

THIS DEBENTURE is issued the 21st day of March 1975 by EILAT ASHKELON PIPELINE COMPANY LIMITED (hereinafter called "the Company") in favour of BANK LEUMI LE-ISRAEL B.M., a company incorporated under the laws of the State of Israel, whose registered office is situate at 24/32 Yehuda Halevi Street, Tel Aviv, Israel (hereinafter called "the Bank") as agent for and on behalf of the State of Israel (hereinafter called "the State of Israel").

616

NOW IT IS HEREBY WITNESSED as follows:-

1. (a) This Debenture is issued to secure the full and punctual payment of all sums in United States Dollars, paid or to be paid by the Company to the Bank qua Bank pursuant to a guarantee issued by the Company in favour of the Bank qua Bank, a copy of which is attached hereto as Annexure "A" and forms an integral and inseparable part hereof (the said guarantee being hereinafter called "the Guarantee"), limited up to and including an amount of U.S.\$25,000,000 (Twenty Five Million United States Dollars), and together with all interest, expenses and other sums due or to be due from the Company under this Debenture (the aforementioned sums being hereinafter called "the Secured Sums");

(b) The Company hereby undertakes to pay to the Bank each and every amount due or to become due to the Bank from the Company on account of the Secured Sums forthwith upon the Bank's first demand therefor, and the Secured Sums not paid to the Bank as aforesaid shall bear Interest at the Interest Rate (as that expression is defined in Clause 15 hereof) from the date of such demand until the actual date of payment.

2. As security for the Guarantee and for the full and punctual payment of the Secured Sums by the Company to the Bank and for the due performance and observance of, and compliance with the undertakings, obligations, terms and conditions on the part of the Company herein contained, the Company hereby charges in favour of the Bank by way of floating charge - the Company's undertaking and all its present and hereafter acquired property and rights of any kind whatsoever; and all the property charged to the Bank by virtue of this clause is hereinafter called "the Charged Property".

3. The Company hereby warrants and represents that -

(i) the Charged Property is not mortgaged, charged, attached, or otherwise encumbered, in whole or in part, in favour of a third party;

(ii) the Charged Property is not affected by any restriction or condition relating to the transfer of ownership therein or to the mortgage or charge thereof, either at law or under any agreement whatsoever; and

(iii) all necessary consents, licences, approvals, authorisations of, and registrations or declarations with, any governmental authority, bureau or agency required in connection with the execution, delivery, performance, validity or enforceability of, and payment under, this Debenture have been obtained.

4. The Company further undertakes with the Bank -

(i) (a) to treat the Charged Property with care;

(b) to keep the Charged Property in good repair and condition for use and to repair any damage or defect which may occur to the Charged Property, in whole or in part, as the result of use or in any other manner whatsoever; and

(c) without derogating from its obligations under (b) above, to notify the Bank immediately of any damage or defect to the Charged Property or any part thereof;

(ii) to carry on the Company's business in a proper and efficient manner and not to make any substantial alteration in the nature of that business without the prior written consent of the Bank;

הרשם הכללי

1 אב תשגה 20.7.75

דואר נכנס

רשות
התעבורה

אישור שמסמך זה החתום אלקטרונית,
מהווה העתק של מסמך (מקור או העתק) המצוי
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(iii) to allow the Bank or the Bank's representatives to inspect the condition of the Charged Property wherever the same be at all times;

(iv) not, save in the ordinary course of business of the Company, to sell, transfer, let, rent or part with possession of the Charged Property or any part thereof to any third party or to permit the same to be used or operated by any third party, without the prior written consent of the Bank;

(v) in any case where attachment is levied or execution proceedings are instituted against or a receiver is appointed over, the Charged Property or any part thereof, forthwith to -

(a) notify the Bank thereof;

(b) notify the third party (parties) who initiated or requested the same, of the existence of this Debenture in favour of the Bank; and

(c) take measures at its own expense, for the discharge or cancellation of the same;

(vi) not to mortgage, charge or otherwise encumber the Charged Property or any part thereof in any manner whatsoever, whether in priority to, pari passu with or subsequent to, the rights conferred upon the Bank under this Debenture without the prior written consent of the Bank;

(vii) to pay on demand to the appropriate authorities all taxes, levies, imposts, compulsory loans and payments, now or hereafter applying to the Charged Property;

(viii) (a) to maintain books of account in a proper manner at its principal place of business, which books shall be made available for inspection by the Bank or its representative(s) at all reasonable times;

(b) to furnish to the Bank not later than 120 (one hundred and twenty) days after the last day of each financial year of the Company, a copy of its balance sheet for such financial year and the related profit and loss account, together, in all cases, with the corresponding figures for the preceding year, each of which shall be prepared in accordance with generally accepted accounting principles and practices applied on a basis consistently maintained throughout the period involved and prior periods, and certified by auditors acceptable to the Bank;

(c) to furnish, or cause to be furnished, to the Bank, such financial and other information with respect to the Company and its affairs as the Bank may, from time to time, reasonably request.

(ix) (a) to insure the Charged Property in its full value against such risks as the Bank may from time to time require with such insurance company or companies and upon such conditions as the Bank shall approve;

(b) whenever the Bank shall so require, forthwith upon the Bank's first demand, to insure the Charged Property with such additional cover or with such other insurance company or companies (the insurance company or companies insuring the Charged Property as aforesaid being hereinafter called "the Insurance Companies");



(c) to comply with all the terms of insurance policy (policies) effected in accordance with the foregoing;

(d) to pay all premiums in full and to furnish the Bank with all receipts for payment of same within 7 (seven) days of the due date therefor;

(e) to furnish the Bank with the original policy (policies) of insurance;

(f) both contemporaneously with the issue of this Debenture and at any time hereafter upon the effecting of any further insurance on the Charged Property, to furnish the Insurance Companies with a notice, in form satisfactory to the Bank, of this Debenture and of the rights of the Bank hereunder, which notice shall include, inter alia, irrevocable instructions to pay all sums, due or to become due in connection with the insurance of the Charged Property or any part thereof to the Bank and a request to the Insurance Companies to provide the Bank with a letter in the form described in the next following sub-paragraph (g);

(g) both within 7 (seven) days of the issue of this Debenture and within 7 (seven) days of the effecting of any further insurance as aforementioned, to furnish the Bank with a letter in terms satisfactory to the Bank, addressed by the Insurance Companies to the Bank, confirming receipt of the notice mentioned in (f) above and including their undertakings to act in accordance therewith and to notify the Bank at least 30 (thirty) days in advance of the cancellation or expiration of any insurance whatsoever;

(h) not to vary or alter in any manner whatsoever any of the conditions of the insurance of the Charged Property or any part thereof without the prior written consent of the Bank; and

(i) upon first demand of the Bank, forthwith to sign any certificate or other document whatsoever which by virtue of any law or any condition(s) of insurance of the Charged Property or any part thereof, in the opinion of the Bank, is required or necessary for the purpose of effecting all or any one or more of the obligations of the Company pursuant to paragraphs (a) to (h) of this sub-clause (ix) of Clause 5.

(x) forthwith to notify the Bank of the occurrence of any seizure, requisition or forfeiture of the Charged Property or any part thereof;

(xi) upon the Bank's first demand, to furnish the Bank with any licence, confirmation, certificate, receipt or other document, which, in the opinion of the Bank is required for purpose of proof of the existence of the Company's obligations under this Clause 4.

5. (a) The Company hereby grants an irrevocable power of attorney to the Bank to effect in the Company's name and behalf and at the Company's expense any of the acts mentioned in paragraph (vii) and sub-paragraphs (a) to (f) inclusive and (h) and (i) of paragraph (ix) of Clause 4 hereof in any case where such acts are not effected by the Company or are not effected by the Company to the satisfaction of the Bank; provided always that the granting of the power of attorney shall not relieve the Company from performing any of the Company's obligations hereunder or oblige the Bank to exercise the powers conferred upon it under the said power of attorney, in whole or in part and provided further that any insurance of the Charged Property or any part thereof effected pursuant to the said power of attorney may be effected in the name of the Bank or of the Company as the Bank shall, at its absolute discretion, determine:

התאגידים

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8. (a) Upon any failure by the Company to make any payment to the Bank under this Debenture, the Bank shall be entitled to take all such steps as it shall see fit to collect the Secured Sums from the Company and, without prejudice to the generality of the foregoing, to realise its rights under this Debenture, including without limitation, the sale of the Charged Property or any part thereof whether by the appointment of a receiver or receiver and manager or whether by any other method which the Bank shall see fit;

(b) The Company agrees that any receiver or receiver and manager, appointed pursuant to the preceding subclause, shall be deemed to be the agent of the Company who shall be empowered, inter alia, to do the following:

(i) to get in the Charged Property and take possession thereof;

(ii) to manage the Company's business or participate in the management thereof as he may see fit;

(iii) to sell or agree to the sale of the Charged Property or to transfer the same in any other manner upon such conditions as he may see fit;

(iv) to make any other arrangement with respect to the Charged Property as he may see fit;

(v) to do all such other acts and things as he may consider incidental or conducive to any of the matters and powers aforesaid;

(c) All sums collected by the Bank upon the realisation of its rights under this Debenture and all sums paid to the Bank pursuant to Clause 5 (b) hereof shall be applied for the purposes set out hereunder in the order in which they appear or in such other order as the Bank shall select:

(i) in discharge of the expenses occasioned in consequence of such realisation, and any other expenses due to the Bank under this Debenture;

(ii) in discharge of all interest due to the Bank under this Debenture;

(iii) in discharge of the balance of the Secured Sums.

9. The Company agrees that in the event of any legal proceedings being instituted by the Bank against the Company in respect of payments due from the Company to the Bank on account of the Secured Sums, the interest to be awarded in any such legal proceedings in favour of the Bank from the date of institution of such legal proceedings until the date of actual payment thereof in full shall be Interest at the Interest Rate.

10. Interest accruing due hereunder every 3 (three) months shall be compounded every 3 (three) months and shall itself bear Interest at the Interest Rate.

11. All expenses in connection with -

(i) the preparation of this Debenture and its stamping;

(ii) the registration of this Debenture with the Registrar of Companies; and

(iii) the realisation, cancellation or redemption of this Debenture, whether in whole or in part,

shall be borne by the Company and the Company hereby undertakes to pay such expenses as aforesaid to the Bank immediately upon the Bank's first demand therefor.

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12. All entries in the books of the Bank shall be deemed correct and shall serve as prima facie proof against the Company in all their details, and copies of such entries, or, at the option of the Bank, of an extract therefrom, or of the last page thereof, certified by an officer of the Bank on such copy entries, extract or last page thereof as aforesaid or in a separate document, shall, at all times serve as prima facie proof of such entries and of the correctness of the details in such copies.

14. (a) Each and every right, power and remedy herein given to the Bank shall be cumulative and shall be in addition to every other right, power and remedy now or hereafter existing at law and each and every right, power and remedy whether herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Bank, and the exercise or the commencement of the exercise of any right, power or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power or remedy herein given or hereafter existing at law at the same time or thereafter.

(b) No delay or omission by the Bank in the exercise of any right or power or in the pursuance of any remedy accruing to the Bank under or connected with this Debenture or at law shall impair any such right, power or remedy, or be construed to be a waiver thereof on the part of the Bank and the Bank shall be entitled to use such right, power or remedy under, or in connection with, this Debenture or at law, at any time that the Bank may see fit.

(c) A waiver by the Bank in favour of the Company in respect of a prior breach of, or non-compliance with, one or more of the Company's obligations under this Debenture, shall not be construed as a justification or excuse for a further breach of, or non-compliance with, any provision, or obligation under this Debenture.

15. In this Debenture -

(i) The expression "Interest at the Interest Rate" shall mean 4% (four per cent) above such rate as the Bank shall in its absolute discretion determine as being the rate at which 3 (three) months United States Dollar deposits are available to it in the Eurodollar Interbank Market at the date of the Bank's first demand and such rate of interest determined as aforesaid shall be adjustable every 3 (three) months, the determination of such adjustment to be made 2 (two) banking days prior to the expiry of such 3 (three) monthly periods.

(ii) The expression "the Bank" shall in this Debenture be deemed to be a reference to "the Bank as agent for and on behalf of the State of Israel" unless the context otherwise permits.

16. For the purposes of this Debenture the address of the Company is: 123 Hahashmonaim Street, Tel Aviv, Israel or any other address which shall be notified by the Company to the Bank by registered letter, the receipt whereof shall be acknowledged by the Bank in writing and any demand, notice and other document of any kind sent by the Bank to the Company by ordinary post to the Company's address as aforesaid shall be deemed to have been received by the Company on its due date in the ordinary course of post whilst any demand or notice or other information sent by the Bank to the Company by cable or telex shall be deemed to have been received by the Company within 36 (thirty six) hours of the despatch thereof. A certificate in writing by the Bank with respect to the fact and time of despatch as aforesaid shall serve as evidence against the Company of the fact and time of the despatch therein mentioned.

17. (a) This Debenture shall be interpreted, and all the rights and obligations arising hereunder shall be determined, in accordance with the laws of the State of Israel.



אישור שמסמך זה החתום אלקטרונית,
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ביום החתימה בתיק התאגיד ברשות התאגידים

פרטים על מנהלי החברה

השם	הכתבת	המקצוע
אהרן וינר	רחוב רמברנט 6, תל-אביב	מנהל חברות
דב בן-דרור	רחוב שמריהו לוין 48, ירושלים	מנהל חברות
אביגדור ברתל	רחוב ויחקין 18, חיפה	מנהל חברות
ישראל ר. קוזלוב	רחוב יפה-נוף 37, חיפה	מנהל חברות
Joseph I. Nachmias	44, Avenue du President Kennedy, Paris	מנהל חברות
Martin Siem ירמיה	Holmsbo Hurum, Norway	מנהל חברות
ישורון שיף (מנהל עסקים)	רחוב יוסף צבי 28, תל-גנים, רמת-גן	מנהל חברות

התאריך: 20.3.1970

רשימת בעלי המניות ליום 20.3.1970

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התאריך: 20.3.1970.....

תעודה מאת חברה פרטית

בהתאם לסעיף 36א' מפקודת התעבורה 1929

אני, מנהל החברה, מאשר בזה כי מאז רישום החברה /
וזמנה לצבור לחתום על מגיות או על אגרות חוב של החברה.

תאריך: 20.3.1970



אישור-שמסמך זה החתום אלקטרונית,
מהות העתק של מסמך (מקור או העתק) המ
ליום החתימה בתיק התאגיד ברשות התאגיד



משרד המשפטים
מסמך זה הינו העתק שנסרק בשלמותו ביום ובשעה המצוינים,
בסריקה ממוחשבת מהימנה מהמסמך המצוי בתיק,
בהתאם לנוהל הבדיקות במשרד המשפטים.
על החתום

משרד המשפטים (חתימה מוסדית).



אישור שמסמך זה החתום אלקטרונית,
מהווה העתק של מסמך (מקור או העתק) המצוי
ביום החתימה בתיק התאגיד ברשות התאגידים