

15 July, 2021

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Att:

The TASE members

Dear Madam or Sir,

**Re: PETROCHEMICAL - Non-Compliance with the Maintenance Rules Based on Data
as of June 30, 2021 - Notice**

1. According to the Fourth part of TASE's Rules, a company is in non-compliance with the maintenance Rules if one or more of the causes listed below apply to it:
 - a. The public holdings value in the company's shares (of the same class) is less than NIS 5 million ("public holdings value cause").
 - b. The public holding percentage in the company's shares (of the same class) is less than 15%, unless the public holdings value in the company's shares (of the same class) exceeds NIS 15 million ("public holdings percentage cause").
2. TASE's Regulations prescribe an exemption for each of the aforementioned causes. Accordingly -
 - a. Shares will not be transferred to the maintenance list for a public holdings value cause if the public holdings value in its shares is higher than NIS 4 million, and the company's shares have a market-maker.
 - b. Shares will not be transferred to the maintenance list for a public holdings percentage cause if public holdings percentage in its shares is higher than 12.5%, and the company's shares have a market-maker.
3. shortly after June 30, 2021, TASE reviewed the company's compliance with the maintenance rules. The review indicates that the public holdings value in the company's shares, as of June 30, 2021, is NIS 2.8.

The company was notified of its non-compliance with public holdings value cause and has given an extension until December 31, 2021, to achieve compliance.
4. The next review will be held for data as of December 31, 2021.

If on the date of the review it will not comply with the Maintenance Rules and will not meet the conditions of the exemption, TASE's CEO will be requested to transfer the company's shares to the maintenance list.

Yours sincerely,

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Compliance Unit

הבורסה לניירות ערך בתל אביב בע"מ

רח' אחוזת בית 2, תל אביב 6525216 • ת"ד 29060, תל אביב 6129001 • טל': 076-8160411, פקס: 03-5105379

www.tase.co.il