



**Supplementary Information to Report for Convening of Meeting of Debenture Holders of the Company to Approve the Amended Deed of Trust**

**Tel Aviv, June 16, 2020. Delek Group (TASE: DLEKG, US ADR: DGRLY)** ("the Company") announces as follows:

Further to that stated in the Company's immediate reports dated June 14, 2020, June 15, 2020 and June 16, 2020 concerning a binding proposal to amend the deeds of trust for the Company's debentures and supplementary information regarding the general meetings of debenture holders to be convened for the amended deeds of trust, the Company is pleased to provide supplementary information as follows:

- 1) 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 14, 2020 Proposal (the "Revised Proposal").
- 2) The Company notifies that the consortium agreement indicated in section 3.1. of the Revised Proposal was signed by the Company this evening and is expected to be signed by the remaining parties tomorrow morning. When it has been signed by all parties, the Company will publish a supplementary immediate report together with Appendices 3.1.5 and 3.1.5A to the Revised Proposal.
- 3) Attached as **Appendix B** to this immediate report is Appendix 3.1.6 to the Revised Proposal, which has been amended with tracked changes compared with the June 15, 2020 Appendix 3.1.6. The agreement under Appendix 3.1.6 to the Revised Proposal was signed by the Company and the lender is expected to add its signature tomorrow morning, and the Company will publish a supplementary immediate report when it has been signed by all parties.
- 4) According to the letter of consent between the Company, Delek Energy Systems Ltd. and DKL Investments Limited (jointly: "the Companies") with the banks signed today, the main details of which were published in the Company's immediate reports dated June 4, 2020 and June 16, 2020, The Company hereby sets out the main events prescribed in the letter of consent with the banks. If they occur, each of the banks may cancel the standstill and take any measures at their disposal under the documents signed by the Companies and under any law, including calling for immediate repayment of all debts and liabilities of the Companies to them and to act immediately to exercise the lien and the participating units:
  - a If the Companies fail to repay any of the bank any amount that becomes due under the original repayment schedule established in any of the credit documents and/or that is to be paid according to any of the credit documents signed by them, which is not rectified within the time stipulated in the letter of consent.
  - b If the Companies (or any of them) breach any of their liabilities under the letter of consent and/or the debenture and/or the deed of trust and/or the binding proposal to amend the

deeds of trust of the Company's debentures published by the Company in a report dated June 14, 2020 ("the Plan to Strengthen Collateral") and/or the undertaking to a foreign bank that provided a loan of EUR 50 million to a subsidiary that is secured with guarantees and to which the Company and Delek Energy undertook, as part of signing the letter of consent, to provide a negative pledge on the free participating units held by them. The letter of consent stipulates a period to remedy the breach.

- c If a creditor of any of the Companies (that is not a secured creditor of any of them) files a motion to launch insolvency proceedings against any of them, which is not eliminated or dismissed in the period set out in the letter of consent, (b) if a secured creditor of any of the Companies files a motion to launch insolvency proceedings against any of them, or (c) if any competent authority decides to launch insolvency proceedings against any of them or if any of the Companies resolve to take insolvency proceedings independently.
- d If a resolution is adopted at a meeting of debenture holders of any of the Company's series to present the debt to them, of part thereof, for immediate repayment or if the Plan to Strengthen Collateral is canceled by the debenture holders.
- e If the value of the participating units drops below the rate prescribed in the letter of consent and the collateral ratio (LTV), as defined in the letter of consent, is lower than that set out in the letter of consent.
- f If the banks become aware that any of the representations or declarations under the letter of consent are incorrect, inaccurate or incomplete, and all in a manner that impairs the lien on the shares of Delek The Israel Fuel Corporation Ltd.
- g If a motion is filed for a provisional injunction or a provisional or permanent injunction is imposed on the pledged assets according to the provisions of the letter of consent and such motion or order is not dismissed or eliminated within the period set out in the letter of consent.
- h If any of the banks notify that the standstill is canceled as a result of the occurrence of one or more of the events set out above.

Sincerely,

**Delek Group Ltd.**

By: Mr. Idan Wallace, CEO

Leora Pratt Levin, Chief Legal Counsel and Company Secretary

## **APPENDIX A**

### Binding Proposal to Amend the Deeds of Trust

#### **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>1</sup> A condition precedent for the Amendment to come into force on the Date of Approval is described in section 9.4 below in connection with the Banks Plan (as this term is defined in section 9 below), section 3.1.5 in connection with the agreement with Bank Mizrahi and the consortium of lenders; and section 3.1.6 in connection with the agreement with the consortium of lenders of the Herzliya property. The Amended Deed and 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>2</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, 2020, a further NIS 50 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 2.1.1-2.1.4 above, the full amount in cash noted alongside it is not actually raised by that date, the 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

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<sup>1</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>2</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).

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>3</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>4</sup> - (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 as at the publication date of the Deed Amendment) and will not agree to endorsement or assign of 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;

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<sup>3</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>4</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.

3.1.4 a lien on 176,072,204 participation units of 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>5</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 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 which the Company intends to enter into with Bank Mizrahi and the consortium of lenders ("the Consortium Agreement"). Signing of the Consortium Agreement by June [1617](#), 2020 and publication of an immediate report thereof by June [1617](#), 2020 constitute a condition precedent for entry into force of this amendment. [Furthermore, attached as Appendix 3.1.5A to the Deed](#)

<sup>5</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.

Amendment is a summary of the approval of Mizrahi-Tefahot Bank Ltd as given to the Company in June 2020 in connection with the Delek Drilling participation units.

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 which the Company intends to enter into with these lenders ("the Herzliya Financing Agreement"). Signing of the Herzliya Financing Agreement by June 1617, 2020 and publication of an immediate report thereof by June 1617, 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>6</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 11.6(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 -**

<sup>6</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.

- 4.1 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.
- 4.2 The undertaking in section 4.1 above shall not apply to –
  - 4.2.1 Early payment to the relevant banks (as defined below), provided that if the Company or the company in its control is entitled, under the 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 ("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>7</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 Trustees' Account, and used for payment to the Debenture Holders in accordance with the loan schedule (subject to the provisions of the Balance Appendix in the event of an insolvency event).

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<sup>7</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.

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 to BNP by Ithaca Companies or 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 7-5 days in advance, together with detailed reasons that establish the obligation to make the payment.
- 5.4 Notwithstanding the provisions of section 4 above, 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<sup>8</sup>, 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

<sup>8</sup> It is clarified that the foregoing does not limit the scope of the amounts to which the provisions of section 5.3 apply.

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 received 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 Notwithstanding the provisions of section 4 above, t~~he 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). The foregoing does not prevent BNP from selling or assigning its rights under the loan agreement (with the rights are by virtue of the Company's guarantee) if it has such right under the agreement with it (in the version as at April 1, 2020) without being required to obtain the consent or approval of the Company or any of the Ithaca Companies.
- 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 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>9</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 in favor of the Trustees 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. Notwithstanding the provisions of section 6 above, the lien on Ratio shares according to Appendix 3.1.5 and the lien on the cash amount according to Appendix 3.1.6 to the Amended Deed may be registered at the same time as registration of the lien in favor of the Trustees for the Delek Drilling participation units set out in section 6.1.1 below, even through the remaining liens have not yet been registered.

- 6.1.1 126,040,739 participation units of Delek Drilling owned by 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>10</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");

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<sup>9</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.

<sup>10</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.

- 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 sub-section 3;
- d. With reference to Delek 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 Trustees' Account encumbered in their favor).
  - b. 100% of Delek Israel shares owned by Delek 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 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>11</sup>. The Company also declares that the

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<sup>11</sup> It is clarified that some of these loans were provided to companies without assets and/or repayment is not expected. [It is further clarified that according to the provisions of the agreement for the loan provided by BNP, in](#)

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 their control).

- 6.1.4 All the assets of Delek Financial Investments (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>12</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 Company and Delek Energy to the overriding royalties related to the Karish and Tanin fields (together: "the Overriding Royalty Rights")<sup>13</sup>.

Furthermore, in the event that the Sales Agreement is terminated for any reason (including in the event that a cancelation 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

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the version as it was on April 1, 2020 (without any modification or addition subsequent to such date), the loans provided to Ithaca Companies are subordinate to the loan provided by BNP (the agreements setting out the subordination will be attached to the lien documents).

<sup>12</sup> A lien registered with the Companies Registrar on the date stipulated regarding the remaining liens, as set out at the beginning of 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.

<sup>13</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, Delek Israel 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.

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 encumbered), if the Company is entitled, pursuant to the 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>14</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 the Trustees' Account encumbered in their favor;<sup>15</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

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<sup>14</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>15</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.

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 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 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 (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>16</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 [\(other than Delek Israel companies, Delek](#)

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<sup>16</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.

Drilling and companies under its control, and Ithaca companies), and the Company's assets such as negotiable securities, will not be deposited in accounts at banks or other financial institutions that are 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 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 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, 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 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 Trustees' Account encumbered in their favor. 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>17</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 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 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

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<sup>17</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

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 the Trustee's Account encumbered 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 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>18</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);

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<sup>18</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.

(2) Despite the aforesaid, as long as the Company is in compliance with all its undertakings<sup>19</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 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. 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>20</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

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<sup>19</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.

<sup>20</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 2001 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.

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:

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>21</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>22</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 irrevocable provision that any payment or distribution (money or in kind) for the rights, loans

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<sup>21</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>22</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.

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 Trustees' Account encumbered in their favor 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 Trustees' Account encumbered in their favor.

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.
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 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 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>23</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

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<sup>23</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.

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, 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 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>24</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

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<sup>24</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.

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 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>25</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,

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<sup>25</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

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>26</sup> is published setting out, *inter alia*, the principles of the Banks Plan, all by the end of the day on June 16, 2020, this constitutes a condition precedent for the Deed Amendment and the obligations of the Company and the Trustees 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 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>27</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>28</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 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.

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<sup>26</sup> In addition to the immediate report published by the Company on June 4, 2020.

<sup>27</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

<sup>28</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.

9.6.2. In the period after the Approval Date until October 30, 2020<sup>29</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:

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. 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>30</sup>, the Company does not receive a cash payment of at least NIS 200 million as a dividend or subordinated loan 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.), 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>29</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

<sup>30</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 (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 (on October 30, 2020<sup>31</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 of Approval thereof)<sup>32</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 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 make a distribution, and this includes not distributing a dividend and not purchasing its shares, and will not make any payment to holders of preferred shares (if issued)<sup>33</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 regard 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).

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<sup>31</sup> It is clarified that a delay of 3 business days at the most will not be considered a breach.

<sup>32</sup> This provision with regard to prohibition on changing the Bank Plan also applies to Ithaca companies.

<sup>33</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.

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 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**

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**Delek Group Ltd.**

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**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 the option of extending this date, under certain circumstances, to December 31, 2020.
2. Simultaneously with registration of the Liens-Lien in favor of the Trusteesas defined in Section 6 of the Amended Deed for 126,040,736 participation units of Delek Drilling – Limited Partnership (to be deposited in the Trustees' Account), 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>34</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.

<sup>34</sup>

As of June 1, 2020, NIS 8 million are deposited in the pledged account.

**This is a convenience translation of the original HEBREW immediate report issued to the Tel Aviv Stock Exchange by the Company on June 16, 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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