

Delek Drilling Trusts Ltd.

July 2, 2019

The Israel Securities Authority
22 Kanfei Nesharim Street
Jerusalem

Tel Aviv Stock Exchange Ltd.
2 Ahuzat Bayit Street
Tel Aviv

Dear Sir/Madam,

Re: Immediate Report on Notice of a Special General Meeting of the Participation Unit Holders

In accordance with the Securities Regulations (Periodic and Immediate Reports), 5730-1970, and the provisions of the Partnerships Ordinance [New Version], 5735-1975 (the "**Partnerships Ordinance**"), which imposes certain provisions of the Companies Law, 5759-1999 (the "**Companies Law**") and the regulations promulgated thereunder, and the trust agreement of July 1, 1993 signed between Delek Drilling Trusts Ltd. (the "**Trustee**") and Fahn Kanne & Co. – Accountants and CPA Micha Blumenthal jointly with the company of Gissin & Keidar (the "**Supervisor**") (as amended from time to time) (the "**Trust Agreement**"), the Supervisor respectfully notifies of the calling of a special general meeting of the holders of participation units issued by the Trustee, which grant a working interest in the Trustee's rights as a limited partner in Delek Drilling – Limited Partnership (the "**Units**", "**Partnership**" and the "**Meeting**", respectively), as follows:

1. **Time and location of the meeting**

The meeting will be held on Wednesday, July 17, 2019, at 14:00, at the Herods Hotel, 11 HaOggen Street, Herzliya.

2. **On the agenda**

Resolution No. 1 – Approval of a budget for the Supervisor's oversight of the Restructuring Process

For the Supervisor's oversight of the process for the examination and promotion of the plan to split the Partnership's assets (as reported on March 18, 2019, ref. no.: 2019-01-022080) (the "**Restructuring Process**"), it is proposed to authorized the Supervisor to retain professional advisors according to his discretion for purposes of consultation, oversight and giving opinions to the Supervisor, and to further approve additional fees for the Supervisor, in addition to his monthly fees, for acts pertaining to the oversight of the Restructuring Process, on the basis of an hourly rate, all as specified in Section 3 hereof.

The language of the proposed Resolution No. 1: "To approve a budget for the Supervisor, for the purpose of retaining professional advisors, and additional fees in addition to his monthly fees, for the Supervisor's oversight of the Restructuring Process, as specified in Section 3 to the notice of meeting report."

3. **Background and explanations for Resolution no. 1 – Approval of a budget for the Supervisor's oversight of the Restructuring Process**

According to a report dated March 18, 2019 (ref. no.: 2019-01-022080), the General Partner is carrying out a process for the examination and promotion of a plan to split the Partnership's assets. In view of the scope of the Restructuring Process, its importance for the Partnership's future and the professional expertise that is required for the oversight thereof, it is proposed to approve a budget for the Supervisor's oversight of the Restructuring Process and for the protection of the rights of unit holders in the framework thereof, as well as a budget for professional consultation, as follows:

- a. It is proposed to authorize the Supervisor to retain legal advisors, in and outside of Israel, financial advisors and tax advisors of his choice for the purpose of providing consultation, overseeing and giving opinions to the Supervisor in respect of the Restructuring Process, in a total scope (for the advisors fees in full) that will not exceed ILS 400 thousand plus VAT.
- b. It is proposed to approve additional fees for the Supervisor, in addition to his monthly fees, for acts pertaining to the Supervisor's oversight of the Restructuring Process, at an hourly rate of ILS 750 plus VAT for a work hour of a partner on the Supervisor's team, and ILS 400 plus VAT for a work hour of another member on the Supervisor's team; all up to a total of 275 work hours.¹

If the Supervisor's expenses pursuant to Sections (a) and (b) shall exceed the scope stated in this proposal, an additional request shall be submitted to the meeting in this respect.

4. **Details with respect to the Convening of the Meeting**

4.1. **Required legal quorum and adjourned meeting**

No discussion will be opened at the general meeting, unless a quorum is present when the meeting turns to do so, and no resolution will be adopted, unless a quorum is present when the resolution is voted upon.

A quorum will be formed when two unit holders, who together hold units that represent no less than 50% of the Units issued by the Trustee until the business day preceding the meeting, are present in person or by proxy. If a quorum is not present 30 minutes after the time scheduled for the meeting, the meeting will be adjourned to the same day the following week at the same time and place, i.e., Wednesday, July 24, 2019 at 14:00, without there being an obligation to inform the unit holders thereof, or to any other day, time or place as the Trustee, with the Supervisor's consent, shall determine in a notice to the unit holders.

¹ For purposes of this section it is clarified that work hours of the Supervisor's team members CPA Mickey Blumenthal and CPA Avivit Ben Zion shall be at the partner rate.

If no quorum is present at such adjourned meeting 30 minutes after the scheduled time, two unit holders present in person or by proxy shall then constitute a quorum, and the meeting will be at liberty to address the issues for which it was called. If no such quorum is present at a second adjourned meeting – the meeting will be cancelled.

For quorum purposes, two proxies of one registered unit holder which is a nominee company (i.e., a company the sole business of which is holding securities on behalf of others), who participate in the meeting by virtue of powers of attorney granted to them, in respect of different Units, by the same registered unit holder, shall also be deemed “two unit holders”.

4.2. **The required majority**

The majority required for the approval is a simple majority, provided that one of the following is fulfilled:

- (a) The count of all votes at the unit holders meeting included neither the vote of the General Partner or the control holder thereof or holders of a personal interest in the approval of the resolution, other than a personal interest which does not result from a connection to the General Partner or the control holders thereof, nor the abstaining votes;
- (b) The total of assenting votes from among the unit holders other than the General Partner or the control holder thereof, or holders of a personal interest in the approval of the resolution, other than a personal interest which does not result from connections to the General Partner or the control holder thereof, shall exceed a rate of 2% of all voting rights of the participation unit holders.

4.3. **Record date and proof of ownership**

- a) The record date for establishing the right to vote in accordance with Section 65(32) of the Partnerships Ordinance, Section 182 of the Companies Law and Section 3 of the Companies Regulations (Voting in Writing and Position Statements), 5766-2005 is Wednesday, July 10, 2019, at the end of the trading day on the Tel Aviv Stock Exchange (the “**Record Date**”).

In accordance with the Companies Regulations (Proof of Shareholding for the purpose of Voting at a General Meeting), 5760-2000, a unit holder, to whose credit a participation unit is registered with a TASE member, and such unit is included in the Units listed in the name of the nominee company in the participation units register (“**Unregistered Unit Holder**”), shall furnish the Partnership with confirmation by the TASE member with which the unit is registered to his credit of his ownership of the unit on the Record Date, in accordance with the provisions

of the aforesaid Regulations and the form in the Schedule of the aforesaid Regulations.

- b) In addition, an Unregistered Unit Holder may instruct that his ownership confirmation be transferred to the Partnership by means of the electronic voting system operating under Title B of Chapter G2 of the Securities Law (the “**Electronic Voting System**”).

4.4. **Voting**

- a) With respect to the resolutions on the agenda of the Meeting, a unit holder may vote in person, by a proxy for the vote holding a document of appointment as a proxy for the vote, via voting card and also via an electronic voting card transferred to the Partnership by means of the Electronic Voting System.

- b) Voting by appointing a proxy

A document of appointment of a proxy for the vote, or a copy thereof, certified by a notary, shall be deposited against a confirmation of delivery with the Supervisor at the offices of Gissin & Co. Advocates on 38 Habarzel St., Entrance B, Tel Aviv at least 48 hours before the time of the Meeting, i.e., no later than Monday, July 15, 2019, at 14:00, failing which such appointment document shall have no force and effect at the Meeting and at any adjourned meeting.

If the Meeting is adjourned as stated in Section 4.1 above, and a unit holder shall have deposited a document of appointment of a proxy for the vote, in the manner and on the conditions stipulated above, at least 48 hours prior to the time of the adjourned meeting, the unit holder that deposited the power of attorney may vote by proxy at the adjourned meeting, regardless of whether he was present in the original meeting, in person or by proxy, or was not present in the original meeting, in person or by proxy. For the avoidance of doubt, a unit holder who was present in the original meeting by proxy will not be required to re-deposit a power of attorney for the purpose of voting at an adjourned meeting only in the event that such adjourned meeting is convened within ten (10) days as of the date of the original meeting.

- c) Voting via the electronic system

After the record date, upon the receipt of an identifying number and an access code from the TASE member and after an identification process, an unregistered unit holder will be able to vote via the electronic system. The deadline for voting via the electronic system is up to 6 hours before the time of convening of the meeting, i.e. on July 17, 2019 by 08:00.

If a unit holder votes by more than one means, his later vote shall be counted.

4.5. **Changes in the agenda**

After the date of release of this voting card, there may be changes in the agenda, including the addition of an issue to the agenda, and the up-to-date agenda will be available for inspection in the Partnership's reports posted on the TASE website at: www.maya.tase.co.il and on the ISA distribution website at: www.magna.isa.gov.il

According to the provisions of Section 65DD(b) of the Partnerships Ordinance and Section 14.1(e) of the trust agreement, one or more unit holders, holding at least one half of a percent (0.5%) of all of the participation units of the Partnership, may request the board of directors to include an issue in the agenda of the general meeting by submitting a request that shall be delivered to the Partnership up to seven (7) days after the meeting is called, provided that the issue is suitable for discussion by the general meeting.

If the board of directors of the General Partner deems an issue that has been requested to be included in the agenda to be suitable for discussion by the general meeting, an updated agenda shall be prepared and posted on the distribution website (as specified below) no later than seven (7) days after the deadline for the delivery of a request by a participation unit holder for the inclusion of an issue in the agenda, as aforesaid. It is clarified that the release of an updated agenda does not change the Record Date as determined in the notice of the meeting.

4.6. **Notice of the existence of a personal interest and additional required information**

- a) A participation unit holder who participates in the vote shall notify the Supervisor before voting at the Meeting, or – if the vote is via voting card – on the voting card, or if the vote is by power of attorney and/or by electronic voting card – in the space designated therefor in Part Two of the electronic voting card, whether or not he has a personal interest in the resolution on the agenda of the Meeting.
- b) A participation unit holder who fails to notify the Supervisor of the existence or absence of personal interest in the approval of the resolution shall not vote and his vote shall not be counted.

4.7. **Inspection of documents**

The language of the notice of meeting and electronic voting card are available for inspection on the TASE website at: www.maya.tase.co.il and on the ISA distribution website at: www.magna.isa.gov.il. Furthermore, the notice to the unit holders and a copy of any document pertaining to the aforesaid resolutions are available for inspection at the

offices of the Trustee, 19 Abba Eban Street, Herzliya Pituach, subject to any law, Sundays through Thursdays, during normal business hours, after prior coordination with Adv. Sari Singer Kaufman (09-9712424), until the convening of the unit holders meeting.

Sincerely,

**Fahn Kanne & Co. – Accountants and CPA Micha Blumenthal
jointly with the company of Gissin & Keidar**

Delek Drilling - Limited Partnership
(the "Partnership" or the "Limited Partnership")

Voting Card – Part One

In accordance with the Companies Regulations (Voting in Writing and Position Statements), 5766-2005, mutatis mutandis

1. **Name of Partnership:** Delek Drilling – Limited Partnership.
2. **Type of Meeting:** Special general meeting of holders of participation units issued by Delek Drilling Trusts Ltd. (the “Trustee”) and granting a participation right in the Trustee's rights as a limited partner in the Partnership (the “Meeting”).
3. **Time of the Meeting:** Wednesday, July 17, 2019 at 14:00.
4. **Location of Meeting:** Herods Hotel, 11 HaOggen St., Herzliya.
5. **Specification of the issues on the agenda with respect to which voting via this voting card is available:**

Resolution No. 1 – Approval of a budget for the Supervisor's oversight of the Restructuring Process

For the Supervisor's oversight of the process for the examination and promotion of the plan to split the Partnership's assets (as reported on March 18, 2019, ref. no.: 2019-01-022080) (the “**Restructuring Process**”), it is proposed to authorize the Supervisor to retain professional advisors according to his discretion for purposes of consultation, oversight and giving opinions to the Supervisor, and to further approve additional fees for the Supervisor, in addition to his monthly fees, for acts pertaining to the oversight of the Restructuring Process, on an hourly rate basis, all as specified in Section 3 of the Notice of Meeting Report.

The language of the proposed Resolution No. 1: “To approve a budget for the Supervisor, for the purpose of retaining professional advisors, and a fee in addition to his monthly fees, for the Supervisor's oversight of the Restructuring Process, as specified in Section 3 of the Notice of Meeting Report.”

6. **The place and time at which the full language of the resolutions proposed in the documents may be inspected**

The language of the immediate report, position statements and voting card are available for inspection on the website of the Tel Aviv Stock Exchange (TASE) at: www.maya.tase.co.il and on the distribution website of the Israel Securities Authority (ISA) at: www.magna.isa.gov.il. Furthermore, the notice to the unit holders and a copy of every document pertaining to the aforesaid resolutions are available for inspection at the offices of the Trustee on 19 Abba Eban Street, Herzliya Pituach, subject to any law, Sundays through Thursdays, during normal business hours, after prior

coordination with Adv. Sari Singer Kaufman (09-9712424), until the convening of the Meeting.

7. **The majority required for the adoption of the proposed Resolution No. 1**

Simple majority provided that all of the following shall be fulfilled:

- (1) The count of all votes at the unit holders meeting included neither the vote of the General Partner or the control holder thereof or holders of a personal interest in the approval of the resolution, other than a personal interest which does not result from a connection to the General Partner or the control holders thereof, nor the abstaining votes;
- (2) The total of assenting votes from among the unit holders other than the General Partner or the control holder thereof, or holders of a personal interest in the approval of the resolution, other than a personal interest which does not result from connections to the General Partner or the control holder thereof, shall exceed a rate of 2% of all voting rights of the participation unit holders.

8. **Additional details**

- 8.1. Voting in writing shall be effected by Part Two of this voting card.
- 8.2. The resolution on the agenda of the Meeting, as specified in Section 5 above, requires disclosure of a voter's links (or the absence of such links). Part Two of this voting card designates a space for indicating the existence or absence of links and describing the nature of the relevant links. **It is hereby clarified that the vote of a participation unit holder who fails to indicate such links, or fails to describe the nature of the links, will not be counted.**
- 8.3. In addition, according to the Regulations and the ISA disclosure directive of November 30, 2011 with respect to the manner of voting in meetings by interested parties, senior officers and institutional bodies, Part Two of the voting card designates as space for indicating the classification of the participant in the vote.
- 8.4. This voting card shall be valid for a unit holder in whose favor units are registered with a TASE member, which units are among the units registered in the Partnership's unit holders register in the name of a nominee company ("**Unregistered Unit Holder**"), only if a confirmation of ownership shall have been attached thereto from the nominee company or via the electronic voting system operating under Title B of Chapter G2 of the Securities Law, 5728-1968 (the "**Electronic Voting System**"), and for a unit holder who is registered in the Trustee's books – only if a photocopy of an identity card, passport or certificate of incorporation shall have been attached thereto. An Unregistered Unit Holder may instruct that his confirmation of ownership be transferred to the Partnership via the Electronic Voting System, such confirmation of

ownership being deemed as a confirmation of ownership with respect to every Unregistered Unit Holder included therein.

- 8.5. The deadline for the delivery of voting cards by unit holders who are registered in the unit holders' register is up to six (6) hours prior to the time of convening of the Meeting, i.e., Wednesday, July 17, 2019 by 08:00, and by Unregistered Unit Holders – up to four (4) hours prior to the convening of the Meeting, i.e., Wednesday, July 17, 2019 by 10:00.
- 8.6. The Electronic Voting System shall be locked 6 hours before the time of convening of the Meeting. The voting card should be delivered via the Electronic Voting System by the aforesaid time.
- 8.7. Unregistered participation Unit Holders may vote via the Electronic Voting System.
- 8.8. The Notice of Meeting Report and the voting card and the position statements are available on the TASE website at: www.maya.tase.co.il and on the ISA distribution website at: www.magna.isa.gov.il.
- 8.9. A unit holder is entitled to receive the confirmation of ownership at a branch of the TASE member or by postal delivery, if he so requests, and a request in this respect shall be made in advance for a specific securities account. An Unregistered Unit Holder may instruct that his confirmation of ownership be transferred to the Partnership via the Electronic Voting System.
- 8.10. An Unregistered Unit Holder is entitled to receive from the TASE member by which he holds his units, by e-mail, free of charge, a link to the language of the voting card on the distribution website, unless he shall have notified the TASE member that he does not wish to receive such link or that he wishes to receive voting cards by post for a charge.
- 8.11. One or more unit holders holding units that constitute five percent or more of all the voting rights in the meetings of holders of units issued by the Trustee, as well as anyone holding such a percentage out of all voting rights not held by the General Partner and by control holders of the General Partner, is entitled, in person or by a proxy on his behalf, after the convening of the unit holders meeting, to inspect, at the Partnership's registered office, during normal business hours and after prior coordination, the voting cards that shall have been received by the Partnership.

The number of units constituting 5% of all voting rights issued by the Trustee is approx. 58,690,735 units. The number of units constituting 5% of all the voting rights issued by the Trustee and not held by the General Partner and control holders of the General Partner is approx. 23,437,509 units.

- 8.12. After the date of release of this voting card, there may be changes in the resolutions on the agenda (including the addition of an issue). Insofar as

changes are made as aforesaid, they will be available for inspection in the Partnership's reports on the ISA distribution website.

In the event that there are changes in the agenda, including the addition of an issue to the agenda, the Partnership shall produce an amended voting card form on the date of release of the notice regarding the updated agenda.

A participation unit holder shall indicate his vote on the issue on the agenda on Part Two of this voting card.

Voting Card – Part Two

In accordance with the Companies Regulations (Voting in Writing and Position Statements), 5766-2005, mutatis mutandis

Name of Limited Partnership: Delek Drilling - Limited Partnership

Address of Partnership (for delivery and dispatch of the voting cards): 19 Abba Eban, Herzliya Pituach

Partnership No.: 550013098

Date of Meeting: July 17, 2019

Type of Meeting: Special meeting of unit holders

Record Date: July 10, 2019

1. Name of unit holder: _____
2. I.D.: _____
3. If the unit holder does not have an Israeli identity card:
Passport No.: _____
The country in which it was issued: _____
Valid until: _____
4. If the unit holder is a corporation:
Corporation No.: _____
Country of incorporation: _____

Classification of the participant in the meeting

Please indicate whether you are:

- An “**interested party**”, as defined in Section 1 of the Securities Law, 5728-1968.
- An “**institutional investor**”, as defined in Section 1 of the Control of Financial Services Regulations (Provident Funds) (Participation of Managing Company in a General Meeting), 5769-2009, and manager of a joint investment trust fund, within the meaning thereof in the Joint Investment Trust Law, 5754-1994.

A “senior officer”, as defined in Section 37(d) of the Securities Law, 5728-1968.

I am none of the above.

Vote on the resolutions on the agenda:

Number of Issue on the Agenda	Vote ¹			Are you a control holder of the Partnership or of the General Partner, holder of a personal interest in the resolution, a senior officer or an institutional investor? ²	
	For	Against	Abstaining	Yes*	No
Language of Resolution No. 1 – “To approve a budget for the Supervisor, for the purpose of retaining professional advisors, and a fee in addition to his monthly fees, for the Supervisor’s oversight of the Restructuring Process, as specified in Section 3 of the Notice of Meeting Report”					

* Specify:

Notes pursuant to the Regulations

- For unit holders holding units by a TASE member (according to Section 65A of the Partnerships Ordinance) – this voting card is only valid when accompanied by a confirmation of ownership, except in cases where voting is via the electronic system.

¹ No indication shall be deemed as abstention from voting on such issue.

² The vote of a unit holder who fails to fill-in this column or indicates "yes" and fails to specify, shall not be counted.

2. For unit holders registered in the unit holders' register – the voting card is valid when accompanied by a photocopy of an identity card or a passport or a certificate of incorporation.

Date: _____

Signature: _____