



Binding Proposal to Amend the Company's Deeds of Trust

Tel Aviv, May 17, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY) ("the Company") published a binding proposal to amend the Deeds of Trust of the Company's debentures, which has been formulated as part of the negotiations with the debentures trustees, representatives of the debenture holders, and their advisors. See the proposed Deed of Trust on pages 2 to 16 below.

It should be noted that a condition precedent of contracting according to the proposal to amend the Deeds of Trust is that the Company reaches an agreement with the banks that are secured creditors of the Company as detailed in section 9 of the document. The main points of the agreement with the banks will be published prior to the general meetings, on the agenda of which is approval of the proposed amendment. If the amendment to the Deeds of Trust will be approved by the general meetings of the debenture holders, then the amendment to the Deeds of Trust and the agreement with the banks will become valid simultaneously.

It should be emphasized that according to the wording below of the amendment to the Deeds of Trust there has been no change to the date or scope of payments to the debenture holders in respect of the existing payments schedule.

This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on May 17, 2020.

About The Delek Group

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

Contact

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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"), 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) *[delete the series referred to in this deed]* of the Company ("the Other Series", and "the Other Deeds of Trust") in the versions published by the Company on _____ ("the Other Amended Deeds"); and

Whereas Through May 31, 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.¹ 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 below. The main thrust of the agreement will be published prior to the general meetings at which the agenda includes approval of the proposed amendment. The Amended Deed and the agreement with the banks 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, 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 15, 2020, a further NIS 100 million of capital will be raised in cash;

2.1.3 By December 31, 2020, a further NIS 100 million of capital will be raised in cash.

It is clarified that in any case where by one of the dates noted in sub-sections 2.1.1-2.1.3 above, the full amount in cash noted alongside it is not actually raised by that date, the Trustee 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 15, 2020 (in addition to the amount that the Company must raise pursuant to sub-section 2.1.2 above by July 15, 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 15, 2020 amounts to NIS 300 million) then in such case caused for 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.

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 Expiration Condition (as defined below) is fulfilled ("the Determining Period"), it and any private company in its control² - (1) will not encumber assets (including not re-encumber assets under lien that are released from the liens, and will not increase the debt secured by existing liens) and will not agree to endorsement or assign

¹ The Company will sign the Amended Deed on the date of its publication and will deliver a signed copy to the Trustee; 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 for the 14 days thereafter, and if not approved by the Debenture Holders, will expire.

² For the matter of this Amended Deed – "control" – as defined in the Securities Law, 1968.

of existing liens on assets; and (2) will not issue guarantees of any kind or type, but 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 131,470,234 participation units of Delek Drilling which are not encumbered on the date of publication of the Amended Deed, which are owned by the companies of Delek Group Ltd., Delek Energy Systems Ltd. and Delek Drilling Management Ltd. (and which constitute, on the date of publication of the Amended Deed, 11.2% of all the participation units of Delek Drilling,³ provided that the following two obtain: (1) prior to or together with encumbrance of all or some of the units as aforesaid, the Company raises capital in cash in an amount equal to the amount of the financing secured by a lien on those participation units, as an independent and separate undertaking of the Company in addition to its 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 in a similar amount; (2) the capital amounts raised as aforesaid shall be used to repay debts to the banks 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.

3.2 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 Company⁴ 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 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 11.4 below, that equity shall not be less than NIS 3 billion after making the distribution (including a dividend or buyback of shares).

³ Not including an additional 67,350,000 participation units which are released on or about the date of publication of the amendment.

⁴ 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.

- 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 the CEO of the Company, that the Expiration Condition has been met and setting out the full basis for fulfillment of the condition and any requisite detail.

4. No early payments –

- 4.1 The Company undertakes that in the Determining Period it and any private company in its control will not make a payment to any creditor except on its due date according to the schedule defined in the engagement with that creditor, as is on the date of publication of the Amended Deed.
- 4.2 The undertaking in section 4.1 above shall not apply to –
 - 4.2.1 Early payment to a bank in whose favor the Company or a company in its control imposed a lien on participation units of Delek Drilling – Limited Partnership ("Delek Drilling") prior to the Date of Approval, provided that if the Company is entitled, under the relevant financing agreement, 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.
 - 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, in respect of which 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 used for payment to the Debenture Holders in accordance with the loan schedule.

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 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; 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:
- 5.2 The undertaking in section 5.1 above shall not apply to making payments to Nomura pursuant to this amendment 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.
- 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 the beginning of this section, 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; (b) previously thereto or at the same time, all the proceeds from the sale of the royalties of Karish Tanin were received and were paid as described in section 6 below; (c) the source of the payment to BNP is receipts from the sale of Delek Israel shares as described 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 an independent and separate undertaking of the Company in addition to its 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).

6. **Liens in favor of the trustees –**

- 6.1 The Company undertakes that within seven 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 as described below, senior liens will be created and registered in favor of the Trustee and in

favor of 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 rights⁵), 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"), (so that the receipts of exercise from the aforementioned encumbered assets will be divided among the debenture holders from all the series pro rata to the amount of the debt to them on the exercise date.

- 6.1.1 58,690,735 participation units of Delek Drilling owned by Delek Energy, constitute 5% 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.⁶
- 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 right to repayment of loans from 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;
 - d. With reference to Delek Petroleum Ltd. – it will be encumbered to the Trustees within seven business days of the Date of Approval of the balance of the consideration in respect of the sale of 100% of the shares of Delek Israel, if any balance remains after consideration of the sale is paid to creditors as described in the Amended Deed.

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 and the Delek Israel Companies) to payback of loans that were provided by them to the Company or to any of the private companies in its

⁵ 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 are encumbered and/or any other agreement.

⁶ 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.

control, in accordance with the loan details in Appendix ___ to this Amended Deed. The Company declares that except as set forth in that appendix, there are no other inter-company loans.

- 6.1.4 All the assets of Delek Financial Investments – Limited Partnership (including the debentures and the shares it holds).
- 6.1.5 All the rights of the Company and Delek Energy to the royalties in connection with the Leviathan, Karish and Tanin fields if they are not sold by the Date of Approval ("the Royalty Rights").⁷

The Company may (1) sell the 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 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 receipts in respect of sale of the Royalty Rights from Karish and Tanin shall be used only for (1) 75% of those receipts will be used for making payments for the purpose of repayment of the Company's debts to banks for which the Company or a company in its control encumbered participation units of Delek Drilling Limited Partnership against the release of those participation units from the lien if the Company is entitled, pursuant to the agreements, for such release; (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 (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), and for that purpose the amount of the deposit will be placed in an account of the Trustees that is encumbered in their favor; (c) all the receipts in respect of the sale or securitization of the 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), and for that purpose the amount of the deposit will be placed in an account of the Trustees that is encumbered in their favor.

- 6.1.6 All the rights of the Company and any private company in its control (excluding the Ithaca Companies and the Delek Israel 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 ___.

The Company declares that other than the loans listed in the aforementioned appendix, the Company has 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, 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 and their consideration and

⁷ Royalties from Delek Drilling in connection with the Leviathan, Karish and Tanin fields, as set in the Rights Transfer Agreement 1993 between Delek Energy and Delek The Israel Fuel Corporation and Delek Drilling Management.

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 or for the day-to-day expenses of the Company.

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 or Delek Drilling Management and 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 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. These liens shall serve to secure all undertakings that are secured (so that the receipts from exercise of those encumbered assets will be divided among the Debenture Holders from all the series pro rata to the amount of the debt to them on the exercise date).

Notwithstanding the foregoing, it is clarified that the Company's undertaking to encumber additional participation units of Delek Drilling in favor of the Trustees pursuant to this section 7, 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, which as at the date of signing this Amended Deed constitutes 40% of all the participation units of Delek Drilling ("the Minimum Condition").

Appendix ___ to this agreement ("the Lien Mechanism Appendix") describes a mechanism 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.

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 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 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; (2) prior to and/or at the same time as the encumbrance of all or some of the units as aforesaid, the Company will raise capital in cash in an amount equal to the amount of the financing for which those participation units were encumbered, as an independent and separate undertaking of the Company in addition to 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, a similar amount of capital was raised in cash at the same time).

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 encumbered 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; (3) at the same time as the encumbrance of all or some of the units as aforesaid, the Company will raise capital in cash in an amount equal to the amount of the financing for which those participation units were encumbered, as an independent and separate undertaking of the Company in addition to **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, a similar amount of capital was raised in cash at the same time).

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 As long as the Company is in compliance with all its undertakings 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). Nevertheless, as long as the Company is in compliance with all its undertakings 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, receipts received in respect of a dividend on other encumbered shares and/or payments in respect of repayment of encumbered loans – the Company may use them also for its day to day needs.

- 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).
 - 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 Company's reasonable discretion and at the choice of the Trustees concerning the type and procedure of lien on each of the Encumbered Assets (including whether it is a fixed and/or a floating lien, and including lien on a bank account in which the participation units of Delek Drilling 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 from the Encumbered Assets shall be divided pro rata among the Debenture Holders of all the series, in accordance with the amount of the debt to them on the exercise date.
 - 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 In the event of an Insolvency event (as this term is defined in Appendix A to this Amended Deed), reverse engineering will be effected among the holders of the Company's series of debentures, in accordance with the provisions of the aforementioned Appendix A

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

8.4 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

9.1. The Company is attempting to settle its relationships with banking corporations, which are secured creditors: Bank Discount, Bank Hapoalim, Bank Mizrahi, Bank HSBC, Nomura (in this section – "the Relevant Banks"), as well as with BNP. Appendix [] describes the liens and guarantees that exist for the Relevant Banks.

9.2. The settlement that the Company would like to reach 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.

9.3. Soon after the Approval Date, parallel to granting the liens to the Trustee 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. Reaching such an agreement with the Relevant Banks prior to the Approval Date and the vote of the Debenture Holders regarding the Deed Amendment constitutes a condition precedent to the Deed Amendment and to the undertakings of the Company and the Trustee thereunder.

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 security 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 pledged in its favor. 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.

9.6. The Company will not be entitled to offer Delek Israel Shares for sale at a price lower than NIS 900 million.

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.

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 the appendix related to material deterioration, in the event that such occur, at the Ithaca or Delek Drilling companies.

10.2. **Low rating grounds** – 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 grounds** – 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 – these grounds 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 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 – 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 – 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 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 – 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 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.

10.4. **Ratio of equity to total balance** – 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: 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; 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 minimum ratio will be 12.5%; regarding all of the Company's financial statements from the first statements for 2022 and until the annual statements for 2022, the minimum ratio will be 15%; regarding all of the Company's financial statements from the first quarter statements for 2023 and until the annual statements for 2023, the minimum ratio will be 17.5%. Regarding all of the Company's financial statements from the first quarter statements for 2024 and onward, the minimum ratio will be 20%. For the sake of clarity, a breach of the said ratio by the Company during the last quarter of any of the periods noted above, along with a breach of the 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.

- 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, as set forth in **Appendix E** to this Deed Amendment, which sets forth which immediate repayment grounds will be added to each Deed of Trust as aforementioned.

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 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 in Note ___ to the

Company's 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.

- 11.3. 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 banks for which the Company or a company under its control has pledged in their favor participation units of Delek Drilling Limited Partnership, for the release of said participation units from the pledge, insofar as the Company retains the right to the said release under the agreements, 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), as well as for the Company's current expenses; (2) all of the money received on account of disposal of assets of the Company and of private companies under its control, by virtue of asset disposals that will take 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 banks for which the Company or a company under its control has pledged in their favor participation units of Delek Drilling Limited Partnership, for the release of said participation units from the pledge (insofar as the Company retains the right to said release under the agreements), 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), as well as for the Company's current expenses.
- 11.4. The Company undertakes that during the determining period, it and any private company under its control (with the exception of Delek Israel companies and Ithaca companies) will not purchase assets or make investments of any type whatsoever, nor will it take credit (in addition to that which exists on the date of publication of the Deed Amendment), and will not assume additional liabilities toward an existing creditor, unless such action is permitted under the Deed Amendment (this provision will not apply to management of a current investment portfolio via which marketable securities are purchased at a non-material scope).
- 11.5. 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 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 a distribution, and this includes not distributing a dividend and not purchasing its shares⁸.
 - 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.
 - 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).

⁸ 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.

- 11.6. 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 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.
- 11.7. 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.

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 Debenture Holders, together with the Debenture Holders of the other series, is sufficient, when resolved by a majority of at least 50% of all of the participants eligible to vote, except for the abstentions.

13. The provisions of the Original Deed of Trust that were not explicitly amended in this Deed Amendment will remain unchanged.

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.