

Tamar Petroleum Ltd.
(the “Company”)

March 30, 2021

Israel Securities Authority
22 Kanfei Nesharim St.
Jerusalem

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

Dear Sir/Madam,

**Re: Immediate Report regarding a Material Private Placement and the
Convening of a Special General Meeting of the Company’s Shareholders**

In accordance with the provisions of the Companies Law, 5759-1999 (the “**Companies Law**”), the Securities Regulations (Private Placement of Securities in a Listed Company), 5760-2000 (the “**Placement Regulations**”), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “**Reports Regulations**”) and the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and the Addition of an Item to the Agenda), 5760-2000, an immediate report and notice of the convening of a special general meeting of the Company’s shareholders (the “**Meeting**”) are hereby given, as follows:

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

The Meeting will be held on Wednesday, May 5, 2021 at 15:00, at the Company’s offices at 11 Galgalei Haplada St., Herzliya Pituach.

2. **The Meeting’s agenda and the proposed resolutions**

2.1. **Approval of the granting of options to the Chairman of the Company’s board of directors**

Language of the proposed resolution (“**Resolution no. 1**”): “To approve the allotment of 758,814 (non-marketable) options, exercisable for ordinary shares of par value ILS 0.1 each of the Company, to the Chairman of the Company’s board of directors, Mr. Eitan Meir, as specified in Section 3 of this report”.

2.2. **Approval of the granting of options to the Company’s CEO**

Language of the proposed resolution (“**Resolution no. 2**”): “To approve the allotment of 1,264,690 (non-marketable) options, exercisable for ordinary shares of par value ILS 0.1 each of the Company, to the Company’s CEO, Mr. Liami Vaisman, as specified in Section 3 of this report”.

3. **Further details regarding the resolutions on the Meeting’s agenda**

On March 29, 2021, the Company’s board of directors, after receiving the recommendation of the compensation committee at its meeting of March 14,

2021, approved, in accordance with the Company's compensation policy, the 2021 option plan for the Company's employees and officers, whereby the Company will be entitled, subject to the approval of the competent organs therefor, to grant employees and officers (non-marketable) options, exercisable for ordinary shares of par value ILS 0.1 each of the Company ("**Ordinary Shares**") (the "**2021 Option Plan**").

The Company's board of directors and compensation committee also approved, subject to the approval of the meeting of the Company's shareholders, and in accordance with the Company's compensation policy, the allotment of 758,814 (non-marketable) options to the Chairman of the Company's board of directors, and 1,264,690 (non-marketable) options to the Company's CEO, exercisable for Ordinary Shares of the Company.

Each of the Chairman of the Board and the CEO of the Company shall hereinafter be referred to as: the "**Offeree**", and collectively: the "**Offerees**".

Neither of the Offerees is an interested party in the private placement (as defined in the Placement Regulations).

The private placement to the Offerees will be performed in accordance with the provisions of Section 102 of the Income Tax Ordinance [New Version], 5721-1961 ("**Section 102**" and the "**Income Tax Ordinance**", respectively) on a capital gains track via a trustee.

Set forth below are additional details in connection with the allotment of the options to the Offerees in accordance with the Placement Regulations regarding a material private placement to the Chairman of the Board and to the CEO:

3.1. **The offered securities**

3.1.1. In accordance with the aforesaid, the Company shall allot to the Chairman of the Board, Mr. Eitan Meir (the "**Chairman of the Board**" or "**Mr. Meir**")¹, 758,814 (non-marketable) options, exercisable for up to 758,814 Ordinary Shares of the Company, under the conditions and for the period as specified below.

3.1.2. In accordance with the aforesaid, the Company shall allot to the Company's CEO, Mr. Liami Vaisman (the "**CEO**" or "**Mr. Vaisman**")², 1,264,690 (non-marketable) options, exercisable for up to 1,264,690 Ordinary Shares of the Company, under the conditions and for the period as specified below.

¹ There is no employment relationship between the Chairman of the Board and the Company. It is clarified that even if all the options granted to the Chairman of the Board as specified above are exercised for shares, he will not become an interested party of the Company by virtue of his holdings alone.

² There is an employment relationship between the CEO and the Company. It is clarified that even if all the options granted to the CEO as specified above are exercised for shares, he will not become an interested party of the Company by virtue of his holdings alone.

The said options shall be allotted to the Offerees shortly after receipt of all the approvals stated in Section 3.14 below. The shares that shall derive from the exercise of the said options (the “**Option Shares**”), if exercised, shall be registered in the name of the nominee company of the Tel Aviv Stock Exchange Ltd. (the “**Nominee Company**”) and shall be listed on the Tel Aviv Stock Exchange Ltd. (“**TASE**”), subject to receipt of TASE’s approval, and from the date of the allotment thereof, they shall rank *pari passu* for all intents and purposes with the existing ordinary shares in the Company’s capital.

3.2. **Main terms and conditions of the offered securities**

3.2.1. The terms and conditions that apply to the options granted are in accordance with the Company’s compensation policy and in accordance with the 2021 Option Plan adopted by the Company.

3.2.2. Vesting dates: The options will vest in 3 equal installments as follows:

- a. First installment – one third of the quantity of options which shall vest one year after the date of the board of directors’ resolution regarding the allotment of the options (the “**Grant Date**”).
- b. Second installment – one third of the quantity of options which shall vest two years after the Grant Date.
- c. Third installment – one third of the quantity of options which shall vest three years after the Grant Date.

3.2.3. Exercise prices: First installment – ILS 4.83, second installment – ILS 5.07, third installment – ILS 5.32. The closing price of an ordinary share of the Company on TASE on March 25, 2021 (the last trading day that preceded the date of the board of directors’ approval of the private placement contemplated herein) was ILS 4.33, and the closing price of an ordinary share of the Company on TASE on March 29, 2021 (the trading day that preceded the date of release of this immediate report) was ILS 4.349. The exercise price of the first installment is approx. 11.55% and approx. 11% higher than the said prices, respectively.

3.2.4. Option period: The options will be exercisable, subject to the vesting dates, up to 5 years after the Grant Date. After the end of the said period, an unexercised option shall expire and be null and void.

3.3. **Exercise of options**

3.3.1. Subject to the provisions of the 2021 Option Plan, the Offeree will be entitled to exercise the options, in whole or in part, during

the option period, as defined in Section 3.2.4 above, by delivery of a written exercise notice signed by the Offeree to the Company's registered office and to the trustee, which shall include, *inter alia*, the name of the Offeree and his I.D. number and the number of options that the Offeree wishes to exercise (the "**Exercise Notice**"). Exercise of the options will be against payment, in cash, of the exercise price ("**Exercise in Cash**") or according to a net exercise mechanism (as specified below) ("**Net Exercise**"), at the Offeree's choice (to be stated in the Exercise Notice). Insofar as the Offeree shall choose Exercise in Cash, the payment will be transferred together with the Exercise Notice. Insofar as the Offeree shall choose Exercise in Cash but shall not transfer the payment together with the Exercise Notice, the options shall be exercised by way of Net Exercise, without any further notice to the Offeree. The Exercise Notice shall be delivered to the Company and to the trustee on a trading day only by 13:00, and if received after 13:00, the Exercise Notice shall be deemed to have been received on the second trading day thereafter.

- 3.3.2. On the first trading day after the date of receipt of the Exercise Notice (the "**Exercise Date**"), the Company shall allot the Option Shares to the trustee or to the Offeree, as the case may be, provided that the Exercise Notice received is filled in and signed by the Offeree. If the Offeree chooses to exercise the options in a Net Exercise mechanism, the number of Option Shares shall be calculated according to the following formula:

$$\frac{(A \times B) - (A \times C)}{B}$$

A	=	The number of options that the Offeree wishes to exercise and which is determined in the Exercise Notice;
B	=	The closing price in ILS of the Company's shares on TASE on the trading day that preceded the Exercise Date;
C	=	The exercise price in ILS per option as specified in the grant letter;

- 3.3.3. The options are exercisable for whole shares only. In any case where, as a result of the calculation specified above, the Company will be required to allot share fractions, the Company will not allot share fractions, as aforesaid, and the number of shares that shall be allotted to the Offeree will be rounded down for any share fraction lower than 0.5, and rounded up for any share fraction equal to or higher than 0.5. In any allotment of Option Shares in a Net Exercise mechanism, the Company shall act, for purposes of payment of the par value of the shares,

according and subject to the provisions of Section 304 of the Companies Law, 5759-1999. Insofar as the need shall arise to approach the court pursuant to Section 304(b) of the Companies Law, the Offeree will be required to pay the par value price of the Option Shares.

3.4. Adjustments

- 3.4.1. In any case of a merger transaction³, split or other restructuring of the Company, as a result of which the Company's shares shall cease to be traded on TASE, and the Company's shareholders will be granted shares of another company (the "**New Company**"), each option that was granted will be exchanged for an option of the New Company according to the number of shares by virtue of the yet unexercised option, and the appropriate adjustments will be made to the exercise price per share which shall reflect the exchange ratio at which the shares in the New Company were given to the Company's shareholders, and all of the other terms and conditions of the option agreement shall remain in effect, all as shall be determined by the board of directors. The Company shall notify the Offeree of the transaction in such manner and form as the Company shall deem fit, at least 10 days before the effective date of the transaction. If, upon the occurrence of a transaction as aforesaid, the acquiring company (or a parent company or subsidiary of the acquirer) does not agree to convert or exchange the options, the vesting dates of all the unvested options shall be accelerated, and the Offeree will be entitled to exercise these options for shares 10 days before the date of the closing of the said transaction. It is clarified that if the exercise consideration shall not be entirely in shares, the exchange ratio shall be determined by the board of directors.
- 3.4.2. If the Company distributes bonus shares to the holders of its ordinary shares in the option period, the Offeree's rights shall be reserved in the following manner: immediately after the record date for the distribution of the bonus shares (in this subsection: the "**Record Date**"), the number of shares deriving from the exercise of options will increase by the number of shares to which the Offeree would have been entitled as bonus shares, had he exercised the options before the Record Date for the distribution of the bonus shares. The exercise price of each option will not change as a result of the increase in the number of Option Shares to which the Offeree is entitled due to the distribution of bonus shares. It is further clarified that the Offeree's right to an increased number of shares due to the distribution of bonus shares as aforesaid will apply in practice

³ "**Merger transaction**": (1) Sale of all or most of the Company's assets; (2) sale (including stock-for-stock) of all or most of the Company's issued capital shares; or (3) merger of the Company with or into another company or a similar transaction of the Company with or into another company.

only in relation to options that shall actually be exercised by the Offeree, according to the terms and conditions of the plan.

- 3.4.3. If the Company distributes a cash dividend to all its shareholders, and the date determining the right to receive such dividend falls after the date of the board of directors' resolution regarding the granting of the options but before the exercise date thereof, the exercise price will be reduced by the amount of the dividend (gross) to be paid for each share of the Company.
- 3.4.4. If the Company offers the shareholders thereof securities by way of rights, the number of shares deriving from the exercise of options will be adjusted to the bonus component in the rights, as expressed in the ratio between the closing price of the share on TASE on the last trading day before the ex-date and the base price of the share "x-rights".
- 3.4.5. In any case of a split or consolidation of the Company's share capital, the Company shall make the necessary changes or adjustments for prevention of a dilution or increase in the rights of an Offeree in the context of the plan relative to the number of Option Shares in respect of options which have not yet been exercised by the Offeree and have not yet expired and/or relative to the exercise price of each option.
- 3.4.6. In any case where, as a result of the adjustment specified above, the Company shall be required to allot share fractions, the Company shall not allot such share fractions, and the number of shares that shall be allotted to the Offeree will be rounded off to the nearest whole number (up or down, as the case may be).
- 3.4.7. No conversion shall be performed of options into shares of the Company on the record date for the distribution of bonus shares, the distribution of a dividend, a rights offering, capital consolidation, capital split or reduction of capital (each one of the above shall hereinafter be referred to as: a "**Company Event**"). In addition, it is clarified that where the ex-date of a Company Event falls before the effective date of a Company Event, no conversion shall be performed on such ex-date.
- 3.4.8. It is clarified that the provisions of Sections 3.4.1 to 3.4.7 above are subject to TASE's instructions, as shall be determined from time to time.

3.5. **Exercise of options in the case of separation from employment**

- 3.5.1. In the event that the Offeree's employment or service at the Company comes to an end, for whatever reason, except as stated in Sections 3.5.2 and 3.5.3 below, the Offeree's right to exercise the options allotted to him will be only in respect of the options that shall have vested by the date of conclusion of the

employment or service, and they may be exercised, if they shall not have expired prior thereto, until the earlier of: a) 90 days from the date of conclusion of the service or employment relationship, as the case may be; b) the date of the end of the option period. The Offeree's entitlement to the other options allotted in his favor will expire.

3.5.2. In the event of conclusion of employment or service due to the Offeree's death or disability, the Offeree or his lawful heirs will be entitled to exercise the options which the Offeree was entitled to exercise in accordance with the vesting dates, provided that they shall not yet have expired, for twelve (12) months from the date of conclusion of the employment or service.

3.5.3. In the event that the employment or service were terminated "with cause"⁴, the options shall expire for all intents and purposes (regardless of whether or not the Offeree, on the date of termination of the employment or service, was entitled to exercise some of the options), and the Offeree shall have no right in connection with the options.

3.5.4. The Offeree's right to options granted to him or to the vesting thereof shall not end or expire merely as a result of the fact that the Offeree transferred to work or provide service from the Company to an affiliate or vice versa or between one affiliate and another.

3.6. **The consideration**

The options shall be granted to each one of the Offerees free of charge.

3.7. **The method of determination of the consideration**

The prices of exercise of the options for shares were determined by the Company's board of directors and compensation committee as follows: the exercise price of the options included in the first installment is equal to the average closing prices of the Company's share in the 30 trading days that preceded the date of the board of directors' resolution, plus 10%. The exercise price of the options included in each one of the second and third installments is equal to the exercise price of the options included in the installment that preceded it, plus 5%.

⁴ "Cause": Means any one of the following: (a) conviction of an offense involving moral turpitude or an offense which affects the Company and/or affiliates; (b) embezzlement of the Company's money and/or money of affiliates; (c) a breach of a fiduciary duty vis-à-vis the Company and/or affiliates, including disclosure of confidential information regarding the Company and/or affiliates; (d) any act or omission (with the exception of good faith conduct) which, in the opinion of the board of directors, causes significant damage to the Company and/or affiliates; (e) any other circumstance which confers on the Company, according to the Offeree's employment agreement, the right to immediately terminate the Offeree's employment without severance pay, and in the case of the Chairman of the Board, the right to immediately terminate the management agreement with him.

The compensation committee and the board of directors were presented with an economic valuation of the options granted to each one of the Offerees. The effect of the granting of the options on the Company's financial statements was also presented. It was found that the annual cost of the equity compensation is lower than the cap determined in the compensation policy, and it was also found that the total annual variable compensation does not deviate from the ratio between the variable components and the fixed components determined in the compensation policy. Also presented was a comparative study carried out by Kibovich & Co. of March 2021, which examined the compensation proposed for the Chairman of the Board and the CEO, as the case may be, versus the compensation of chairmen of the board and CEOs of corporations operating in similar business segments and with assets and an enterprise value of up to 3 times more or less than the assets and share value of the Company, respectively. For a specification, see the reasons of the compensation committee and the board of directors for allotting the options as specified in Section 3.16 below.

3.8. **Personal interest in the consideration**

To the best of the Company's knowledge, none of its shareholders or its officers have a personal interest in the consideration in the private placement, with the exception of the Offerees themselves.

3.9. **The economic value of the option**

The average economic value of each option on the date of the board of directors' approval of the material private placement, according to the Black-Scholes model, was estimated at approx. ILS 1.186. For purposes of the calculation, the following assumptions were taken into account: (1) share price (base asset) – ILS 4.33 (according to the closing price of the Company's shares on the trading day that preceded the date of the board of directors' approval for the private placement (March 25, 2021)); (2) risk-free interest at a rate of 0.51%; (3) standard deviation of approx. 36.68%; (4) expected dividend yield – 0%; (5) expiration date and exercise price as specified in Sections 3.2.3 and 3.2.4 above.

In accordance with the aforesaid, the aggregate economic value of the options that shall be allotted to the Chairman of the Board was estimated at approx. ILS 900 thousand, and the aggregate economic value of the options that shall be allotted to the CEO was estimated at approx. ILS 1,500 thousand.

3.10. **The Company's issued share capital and the voting rights therein, holdings of the Offerees and interested parties in the issued and paid-up capital and in the voting rights in the Company**

As of the date of the report, the issued and paid-up share capital of the Company includes 88,495,576 ordinary shares of the Company, of

which 79,115,045 shares confer voting rights⁵. In addition, there are 208,626 (non-marketable) options which were allotted in March 2018 to officers of the Company, including 112,770 (non-marketable) options that were allotted to the CEO⁶. On March 29, 2021, the CEO notified the Company that he waives the said options and that such waiver will take effect upon the allotment of the options offered to him according to this report, after receipt of all the approvals required therefor pursuant to law.

For details regarding holdings of interested parties of the Company in the Company's issued and paid-up share capital and in the voting rights therein as of December 31, 2020, see the Company's immediate report of January 7, 2021 (Ref. No.: 2021-01-003664) (the "**Interested Party Report**"), the details appearing in which are hereby included by way of reference.

As of the date of this report, the Chairman of the Board does not hold shares and/or securities convertible into shares of the Company, and the Company's CEO does not hold shares, but holds 112,770 (non-marketable) options which were allotted to him in a private placement in March 2018, which he has waived as aforesaid.

Below is information, to the best of the Company's knowledge, regarding the Offerees' holdings, holdings of interested parties in the Company⁷ and holdings of the Company's other shareholders, in the issued and paid-up share capital of the Company and in the voting rights therein:

⁵ The remaining shares (9,380,531) do not confer voting rights so long as they are held by Delek Drilling – Limited Partnership ("**Delek Drilling**"). Upon the sale thereof by Delek Drilling, the said shares shall confer all of the voting rights attached thereto.

⁶ It is noted that all of the said options have vested and that their exercise prices are between ILS 23.06 and ILS 25.42. The said options will expire in March 2022. For further details, see the immediate report of January 29, 2018 (Ref. No.: 2018-01-008607) and the immediate report of March 6, 2018, *inter alia* regarding a material private placement and the convening of a general meeting of the Company (Ref. No.: 2018-01-018000).

⁷ Holdings of the interested parties in the Company's shares are based on their holdings as of December 31, 2020, as specified in the Interested Parties Report.

	Quantity and rate of holdings in the issued and paid-up capital and in the voting rights in the Company after allotment of the options to the Offerees and assuming full exercise		Quantity and rate of holdings in the issued and paid-up capital and in the voting rights in the Company after allotment of the options to the Offerees and assuming that all of the options granted to the Offerees and to the officers of the Company will be exercised in full ⁸	
	Number of Shares	Holding rate in the capital and voting rights in the Company	Number of Shares	Holding rate in the capital and voting rights (on a fully diluted basis)
Eitan Meir	758,814	0.84%	758,814	0.84%
Liami Vaisman	1,264,690	1.40%	1,264,690	1.40%
Interested parties of the Company who are not Offerees				
Delek Drilling	10,619,469	11.73%	10,619,469	11.72%
Delek Drilling	9,380,531 ⁹	10.36%	9,380,531	10.35%
Menora Mivtachim Holdings Ltd. – Provident Funds and Pension	11,018,182	12.17%	11,018,182	12.16%
Harel Insurance Investments & Financial Services Ltd. – Mutual Funds and ETNs	85,174	0.09%	85,174	0.09%
Harel Insurance Investments & Financial Services Ltd. – Provident Funds and Pension	5,364,378	5.93%	5,364,378	5.92%
Migdal Insurance & Financial Holdings Ltd. – Mutual Funds	1,293,874	1.43%	1,293,874	1.43%
Migdal Insurance & Financial Holdings Ltd. – Participating Insurance	6,640,541	7.34%	6,640,541	7.33%
Altshuler Shaham Provident Funds & Pension Ltd.	7,400,000	8.18%	7,400,000	8.17%
Altshuler Shaham Mutual Fund Management Ltd.	1,525,000	1.68%	1,525,000	1.68%
Officers of the Company	-	-	95,856	0.11%
The Company's other shareholders	35,168,427	38.85%	35,168,427	38.81%
Total	90,519,080	100%	90,614,936	100.00%

⁸ Assuming exercise of all the options offered to the Offerees as stated herein and of all the options issued to officers of the Company (with the exception of the CEO), as stated in the immediate report of January 29, 2018 (Ref. No.: 2018-01-008607). For further details, see Footnote 5 above.

⁹ At present, these shares do not confer voting rights in the Company. Upon the sale thereof by Delek Drilling, the voting rights shall be reattached to the said shares. For further details, see Note 13C to the financial statements as of December 31, 2020, which are included in the periodic report for 2020 which was released on March 21, 2021 (Ref. No. 2021-01-039477) (the “**Periodic Report**”).

3.11. **Agreements regarding rights in securities of the Company**

To the best of the Company's knowledge, and after an inquiry it made with the Offerees, as of the date of this report, there are no written or oral agreements between either of the Offerees and other shareholders of the Company or between either of the Offerees and others with respect to the purchase or sale of securities of the Company or with respect to the voting rights in the Company.

3.12. **Details on any impediment or restriction on the performance of transactions in shares and/or in the options, or in shares that shall derive from exercise of the options**

3.12.1. The options granted will not be listed on TASE. The Company shall apply to TASE for approval to list the Option Shares.

3.12.2. The options will be allotted only after the lapse of 30 days from the date of submission of the application for approval of the option plan to the Israeli tax authorities.

3.12.3. The shares will be held through a trustee at least 24 months from the date of allotment of the options to the trustee for each one of the Offerees or for a different period, as shall be determined in any amendment to Section 102 and to the Income Tax Rules (Tax Relief in the Allotment of Shares to Employees), 5763-2003 (the "**Section 102 Rules**") (the "**Trust Period**"). During the Trust Period, and subject to the terms and conditions of Section 102 and the Section 102 Rules, the Offeree will not be able to receive from the trustee options or Option Shares that were granted and/or exercised, to sell such options or Option Shares, or to perform any action in such options or Option Shares, including after the vesting thereof. If the Offeree gives an instruction to sell or transfer from the trustee such options or Option Shares prior to the date of conclusion of the Trust Period ("**Breach**"), the Offeree shall pay any and all taxes required to be paid due to the Breach pursuant to Section 7 of the Section 102 Rules. Until all the taxes are paid according to Section 7 of the Section 102 Rules, such rights may not be transferred, assigned, pledged or charged, and the Offeree will be unable to give any power of attorney or deed of transfer, whether for immediate or future use, with the exception of a transfer by virtue of a will or inheritance law as specified in the option plan.

3.12.4. Insofar as the Option Shares shall be held by the trustee for the Offeree, the voting rights in respect of such shares will be held by the trustee. The trustee shall not vote the Option Shares held by him for the Offeree, and he shall give a power of attorney to the Offeree to vote the Option Shares at the shareholders' meeting, subject to the Offeree's request, if and insofar as such a request is delivered.

3.12.5. In any case where the Company distributes a cash dividend, and on the record date for distribution of the dividend, the trustee held Option Shares for the Offeree, the Company shall pay the dividend to the trustee in respect of such shares. The trustee who shall receive the dividend in respect of the shares as aforesaid for the Offeree shall deduct tax, if and insofar as applicable and not yet deducted, and shall transfer the dividend that he received for each share to the Offeree, in accordance with the provisions of the compensation plan and the instructions of the plan manager, subject to the provisions of the law, to the terms and conditions of Section 102 and to the Section 102 Rules and in accordance with the directives of the tax authorities.

3.12.6. The options and the shares that shall derive from the exercise thereof are subject to lock-up according to Section 15C of the Securities Law, 5728-1968, and the Securities Regulations (Details regarding Sections 15A and 15C of the Law), 5760-2000.

3.13. **Breakdown of the annual compensation amounts**

Below is a breakdown of the annual compensation amounts of each one of the Offerees, assuming allotment of the allotted options is approved by the general meeting (in ILS in thousands, in relation to a period of one year):

Details of the compensation recipient				Compensation for services							Other compensation			Total
Name	Position	Scope of position	Rate of holding in the corporation's capital	Salary	Bonus	Share-based payment	Management fees	Consulting fees	Commission	Other	Interest	Rent	Other	
Eitan Meir ¹⁰	Chairman of the Board	50%	-	-	300 ¹¹	300 ¹²	678	-	-	-	-	-	-	1,278
Liami Vaisman ¹³	CEO of the Company	100%	-	1,426	528 ¹⁴	500 ¹⁵	-	-	-	-	-	-	-	2,454

¹⁰ For a description of Mr. Eitan Meir's terms of office as the Company's executive Chairman of the Board, see Section (b)(2) in the details according to Section 21 of the Reports Regulations included in Chapter D of the Periodic Report.

¹¹ Assuming that the maximum bonus will be given in accordance with the management agreement of the Chairman of the Board (i.e.: 6 months' management fees).

¹² Based on the aggregate economic value of all the options that shall be allotted to the Chairman of the Board as specified in Section 3.9 below, divided by the number of vesting years. In the Company's estimation, the average annual share-based payment for the first vesting year, the second vesting year and the third vesting year will be approx. ILS 562 thousand, approx. ILS 244 thousand and approx. ILS 94 thousand, respectively.

¹³ For a description of Mr. Liami Vaisman's terms of office and employment as the Company's CEO, see Section (b)(3) in the details according to Section 21 of the Reports Regulations included in Chapter D of the Periodic Report

¹⁴ Assuming that the maximum bonus will be given in accordance with the CEO's employment agreement (i.e.: 6 monthly salaries (gross)).

¹⁵ Based on the aggregate economic value of all the options that shall be allotted to the CEO as specified in Section 3.9 below, divided by the number of vesting years. In the Company's estimation, the average annual share-based payment for the first vesting year, the second vesting year and the third

3.14. **Approvals or conditions determined for performance of the private placement to the Offerees**

3.14.1. Approval of the private placement to the Offerees is contingent on the following approvals:

- a. Approval by the general meeting of the Company's shareholders, which is convened according to this report.
- b. Approval by TASE for the listing of the Option Shares.
- c. Approval by the tax authorities for the option plan and for the identity of the trustee appointed by the Company.
- d. In addition, the placement is subject to each one of the Offerees signing an allotment agreement, a letter of undertaking to the trustee in language to be determined by the Company, and to the provisions of any law.

3.14.2. As of the date of this report, the approvals specified in this section have not yet been received.

3.14.3. The Company will not be obligated to allot the Option Shares if the allotment, in the Company's opinion, may cause the Company to breach provisions of law.

3.15. **Date of allotment of the options**

The options will be allotted immediately after fulfillment of all the conditions and the approvals as stated in Section 3.14 above.

3.16. **The reasons of the compensation committee and the board of directors for approving the private placement to the Offerees**

The compensation committee and the board of directors approved the private placement contemplated in this immediate report based on the following reasons:

3.16.1. The options are allotted in order to incentivize the Chairman of the Board and the CEO to continue to work for the Company's performance and results in the long-term, and to create an adequate and balanced incentive which is in the best interests of the Company and which serves its long-term plans and goals.

3.16.2. The compensation committee and the board of directors were presented with an economic valuation of the options and a disclosure was made on their effect on the Company's financial statements. The members of the compensation committee and the board of directors believe that giving equity compensation is

vesting year will be approx. ILS 936 thousand, ILS 407 thousand and approx. ILS 157 thousand, respectively.

an appropriate method of compensating employees and officers without affecting the Company's cash flow.

3.16.3. After examining the (fixed and variable) compensation components and mechanisms among chairmen of the board and CEOs of corporations operating in business segments similar to the Company's business segment, and having characteristics as specified in a comparative study that was presented to the compensation committee and the board of directors (see Section 3.7 above), and examination of the other current terms of office and employment of the Chairman of the Board and the CEO (collectively: the "Offerees"), it was found that the equity compensation proposed for each one of the Offerees is reasonable and fair in the circumstances, considering the Offerees' professional experience, skills, expertise, education, achievements, the Company's needs to retain officers, their roles, responsibilities, the challenges faced by them in the context of their role, and the size of the Company and the scope of its operations.

3.16.4. The granting of the options to the Chairman of the Board and to the CEO is in conformance with the Company's compensation policy.

4. **Additional details regarding the special general meeting**

4.1. **The required quorum**

4.1.1. No discussion will be opened at the general meeting unless legal quorum is present, and no resolution will be adopted unless legal quorum is present at the time when the resolution is voted on.

4.1.2. Legal quorum will be formed upon the presence, in person or by proxy, of at least two shareholders holding together at least one third of the voting rights in the Company, within one half hour from the time scheduled for the opening of the meeting.

4.1.3. If legal quorum is not present one half hour after the time scheduled for the meeting, the meeting will stand adjourned to the same day the following week at the same time and place, i.e. May 12, 2021 at 15:00, without there being any obligation to give the shareholders notice thereof, or to any other day or time or location, as the Company shall determine in a notice that shall be delivered to the shareholders.

4.1.4. If legal quorum is not present at the adjourned meeting one half hour after the time scheduled for the meeting, the meeting will be held regardless of the number of participants. Only items included in the agenda of the original meeting shall be open for discussion at the adjourned meeting.

4.2. **The majority required for approval of the resolutions on the agenda**

The majority required for the adoption of Resolution No. 1 is a simple majority of the shareholders present and entitled to vote at the general meeting.

The majority required for the adoption of Resolution No. 2 is a majority pursuant to Section 267A of the Companies Law, whereby the general meeting may approve the resolution by a simple majority, provided that one of the following is met:

- 4.2.1. The majority vote count at the general meeting includes a majority of all the votes of the shareholders who are neither the Company's controlling shareholders nor have a personal interest in the approval of the compensation policy, who participate in the vote; the count of all the votes of the said shareholders shall exclude the abstaining votes.
- 4.2.2. The total dissenting votes among the shareholders stated in Subparagraph (1) does not exceed 2% of all the voting rights in the Company.

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

- 4.3.1. The record date for establishing the right to vote in accordance with Section 182 of the Companies Law and Section 3 of the Companies Regulations (Voting in Writing and Position Statements), 5766-2005 is April 7, 2021, at the close of the trading day on TASE (the "**Record Date**").
- 4.3.2. In accordance with the Companies Regulations (Proof of Ownership of a Share for the purpose of Voting at a General Meeting), 5760-2000, a shareholder to whose credit shares are registered with a TASE member, which shares are included among the shares listed in the name of the Nominee Company in the shares register (an "**Unregistered Shareholder**"), shall furnish the Company with confirmation from the TASE member with which the share is registered to his credit, regarding his ownership of the share on the Record Date, in accordance with the provisions of the said regulations and the form in the schedule to the said regulations.
- 4.3.3. In addition, an Unregistered Shareholder may instruct that his confirmation of ownership be forwarded to the Company via the electronic voting system, which operates according to Title B of Chapter G2 of the Securities Law (the "**Electronic Voting System**").

4.4. **Manner of Voting**

- 4.4.1. With respect to all the resolutions on the Meeting's agenda, a shareholder may vote in person, or by his proxy or via a voting card pursuant to Sections 87-89 of the Companies Law and subject to the provisions thereof, and in the case of a corporation, by a person authorized therefor as stated in the Company's articles of association, and also via an electronic voting card delivered to the Company on the Electronic Voting System.
- 4.4.2. Any letter of appointment of a proxy shall be in writing and be signed by the principal or by an authorized representative, and if the principal is a corporation, the proxy shall be signed in the same manner in which the corporation signs documents which bind it, and it shall be accompanied by attorney certification regarding the authority of the signatories to bind the corporation. The Company may waive the requirement for attorney certification if otherwise convinced that the signatories are authorized to bind the corporation.
- 4.4.3. Any letter of appointment must be deposited at the Company's offices at 11 Galgalei Haplada St., Herzliya Pituach, at least 24 hours before the time of the Meeting (i.e. May 4, 2021 at 15:00) or the adjourned meeting (i.e. May 11, 2021 at 15:00) at which the authorized representative plans to vote based on such proxy.
- 4.4.4. **Voting via a voting card**

In addition, a shareholder may vote at the Meeting also by means of the voting card annexed hereto. For this purpose, the vote of a shareholder who voted via the voting card will be deemed as if he was present at and participated in the Meeting.

The vote, via the voting card, of a shareholder who wishes to vote via a voting card *in lieu* of his participation in the Meeting in person and/or by proxy and/or electronic voting card, will be made on part two of the voting card.

The deadline for delivery of the voting card for shareholders who are registered in the shareholders register is up to six (6) hours before the time of convening of the Meeting, i.e. May 5, 2021, by 09:00, and for Unregistered Shareholders up to four (4) hours before the convening of the Meeting, i.e. May 5, 2021, by 11:00.

The deadline for delivery of position statements to the Company by shareholders is up to ten (10) days before the date of convening of the Meeting, i.e. April 25, 2021. The Company will publish such position statements no later than one business day after receipt thereof. A position statement that includes the response of the Company's board of directors may be submitted

no later than five (5) days before the date of convening of the Meeting, i.e. April 30, 2021.

A shareholder may contact the Company directly to receive therefrom the language of the voting card and position statements (if any).

A TASE member shall send, by e-mail, free of charge, a link to the language of the voting card on the Distribution Website, to any shareholder not registered in the shareholders register who holds shares through it, unless the shareholder shall have notified the TASE member that he does not wish to receive such link or shall have given notice that he wishes to receive a voting card by post for a delivery fee only.

A shareholder whose shares are registered with a TASE member is entitled to receive the confirmation of ownership from the TASE member through which he holds his shares, at a branch of the TASE member or by post to his address for a delivery fee only, if he so requested, and a request in this regard will be made in advance for a specific securities account.

The Company shall send, free of charge, a voting card to the shareholders registered in the shareholders register on the date of release of this notice.

4.4.5. Voting via the electronic system

After the Record Date, upon receipt of an identifying number and an access code from the TASE member and after an identification process, an Unregistered Shareholder will be able to vote via the electronic system.

The deadline for voting via the electronic system is up to six (6) hours before the time of the Meeting, i.e. May 5, 2021 by 09:00.

- 4.4.6. If a shareholder votes by more than one method as aforesaid, his later vote will be counted, while a vote of a shareholder in person at the Meeting or by proxy shall be deemed later than a vote via a voting card.

4.5 **Adding an item to the agenda**

- 4.5.1 One or more shareholders holding at least one percent (1%) of the voting rights at the general meeting may request that the board of directors include an item on the agenda of the general meeting by submitting a request, to be delivered to the Company up to seven (7) days after the calling of the Meeting, i.e.: by April 6, 2021, provided that the item is suitable to be discussed by the general meeting.

- 4.5.2 If the Company's board of directors finds that an item that is requested to be included in the agenda is suitable to be discussed by the general meeting, the Company shall prepare an updated agenda and shall post it on the Distribution Website no later than seven (7) days after the deadline for delivery of the request for inclusion of an additional item on the agenda, i.e.: April 13, 2021. It is clarified that the posting of an updated agenda does not change the record date as determined in the notice of the Meeting.

5. **Inspection of documents**

The immediate report, voting card and position statements (if any) are available for inspection on the TASE website at: www.maya.tase.co.il and on the distribution website of the ISA at: www.magna.isa.gov.il. Furthermore, the notice to the shareholders and a copy of any document pertaining to the aforesaid resolutions are available for inspection at the Company's offices at 11 Galgalei Haplada St., Herzliya Pituach, after prior coordination with Adv. Efrat Hozeh-Azrad, at 074-7044779, until the date of convening of the Meeting.

Sincerely,

Tamar Petroleum Ltd.

By Liami Vaisman, CEO
and Yuval Raikin, CFO

Tamar Petroleum Ltd.

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

Part One

1. **Name of the company:** Tamar Petroleum Ltd. (the “Company”)
2. **Type, date and location of the general meeting:** Special meeting.

A special general meeting will be held on Wednesday, May 5, 2021 at 15:00 at the Company’s offices at 11 Galgalei Haplada St., Herzliya Pituach (the “Meeting”).
3. **Specification of the items on the agenda in respect of which voting is possible via the voting card:**

- 3.1. **Approval of the granting of options to the Chairman of the Company’s board of directors**

Language of the proposed resolution (“**Resolution no. 1**”): “To approve the allotment of 758,814 (non-marketable) options, exercisable for ordinary shares of par value ILS 0.1 each of the Company, to the Chairman of the Company’s board of directors, Mr. Eitan Meir, as specified in Section 3 of the notice of general meeting report of March 30, 2021”.

- 3.2. **Approval of the granting of options to the Company’s CEO**

Language of the proposed resolution (“**Resolution no. 2**”): “To approve the allotment of 1,264,690 (non-marketable) options, exercisable for ordinary shares of par value ILS 0.1 each of the Company, to the Company’s CEO, Mr. Liami Vaisman, as specified in Section 3 of the notice of general meeting report of March 30, 2021”.

4. **The place and times at which the full language of the proposed resolutions may be inspected:**

The immediate report released by the Company regarding the convening of the Meeting is available for inspection on the Magna distribution website at: www.magna.isa.gov.il and on the website of TASE at: www.maya.tase.co.il, and the documents pertaining to the resolutions on the agenda are available for inspection at 11 Galgalei Haplada St., Herzliya Pituach, during normal business hours and after prior coordination by telephone (074-7044760), until the date of the convening of the general meeting.

5. **The majority required for the adoption of the resolutions at the Meeting on the items on the agenda:**

The majority required for the adoption of Resolution No. 1 is a simple majority of the shareholders present and entitled to vote at the general meeting.

The majority required for the adoption of Resolution No. 2 is a majority pursuant to Section 267A of the Companies Law, whereby the general meeting may approve the resolution by a simple majority, provided that one of the following is met:

- (1) The majority vote count at the general meeting includes a majority of all of the votes of the shareholders who are neither the Company's controlling shareholders nor have a personal interest in the approval of the compensation policy, who participate in the vote; the count of all the votes of the said shareholders shall exclude the abstaining votes.
- (2) The total dissenting votes among the shareholders stated in Subparagraph (1) does not exceed 2% of all of the voting rights in the Company.

It is noted that at present, the Company has no controlling shareholder.

6. **Indication of a Link of a Shareholder:**

The resolutions on the Meeting's agenda require disclosure regarding a link of the voter (or the absence of such a link). Part Two of the voting card designates a space for indicating the existence or absence of a link and for a description of the nature of the relevant link. **It is hereby clarified that the vote of a shareholder failing to indicate such a link or to describe the nature of the link, will not be counted.**

With respect to the manner of voting of interested parties, senior officers and institutional bodies, a space is designated in Part Two of the voting card for indicating the classification of the participant in the vote.

7. **Validity of the Voting Card:**

The voting card shall only be valid if the following documents shall have been attached thereto:

Unregistered shareholder¹ – confirmation of ownership, as stated in Section 13 below, or confirmation of ownership via the Electronic Voting System which operates according to Title B of Chapter G2 of the Securities Law, 5728-1968 (the "**Electronic Voting System**").

Registered shareholder² – a photocopy of an I.D. card, passport or certificate of incorporation.

The deadline for delivery of the voting card by a registered shareholder is up to 6 hours prior to the time of the Meeting, i.e.: May 5, 2021 by 09:00.

The deadline for delivery of the voting card by an unregistered shareholder is up to 4 hours prior to the time of the Meeting, i.e.: May 5, 2021 by 11:00.

¹ Anyone in whose credit shares are registered with a TASE member, and such shares are included among the shares registered in the shareholders' register in the name of a nominee company.

² A shareholder registered in the Company's books.

A voting card that is not delivered in accordance with the provisions of this section shall be invalid.

8. **Voting via the Electronic Voting System:**

The Electronic Voting System will be closed 6 hours before the time of the convening of the Meeting. An unregistered shareholder may vote via the Electronic Voting System until the time of closing of the system as aforesaid. For further details, see Section 4.4.5 of the notice of general meeting report of March 30, 2021 (the “**Notice of Meeting Report**”).

9. **The Company’s Address for Delivery of the Voting Cards and the Position Statements:** 11 Galgalei Haplada St., Herzliya Pituach.

10. **Deadline for Delivery of Position Statements to the Company by the Shareholders:**

Up to ten (10) days before the date of the Meeting, i.e. by April 25, 2021.

11. **Deadline for Delivery of the Board of Director’s Response to the Position Statements:**

Up to five (5) days before the date of the Meeting, i.e. by April 30, 2021.

12. **Address of the Websites on which the Voting Cards and Position Statements are Available:**

The distribution website of the ISA (the “**Distribution Website**”): <http://www.magna.isa.gov.il>; the website of the Tel Aviv Stock Exchange Ltd.: <http://maya.tase.co.il>.

13. **Confirmations of Ownership:**

An unregistered shareholder is entitled to receive the confirmation of ownership from the TASE member through which shares of the Company are held by such shareholder (the “**TASE Member**”), at a branch of the TASE Member or by postal delivery, if he so requests. A request in this respect shall be made in advance for a specific securities account. Additionally, an unregistered shareholder may instruct that his confirmation of ownership be delivered to the Company via the Electronic Voting System.

14. **Inspection of Voting Cards:**

An unregistered shareholder is entitled to receive, by e-mail, free of charge, a link to the language of the voting card and position statements (if any) on the Distribution Website, from the TASE Member through which he holds his shares, 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; a shareholder’s notice in respect of the voting cards shall also be applicable in respect of receipt of the position statements.

One or more shareholders holding shares constituting five percent or more of all the voting rights in the Company, and anyone holding such a percentage out of all the voting rights that are not held by the Company's controlling shareholder, as defined in Section 268 of the Companies Law ("**Controlling Shareholder**"), is entitled, in person or by a proxy on his behalf, after the convening of the Meeting, to inspect, at the Company's office (whose address is stated in Section 9 above), during normal business hours, the voting cards and the voting records through the Electronic Voting System that shall have reached the Company, as specified in Section 10 of the Companies Regulations (Voting in Writing and Position Statements), 5766-2005.

The number of shares constituting five percent (5%) of all the voting rights in the Company, as of the date of the Notice of Meeting Report, is: approx. 3,955,752 ordinary shares of par value ILS 0.1 each.

15. **Changes to the Meeting's Agenda:**

After the date of the release of this voting card, there may be changes to the agenda, including the addition of an item to the agenda, and position statements may be released. Insofar as changes shall be made as aforesaid and/or position statements released, it will be possible to inspect the current agenda and the released position statements in the Company's reports on the Distribution Website.

An amended voting card, insofar as required following changes to resolutions on the agenda, shall be posted on the Distribution Website concurrently with the publication of the changes to the resolutions as aforesaid, no later than the times specified in Section 5B of the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and the Addition of an Item to the Agenda), 5760-2000.

<p>A shareholder shall state the manner in which he is voting on the item on the agenda in Part Two of this voting card.</p>

Tamar Petroleum Ltd.

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

Part Two

Company's name: Tamar Petroleum Ltd.

Company's address (for delivery and dispatch of the voting cards): 11 Galgalei
Haplada St., Herzliya Pituach

Company number: 515334662

Date of the meeting: Wednesday, May 5, 2021 at 15:00

Type of meeting: Special general meeting

Record date: April 7, 2021, at the end of the trading day on TASE

1. Shareholder's name: _____
2. I.D. no.: _____
3. If the shareholder does not have an Israeli I.D. card:

Passport no.: _____

Country of issue: _____

Valid until: _____

4. If the shareholder is a corporation:

Corporation no.: _____

Country of incorporation: _____

5. **Classification of participant in the Meeting**

Please state 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 not any of the above.

Manner of voting:

The item on the agenda	Manner of voting ³			For purposes of approval of a transaction pursuant to Section 267A – do you have a personal interest in approval of the proposed resolution? ⁴	
	For	Against	Abstaining	No	Yes
Approval of the granting of options to the Chairman of the Company’s board of directors (as specified in Section 3.1 above).					
Approval of the granting of options to the Company’s CEO (as specified in Section 3.2 above).					

For shareholders holding shares through a TASE member (pursuant to Section 177(1) of the Companies Law) – this voting card is only valid when accompanied by confirmation of ownership, except in cases where the voting is via the electronic system.

For shareholders registered in the shareholders’ register of the Company – this voting card is only valid when accompanied by a photocopy of the I.D. card / passport / certificate of incorporation.

Details regarding a link (insofar as relevant):

Date: _____

Signature: _____

³ No indication shall be deemed as abstention from voting on such item.

⁴ The vote of a shareholder who fails to fill in this column with respect to Resolution No. 2 on the agenda, or indicates "yes" and fails to specify, shall not be counted.