the debt, as well as any right to receive by transfer or to participate in any collateral that have been put up by us in favor of the Trustees and the Debenture Holders, shall be inferior to and deferred from the rights of the Trustees and the Debenture Holders (including in insolvency proceedings). In addition, as long as the Liens are valid pursuant to the provisions of the Amended Deed, we undertake not to engage in any action whose purpose is to obtain any rights in the collateral that has been put up in favor of the Trustees, nor to file a lawsuit and/or proof of debt in insolvency proceedings (including an arrangement) and this shall be despite any payment made by us in respect of the guaranteed obligations (including by way of exercising the collateral put up by us). Moreover, we hereby confirm that a shareholders meeting of the undersigned passed a unanimous resolution on \_\_\_\_\_ to approve all our undertakings in this document.

\_\_\_\_\_  
\_\_\_\_\_ Ltd.

I, Adv. \_\_\_\_\_, legal counsel for \_\_\_\_\_ Ltd. hereby certify that Messrs. \_\_\_\_\_ and \_\_\_\_\_ signed this confirmation and are authorized by their joint signature to lawfully bind \_\_\_\_\_ Ltd. and pursuant to its documents of incorporation. I do hereby certify that these resolutions were passed pursuant to the provision of Part VI, Chapter 5 of the Companies Law 1999.

**Appendix F – Section 5.4 / Section 9.1**

**Details Regarding Pledged Credit and Participating Units as at May 31, 2020**

<b>Lending bank</b>	<b>Borrower</b>	<b>Outstanding Principal</b>	<b>Collateral ratio</b>	<b>Quantity of Pledged Units</b>
<b>Israel Discount Bank</b>	Delek Group	132	15.7%	<b>191,818,078</b>
<b>Israel Discount Bank</b>	Delek Energy	135	16.0%	
<b>HSBC</b>	Delek Group	138	16.4%	<b>171,870,930</b>
<b>HSBC</b>	Delek Energy Systems	121	14.4%	
<b>Bank Hapoalim</b>	Delek Group	91	10.7%	<b>45,438,317</b>
<b>Mizrahi-Tefahot Bank</b>	Delek Group	30	3.6%	<b>28,050,911</b>
<b>Nomura</b>	DKL	195	23.2%	-
<b>Total liabilities</b>		<b>842</b>	<b>100%</b>	

## **APPENDIX G – SECTION 10.1 OF THE AMENDED DEED**

1. If a financial creditor (one or more) of any company of the Ithaca Companies (as defined in the Amended Deed) called for the immediate repayment of a debt or debts that cumulatively exceed 75 million US dollars, for cause established on a date preceding the date of publication of the Amended Deed, and provided that the demand for such immediate repayment was not rescinded within 15 days.
2. If after the date of publication of the Amended Deed, cause is established for calling for immediate repayment to a financial creditor (one or more) of any company of the Ithaca Companies (as defined in the Amended Deed), in respect of a debt or debts cumulatively exceeding 75 million US dollars.
3. If cause is established for calling for immediate repayment to a financial creditor (one or more) of Delek Drilling (as defined in the Amended Deed), in respect of a debt or debts cumulatively exceeding NIS 100 million.
4. If the rating of the debentures of any of the series of debentures of Delek Drilling is revised (not as a result of a change in the methodology and/or the rating gradations of the ratings company), so that the rating that is set is three or more notches lower than the rating of the same series as on June 14, 2020. If any of those series is rated or are rated by more than one ratings company, the determining rating for this sub-section shall be the lowest of those ratings. It is clarified that a change of the rating outlook of the debentures and/or the addition of a series of debentures to a credit watch list by the ratings company, are not considered to be a lowering of the rating for the purposes of this sub-section.
5. If any insolvency proceedings are instituted against Delek Drilling or any of the Ithaca Companies, including if instituted on the initiative of Delek Drilling or any of the Ithaca Companies, and those proceedings were not cancelled within 45 days of the date on which they were instituted.

**"Insolvency proceedings"** means, for the matter of this sub-section, proceedings for bankruptcy, liquidation, receivership, stay of proceedings, insolvency proceedings pursuant to the Insolvency and Economic Recovery Law, 2018 ("the Insolvency Law") or corresponding proceedings under foreign law applicable to any of the Ithaca Companies, the filing of an application for appointment of a special manager or other official to whom managerial authority is granted in relation to all or some of the assets of Delek Drilling and/or the assets of any of the Ithaca Companies, the filing of an application for court approval of a debt settlement pursuant to section 350 of the Companies Law or Chapter J of the Insolvency Law or a decision to open protected negotiations pursuant to Part J of the Insolvency Law, and including temporary proceedings relating to each of those steps and including similar proceedings pursuant to any

other law or any law that supersedes them or corresponding proceedings under foreign law applicable to any of the Ithaca Companies.

## **APPENDIX H – SECTION 10.5 OF THE AMENDED DEED**

**It is clarified for the matter of this Appendix that in a case of contradiction between the provisions of sections (A)-(C) below and sections 10.1-10.4 of the Amended Deed, the provisions of sections 10.1-10.4 of the Amended Deed shall prevail.**

**(A) Additional causes for calling the debt of the Company for immediate repayment and causes for the realization of collateral as described below, shall be added to the Deeds of Trust of Series B13, B18, B19, B22, B31, B33 and B34 (in section 2 below, the cause will be added instead of an existing cause, as described below) –**

1. If any of the series of debentures of the Company are expanded, in any way, during the Determining Period (as defined in the Amended Deeds of Trust dated June 10, 2020 (to which this document is Appendix E) ("the Amended Deeds of Trust")). For this matter it is clarified that the foregoing supersedes the provisions of section 2.2 of the Deeds of Trust of series B31, B33 and B34, and it is also clarified that the immediate repayment cause set in section 7.1.21 of those Deeds of Trust shall apply commencing at the end of the Determining Period.
2. In the period after the Determining Period (as defined in the Amended Deeds of Trust) –  
If the Company makes a Distribution (as this term is defined in the Companies Law) without first submitting confirmation to the Trustee, signed by the CEO of the Company or the most senior financial officer in the Company, by no later than 2 business days after approval of the Distribution by the Board of Directors of the Company, whereby: (a) the Distribution is a permitted Distribution pursuant to section 302 of the Companies Law; (b) the Company is not in breach of the financial covenants described in this Deed of Trust (including those described in the Causes for Immediate Repayment clause in this Deed of Trust), prior to the Distribution and owing to the Distribution; (c) the equity of the Company will be not less than NIS 2,800 million following the Distribution; (d) there is no cause for immediate repayment according to the Deed of Trust (including according to any amendment or addition to it); (e) on the date of approval of the Distribution there is no material breach of the terms of the Deed of Trust. It is clarified that this sub-section (e) does not constitute consent of the Trustee to non-material breaches of this Deed by the Company.

It is clarified that in the Deeds of Trust of series B31, B33 and B34, the cause set out above in this section 2 shall replace the cause described in section 7.1.20 of those Deeds of Trust, and that its content shall apply notwithstanding the provisions of section 5.5 of those Deeds of Trust.

**(B) The following causes shall be added to the Deeds of Trust of series B13, B18, B19 and B22 as additional causes for calling of the debt for immediate repayment and causes for the realization of collateral (they will be added as additional sub-sections – under section 5 in the Deeds of Trust of series B13, B18, B19 and B22):**

1. If any material deterioration occurs in the business of the Company compared to its condition on the date of the issue and there is real concern that the Company will not be able to repay the debentures on time.
2. If there is real concern that the Company will not meet its material undertakings towards the holders of the debentures.
3. The Company did not publish a financial report as required under any law, within 30 days of the last date by which it is required to publish it.
4. The debentures were delisted from the TASE.
5. If the rating of the debentures of any of the rated series of debentures of the Company is revised (series B31, series B33 and series B34, each of them is hereinafter called "the Rated Series" or "a Rated Series"), by the ratings company of those debentures (not as a result of a change in the methodology and/or the rating gradations of the ratings company), so that the rating that is set for the Rated Series is lower than a rating of (BBB-) of Maalot (S&P) or a corresponding rating by another ratings company if it replaces the existing ratings company, for a period of more than 21 business days. If the Rated Series was rated by more than one ratings company, the determining rating for the purposes of this sub-section shall be the lowest of the ratings. It is clarified for the removal of doubt, that a change in the rating outlook of the Rated Series and/or the addition of the Rated Series to a credit watch list by the ratings company, are not considered to be a lowering of the rating for the purposes of this sub-section. The cause pursuant to this section 5 is subject to the provisions of section 10.2 of the Amended Deeds of Trust.
6. If the debentures of a Rated Series cease to be rated by a ratings company for a period longer than 60 consecutive days, for reasons and/or circumstances that are in the Company's control. For this matter, "circumstances that are in the Company's control" means, inter alia, failure to make payments to the ratings companies to which the Company undertook to make them and non-submission of reports and information that are required by a ratings company as part of the agreement between the Company and the ratings company. For the removal of doubt, it is clarified that as long as the Rated Series is rated by one ratings company, a halt to rating by another ratings company shall not constitute cause for immediate repayment.

7. If a debt of the Company (including a number of debts cumulatively, and provided that they were called for immediate repayment together or one soon after another) owed to banking entities and/or financial institutions, in an amount of not less than NIS 150 million (in this section: "Material Debt"), was called for immediate repayment (not at the initiative of the Company), and provided that such demand for immediate repayment was not rescinded and/or the Company did not repay the Material Debt within 30 days of the date of the call for immediate repayment (if the Company is permitted to make such repayment pursuant to the Amended Deeds of Trust). It is clarified that non-recourse loans to the Company shall not be seen as Material Debt for this matter.
8. If another series of debentures which was issued by the Company and is listed on the TASE (in this section: "the Traded Series") is called for immediate repayment by the Trustee for the Traded Series and/or pursuant to the approval of the general meeting of the holders of the Traded Series, and provided that such call for immediate repayment was not rescinded within 3 business days from the date of the Company's receipt of notice from the Trustee for the Traded Series of calling for the immediate repayment of the Traded Series.
9. Upon fulfillment of the following cumulative conditions: (a) the cumulative percentage of the holding of Mr. Yitzhak Sharon Tshuva himself and/or through the corporations in his control (directly and/or indirectly) together with his Family Members, as this term is defined in the Securities Law (directly and/or indirectly) falls below 30% of the issued and paid up share capital of the Company (hereafter in this sub-section: "the Share Capital"); (b) Mr. Yitzhak Sharon Tshuva (himself and/or through the corporations in his control (directly and/or indirectly) together with his Family Members, as this term is defined in the Securities Law (directly and/or indirectly)) ceases to be the shareholder whose holdings in the Company's equity is the highest and there is another shareholder or there are other shareholders who hold/s, himself/themselves or together with others, a higher percentage of the Share Capital and/or Mr. Yitzhak Sharon Tshuva himself ceases to be entitled (directly and/or indirectly) to appoint the largest number of directors in the Company. It is clarified that despite the circumstances described in sections (a) and (b) above, the cause under this section shall apply only if the transfer of control could harm the Company's ability to pay. For this matter, it is established that if the rating of the new controlling shareholder is the international rating of (BBB-) or a corresponding rating (investment grade) (or higher) or an Israeli rating the same as the rating of the Company immediately prior to the change as described in sections (a) and (b) above (or higher), the transfer of control shall not harm the Company's ability to pay.
10. If the Company makes a material change of its core activities (ceases to operate in the oil sector) or if most of the Company's assets are sold.



11. Subject to the provisions of sections 10.3 and 10.4 of the Amended Deeds of Trust, if the Company failed to comply with any of the following financial covenants:

- 1. Minimum equity:** The equity of the Company shall not be less than NIS 2,600 million according to the consolidated and audited or reviewed financial statements, as the case may be, of the Company for two consecutive quarters.
- 2. Equity to balance sheet ratio:** The equity of the Company shall not fall below 20% of the total balance sheet according to the separate audited or reviewed financial statements, as the case may be, of the Company for two consecutive quarters.

On this matter – "equity" means the total equity of the Company attributed to the shareholders of the Company, without minority rights, as defined in the accepted accounting principles on the date of execution of this Deed.

The review concerning the Company's compliance with the financial covenants described above shall be carried out by the Company in every quarter in accordance with the most recent financial statements, reviewed or audited, published by the Company, on the publication date of such reports ("the Review Date"), as long as the debentures under this Deed of Trust are in circulation. The Company will describe as part of the Directors' Report on the condition of the Company's affairs for the relevant period, the compliance or non-compliance with the above financial covenants.

No later than 3 business days after receipt of the resolution of the Board of Directors of the Company on making a Distribution, the Company shall deliver to the Trustee confirmation from the CEO of the Company or the most senior financial officer in the Company, of its compliance or non-compliance with the above financial covenants, as well as the results of calculation of each of those financial covenants.

The Trustee may rely on such confirmation and is not required to have any further review carried out on its behalf.

It is clarified that if a material change occurs in the parameters used for the above reviews as a result of a material change in the accepted accounting principles and/or some other regulatory change, the relevant reviews in this section above will be applied according to the financial statements prepared according to accepted accounting principles as were correct on the date of publication of the most recent financial statements before issue of the debentures.

**(C) In the Deeds of Trust of series B31, B33 and B34, the cause for calling for immediate repayment of the debt and realization of collateral set out below, shall be amended as follows:**

1. The following shall be written instead of the cause described in section 7.1.22 of the Deed of Trust:

If a debt of the Company (including a number of debts cumulatively, provided they were called for immediate repayment at the same time or one soon after another) to banking entities and/or financial institutions, in an amount of not less than NIS 150 million (hereafter in this section: "Material Debt"), was called for immediate repayment (not on the initiative of the Company), and provided that such call for immediate repayment was not rescinded and/or the Company did not repay the Material Debt within 30 days of the date of the call for immediate repayment (if the Company is permitted to make such repayment pursuant to the Amended Deeds of Trust). It is clarified that non-recourse loans to the Company shall not be seen as Material Debt for this matter.

#### **(D) Amendment of the Notices clause**

Section 25 of the Deeds of Trust for the debentures of series B18 and B19 and section 24 of the Deeds of Trust of series B13 and B22 shall be replaced by the following:

#### **"Notices**

1. Any notice on behalf of the Company or the Trustee to the debenture-holders shall be given by reporting in the Magna system of the Securities Authority. The Trustee may instruct the Company and the Company must report in the Magna system in the name of the Trustee any report in the wording forwarded by the Trustee in writing. However, in cases where necessitated by law – including for the matter of merger and arrangement – the notice shall be given also by means of publication of a notice in two widely-circulated daily newspapers published in Israel in Hebrew. Any notice that is published or sent in this manner shall be seen as if delivered to the debenture-holder on the date of its publication as described above (in the Magna system or in the press, as the case may be).
2. Copies of the notices given by the Company to the holders shall be sent by the Company also to the Trustee. It is clarified that such notices do not contain current reports of the Company for the public through Magna. The publication of notices as aforesaid in the Magna system will absolve the publishing party (or the party requesting the publication) from sending them to the other party.
3. If not expressly determined otherwise in the Deed of Trust, any notice or demand on behalf of the Company to the Trustee and/or on behalf of the Trustee to the Company, can be given by registered letter or by courier to the address appearing in the Deed of Trust, or to another address of which the Company has notified the Trustee in writing, or by transmission by electronic mail with receipt confirmed by return electronic mail (by the recipient party or by facsimile). Any notice or demand

that is sent by registered mail will be deemed to have been received by the other party after the elapse of five business days from the date of its delivery for dispatch by mail. Any notice or demand that is sent by courier shall be deemed to have been received by the other party on the first business day after the date of its delivery. Any notice or demand sent by facsimile (plus telephone confirmation of its receipt) shall be deemed to have been received by the other party after one business day from the date of its transmission. Any notice that is sent by electronic mail shall be deemed to have been received by the other party after one business day from the date of receipt of confirmation by return electronic mail concerning its receipt."

## **Appendix 12**

In the event of a consolidated meeting of the Company Debenture Holders (series 13, 18, 19, 22, 31, 33 and 34) ("the Consolidated Meeting"), in those cases detailed in the Amended Deed, the following provisions shall apply:

- A. The Trustee shall convene a meeting of the Debenture Holders pursuant to the provisions of the Deed of Trust;
- B. The date of the Consolidated Meeting shall be within 21 days of the date on which the Company asked the Trustee and the Trustees of the other Debenture series taking part in the Consolidated Meeting ("the Additional Trustees") to convene a Consolidated Meeting. As far as possible, the date of the Consolidated Meeting shall be scheduled for the same date; however, the Trustee and each of the Additional Trustees shall have the power to postpone the meeting of that series for which it is a Trustee, provided that the date of adjournment of the meeting shall be no later than five trading days after the date of adjournment of the meeting of the first series of Debentures taking part in the Consolidated Meeting. The due date of each of the meetings of the Debenture Holders taking part in the Consolidated Meeting shall be identical (even if the date of holding the meetings is not identical).
- C. The motion on the agenda of the Consolidated Meeting shall be coordinated between the Trustee and the Trustees of the other Debentures series attending the Consolidated Meeting, and its wording shall be identical in all the meetings of the Debenture Holders taking part in the Consolidated Meeting, with the requisite changes arising from the names of the series;
- D. The results of the voting shall be calculated as an aggregate of all the Debenture series taking part in the Consolidated Meeting, so that each par value of NIS 1 from any series shall buy one vote at the Consolidated Meeting. A motion shall be considered approved if the total number of votes received "for" the motion from all the series taking part in the Consolidated Meeting is greater than the total number of votes "against" the motion. In order to avoid any doubt, it should be clarified that the motion might be passed and approved at the Consolidated Meeting as mentioned, and this may be the case even if in any one series (including the Debentures' meeting) the total number of votes "against" is greater than the sum of votes "for".
- E. The Trustee shall convey to the Additional Trustees the results of the Debenture Holders meeting and shall receive from them the results of the meeting of each of the other series of Debentures. The results of the meeting to be published by the Trustee might include the results of the meeting (i.e. if any decision was either approved or rejected) without details of the number of voters and the distribution amongst them. For publication of the results of the meeting, the Trustee shall base its details on the voting data of the other series of Debentures as conveyed to it by the Additional Trustees.
- F. The provisions of the Deed of Trust shall apply to the convening of the meeting of Debenture Holders (as detailed in Section A), apart from in relation to the manner of approval of the resolution as detailed above.
- G. Any one of the Additional Trustees may demand from the Trustee the enforcement of this Appendix.

- H. The joint meeting shall take place even if no legal quorum was present at any one of the meetings of the Debenture Holders taking part in the joint meeting (whether at the original meeting or the postponed meeting), provided that a legal quorum was present at least in one meeting of one of the Debenture series attending the joint meeting, and the resolutions passed during that joint meeting (based on the aggregate counting as mentioned in Subsection D above) shall be binding upon all of the Debenture series attending the joint meeting, including a Debenture series in which there was no legal quorum. Votes of Debenture Holders that were passed for any Debenture Holders' meeting (even if there was no legal quorum for the opening of the relevant meeting) shall be taken into account as part of the said aggregate counting.
  
- I. If one of the Debenture series (series 13, 18, 19, 22, 31, 33 and 34) has been fully repaid, then subject to the requisite changes, the provisions shall apply in respect of the Consolidated Meeting on whose agenda any of the topics has been stipulated in the Deed of Trust for discussion at the Consolidated Meeting, with regard to a Consolidated Meeting of the series that remain in circulation, and which shall be attended only by the Debenture Holders and the Trustees of those series that have not yet been repaid. Insofar as from amongst the Debentures from the series (series 13, 18, 19, 22, 31, 33 and 34) only one series remains in circulation that has not yet been repaid, the topics that have been stipulated in the Amended Deed of Trust for discussion (and decision making) at the Consolidated Meeting shall be debated at the meeting of the holders of those Debentures from that specific series.

**APPENDIX 15**

**Affirmation**

We the undersigned hereby affirm the provisions relevant to us in the Amended Deed of Trust to which this Affirmation is an appendix ("the Amended Deed"), and confirm that we will act in accordance with the provisions relevant to us in the Amended Deed (if there are any).

Company name: **Delek Energy Systems Ltd.**

PLC No. **520032681**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **DKL Investments Limited**

Company no. in Jersey: **116681**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **Delek Petroleum Ltd.**

PLC No. **513343285**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **Delek, The Israel Fuel Corporation Ltd.**

PLC No. **520018946**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **Delek Hungary Holding Ltd.**

Company No. **01-09-961606**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **Delek Infrastructures Ltd.**

PLC No. **513017152**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **Delek Financial Investments 2012, Limited Partnership**

Partnership No. **550244909**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **Delek Group House (2016) – Limited Partnership**

Partnership No. **550266910**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: **Delek Yam Maagan 2001 Ltd.**

PLC No. **514620277**

Date: \_\_\_\_\_

Signature: \_\_\_\_\_



## **Appendix C**

### **Cash Flow Forecast for the Two-Year Period Ending June 30, 2022**

#### **Prepared on the Assumption the Updated Proposal will be Approved**

The Company's management has presented to the Board of Directors all the sources of finances that will be used for the Company and the staff companies (in their meaning below) in order to meet their liabilities in the coming two years, including the Company's forecast receipts from the distribution of profits and dividends from the partnerships and associated companies, cash balances and the Company's securities portfolio (liquid balances) intended for current operations and repayment of its liabilities, a program inter alia through the securitization of Leviathan overriding royalties and the sale of the overriding royalties in Karish and Tanin, the Company's plans for the sale of its investee companies / other assets, and the Company's commitment to raise share capital in 2020-2021 of NIS 500 million (it should be noted that in May 2020 a capital raising of NIS 137 million was carried out and the Company in addition issued two series of options to be exercised for shares of the Company, whose exercise can increase the capital by an additional NIS 70 million).

The Company's Board chaired by Mr. Gabi Last, having examined the report of forecast sources and applications presented by management, under various scenarios detailed in the assumptions to the cash flow below, were satisfied, based on past experience of the Company's proven ability to raise funds in recent years, the Company's assets, that the assumptions underlying the report are reasonable. At the same time the Company's Board notes that we are at the height of the crisis in the markets in general and in the energy sector in particular, as stated in Note 1 to the Company's 2019 consolidated financial statements as included in the 2019 Periodic Report that the Company published on May 3, 2020 (ref. no. 2020-01-043356) included here by way of reference, and in particular see the description of the consequences of the COVID-19 pandemic and the extremely significant drop in the prices of oil and natural gas in the world on the Company's results, and see also section 12.4.1 of the Shelf Offering Report the Company published on May 17, 2020 (ref. no. 2020-01-048828), referred to here by way of reference.

The forecast in this report applies to the Company and its wholly-owned staff companies, including Delek Energy Systems Ltd ("Delek Energy"), DKL Investments Ltd, DKL Energy Ltd, Delek Infrastructures Ltd, Delek Petroleum Ltd, Delek Hungary Holdings Ltd, Delek Financial Investments (2012) Limited Partnership (jointly "the Company and Staff Companies").

Below is the Cash Flow Forecast Report of the Company and its wholly owned Staff Companies (in NIS millions):

	Assumptions	From 10-Jun-20 to 31-Dec-20	2021	From 01-Jan-22 to 30-Jun-22
<b>Opening cash &amp; cash equivalents balance</b>	1	380	1,041	1,864
<b>Receipts</b>				
Estimated distribution of profits from Delek Drilling	2	240	240	-
Estimated distribution of dividends from Ithaca	3	105	298	105
<b>Total dividends from investees</b>		<b>345</b>	<b>538</b>	<b>105</b>
Disposal of investee companies and other assets	4	1,500	-	-
Share issuance by the Company	5	313	50	-
Other receipts	6	86	-	-
Refinancing of existing loans against Ithaca shares and/or partial disposal of Ithaca shares	7	-	1,400	-
<b>Total other receipts</b>		<b>1,899</b>	<b>1,450</b>	<b>-</b>
Financing against pledging Delek Drilling units together with raising capital	8	-	600	-
Securitization of Leviathan overriding royalties	9	630	-	-
<b>Total loans and additional capital raising</b>		<b>630</b>	<b>600</b>	<b>-</b>
<b>Total receipts</b>		<b>2,874</b>	<b>2,588</b>	<b>105</b>
<b>Payments</b>				
Principal repayments of debentures	10	(642)	(916)	(1,436)
Interest payments of debentures	10	165	261	91
Repayment of loan from BNP	11	(175)	(303)	-
Repayment of loans from banks and others, net	12	(933)	-	-
Interest payments on loans from banks and other liabilities		(71)	(85)	(28)
<b>Total debt repayments (principal and interest)</b>		<b>(1,986)</b>	<b>(1,565)</b>	<b>(1,555)</b>
Deposit in restricted deposits	13	(102)	-	-
Other payments	14	(125)	(200)	(30)
<b>Total other payments</b>		<b>(227)</b>	<b>(200)</b>	<b>(30)</b>
<b>Total payments</b>		<b>(2,213)</b>	<b>(1,765)</b>	<b>(1,585)</b>
<b>Closing cash balance and liquid balances</b>		<b>1,041</b>	<b>1,864</b>	<b>384</b>

## **Assumptions for cash flow forecast from June 10, 2020 to June 30, 2022**

### **General assumptions**

- Data in dollars were translated at the exchange rate of USD 1 = NIS 3.5.
- CPI known as of June 10, 2020.
- The Cash Flow Forecast Report assumes early repayment of the entire debt to the relevant banks in their meaning in the amendment to the Deed, by the end of 2020, in order to release the participation units of Delek Drilling pledged against the loans taken from the banks and pledging of part of them in favor of the debenture holders as detailed in the amendment to the Deed.
- The Cash Flow Forecast Report below does not take into account the restricted cash balances and their forecast release dates to the Company. The balances of the Company's pledged deposits close to the publication date of this report (including deposits that will be deposited according to section 13 below) amount to NIS 200 million.

### **Assumptions to sections in the cash flow forecast:**

#### 1. Opening cash balance and liquid balances

The balance includes the following balances as of June 10, 2020 (in NIS millions):

	<b>June 10, 2020</b>
Cash balance	260
Financial investments (mainly marketable securities)	120
<b>Total</b>	<b>380</b>

#### 2. Forecast distribution of profits from Delek Drilling

The estimates are that Delek Drilling will distribute profits of USD 125 million in each of the years 2020-2021. In the cash flow forecast the Company's share (55%) has been taken into account.

The amounts of profit distributions from Delek Drilling are based mainly on the cash flow forecasts from the current operations from the Tamar and Leviathan fields and on the assumption presented by the management of Delek Drilling that during 2020 Delek Drilling will carry out refinancing of the Leviathan project in an amount of USD 2.5 billion.

It should be noted that if the refinancing will be completed after the end of 2020 the assumption is that amounts specified above will be distributed in the cash flow periods by June 30, 2022.

The working assumption underlying this cash flow is that distributions of profits from Delek Drilling that will be received for pledged participation units of Delek Drilling will be used for repayment of the liabilities for which the units are pledged.

#### 3. Forecast distribution of dividends from Ithaca

The assumptions underlying this forecast are that Ithaca will distribute dividends of USD 30 million by the end of 2020 (in addition to the dividend of USD 20 million that was received in cash in May 2020), USD 85 million in 2021 and USD 30 million (the Company's share) in the first half of 2022.

It should be noted that the dividend amounts will firstly be used to repay the BNP loan as detailed in the Cash Flow Forecast above.

4. Disposal of investee companies and other assets

Reflects mainly expected proceeds from the disposal of shares of Delek Israel and/or a dividend that will be distributed from the sale of Delek Israel assets, overriding royalties of Karish and Tanin and other assets (including real estate assets) owned by the Group in a cumulative amount of NIS 1,500 million.

5. Share issuance by the Company

The Company's Board of Directors has resolved to raise capital of NIS 450 million during 2020 and NIS 50 million in the first third of 2021. In May 2020 the Company carried out a capital issuance of NIS 137 million and in addition issued two series of share options, whose exercise will increase the capital by a further NIS 70 million.

6. Other receipts

The forecast receipts are mainly USD 20 million for insurance contract receipts for a fault in the well in the Gulf of Mexico and other receipts.

7. Refinancing of existing loans against Ithaca shares and/or partial disposal of Ithaca shares

The Company is working to refinance an existing loan provided against a lien on Ithaca shares and/or bringing in a partner and/or sale of part of the shares of Ithaca (including by way of sale through an offering) and/or to raise funds through a pre-IPO mechanism for Ithaca shares and/or a combination of these actions in an overall amount of USD 400 million.

8. Financing against pledging of Delek Drilling units together with raising capital

In accordance with the provisions of the amendment to the Deed that the Group has formulated with the debenture holders, at the same time as raising finance against unencumbered participation units of Delek Drilling held by the Group, capital is to be raised in a similar amount. The assumption is that these actions will produce overall cash flow of NIS 600 million.

9. Securitization of Leviathan overriding royalties

In this forecast it is assumed that the Company will raise a private loan against a specific lien on its rights and the rights of Delek Energy in the overriding royalties from Leviathan. In the Company's opinion, based on an estimated forecast of receipts from royalties and discussions that are taking place at this time with financial entities in this connection, total loans against royalties will come to USD 180 million (approx. NIS 630 million). Therefore, future receipts from these royalties are not included in the forecast, and the working assumption is that these receipts will service payments of interest and principal of this loan.

10. Principal and interest payments of debentures

In accordance with the payments schedule of the Company's debentures.

11. Repayment of BNP loan

In 2020 there will be the mandatory repayment of the USD 50 million loan (NIS 175 million) expected in November 2020, and in 2021 mandatory repayment of USD 87 million (NIS 303 million)

after having reduced the expected repayment in 2021 by USD 20 million (NIS 70 million) following a dividend from Ithaca received in May 2020.

12. Loan repayments from banks and others, net

The above forecast cash flow assumes full repayment of bank and other debts of NIS 930 million including debts that have not yet reached their mandatory repayment date. The amount of participation units of Delek Drilling pledged to the banks as of the date of approval of this report is 437,178,236, representing 37% of the capital of the Delek Drilling Partnership.

13. Deposit in restricted deposits

As part of the understandings the Company has reached in June 2020 with Mizrahi Bank and some other financial institutions that provided a loan to the purchasers of The Phoenix (jointly "the Lenders"), the Company will pledge in favor of the Lenders the consideration it will receive from the disposal of the Mehadrin shares that were deposited in an account at the bank in a sum of NIS 74 million and part of the shares of Ratio Petroleum that were deposited in the account.

14. Other payments

As part of this section are included current tax payments and tax payments for previous years, general and administrative expenses, other unforeseeable payments and actual erosion of the balance of financial investments.

15. Disposals of additional assets have not been taken into account such as the sale of Leviathan overriding royalties and/or additional capital raisings beyond those appearing in the cash flow. The Company will assess the implementation of these actions depending on market conditions and the coming about of the assumptions of the cash flow stated above.

**Warning of forward looking information** - in the cash flow forecast attached the Company has included, in respect both of its operations and those of the companies, held by it forward looking information, in its meaning in the Securities Law, 1968. This information includes inter alia the likelihood of the fulfillment of relevant commercial scenarios from which the Company expects receipts, timetables for the fulfillment of these scenarios, results of operations, possible alternatives to obtain sources for the repayment of the Company's and its Staff Companies' liabilities when their dates come due, amounts and dates of repayment of the debentures and loans of the Company and Staff Companies, and further forecasts, estimates, assumptions and other information that refers to future events or matters whose fulfillment is not certain and is not under the Company's control or its investee companies, in particular against the background of the exceptional uncertainty existing at the time of approval of the report as a result of the COVID-19 pandemic..

**This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on June 15, 2020.**

## **About The Delek Group**

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Delek Group is an independent E&P company with activities in the UK North Sea and the East Mediterranean. Delek Group has significant holdings in the Leviathan and Tamar natural gas reservoirs in the East Mediterranean (Israel's territorial water), with reserves and resources of more than 30 TCF and annual production of approximately 20 BCM. These reservoirs are a major natural gas supplier to the growing markets of Israel, Egypt and Jordan and Delek continues to lead the region's development into a major natural gas export hub. Through its wholly owned subsidiary Ithaca, Delek Group holds high-quality oil and natural gas assets in the UK North Sea totaling more than 270 million barrels of oil equivalent (boe) and producing about 27 million boe per year. Delek Group is one of Israel's largest and most prominent companies with a consistent track record of growth. Its shares are traded on the Tel Aviv Stock Exchange (DLEKG:IT) And its ADRs are traded on the US OTC market (DGRLY:US).

For more information on Delek Group please visit [www.delek-group.com](http://www.delek-group.com)

## **Contact**

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### **Investors**

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