

Convenience Translation
The Hebrew version is the binding version

Oil Refineries Ltd
(“The Company”)

June 22, 2020

Immediate Report - Syndication Agreement

1. Further to what is stated in Chapter 10B of the Company's Directors' Report of March 31, 2020¹ concerning the implications of the COVID-19 pandemic on the Group's commercial operations, and the Company's assessments of its compliance with the financial covenants that apply to it under the financing agreements with banks, the Company announces that on June 21, 2020 a waiver was signed concerning a temporary change in the terms of the Syndication Agreement², as detailed below:
 - 1.1 Increase in the maximum required ratio in the financial covenant consolidated ratio (net financial debt + factoring receivables) to consolidated adjusted EBITDA, from 5.0 to (1) in respect of the quarter ending June 30, 2020: 6.5; (2) in respect of the quarter ending September 30, 2020: 7.7; (3) in respect of the quarter ending December 31, 2020: 7.0.
From the quarter ending March 31, 2021 and thereafter the required ratio will revert to be 5.0.
 - 1.2 Increase in the minimum required amount of the cash plus the unused balance of binding credit facilities in the separate statements during the three quarters referred to in section 1.1 above, from USD 75 million to USD 110 million.
From the quarter ending March 31, 2021 and thereafter the minimum required amount will revert to be USD 75 million.
 - 1.3 Declaration of making a distribution and distribution of dividends by the Company in the quarters ending June 30, 2020, September 30, 2020 and December 31, 2020 or according to the financial statements for these quarters will be subject to prior, written approval by the lenders.
2. Amendment of the financial covenant as stated in section 1.1 above has been made on account of the material uncertainty created against the background of the COVID-19 pandemic on demand for the Company's fuels and the net refining margin of the Company in the coming quarters and the consolidated adjusted EBITDA arising inter alia from that, as stated in Chapter 10B of the Company's Directors' Report to March 31, 2020.
3. These changes in respect of the Syndication Agreement also apply to the other financing agreements of the Company with banks, in accordance with the provisions of the aforementioned financing agreements, except for one foreign bank with which similar accords have been signed.
4. For amendment of the Syndication Agreement and the other agreements with banks as stated above, the Company will bear a payment of temporary additions to interest for the relief period and commissions in an overall amount that is not material for the Company.
5. It is clarified that apart from the changes stated in this Immediate report, the rest of the terms of the Syndication Agreement continue and will remain fully valid.

¹ As published on May 26, 2020 (ref. no. 2020-01-046327).

² For additional information concerning the Syndication Agreement, including a definition of the financial covenants applicable to the Company under it, see Note 13C2 of the Company's financial statements to December 31, 2019.

Disclaimer

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Oil Refineries Ltd.
By: Adv. Eli Mordoch,
Corporate Secretary

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