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Israel Corp. Ltd

Israel Corp. Ltd  
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In-house Legal Counsel and Company Secretary

March 29, 2012

### **Immediate report concerning the convening of a special General Meeting of shareholders of Israel Corp. Ltd**

Pursuant to the Securities Regulations (Transaction between a Company and a Controlling Shareholder Therein) – 2001, the Securities Regulations (Periodic and Immediate Reports) – 1970, and the provisions set forth in the Companies Law – 1999 (“**the Companies Law**”) and the regulations promulgated thereunder, Israel Corp. Ltd (“**the Company**”) is hereby to announce that a special General Meeting of the Company’s shareholders will be convened on Monday, May 7<sup>th</sup>, 2012 at 11:00 at the Company’s offices in 23 Aranha St., the Millennium Tower, Tel Aviv (“**the Meeting**”), on whose agenda are the following items.

#### **The Meeting's Agenda**

1. **Annual bonus to the Company’s Chairman of the Board of Directors:** approval of an annual bonus for the year 2011 in the amount of NIS 2.4 million to the Company’s Chairman of the Board of Directors, Mr. Amir Elstein.
2. **Assignment of compensation of employed directors:** approval of assignment of Employed Directors (within their meaning hereunder), that serve in office from time to time, to the Employing Corporations, in light of the request made by the employed directors to assign their compensation as aforesaid.

#### **Brief description of the resolution specified in item 2 hereinabove (assignment of compensation of employed directors) and its main terms and conditions**

Among the directors who are in office in the Company, or a company controlled by the Company, there are directors who are employed as officers in companies that are related (whether directly or indirectly) to the controlling shareholder of the Company, that are not the Company or companies under the Company's control (“**Employed Director**” or “**Employed Directors**”, as the case may be). The Company was requested by such Employed Directors to assign the customary directors' compensation in the Company, to which they are entitled by virtue of the resolutions of the Company’s authorized organs or of a company controlled by the Company, as the case

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may be (provided that the compensation in a controlled company does not exceed the directors' compensation that is customary in the Company, *mutatis mutandis*, with relation to the controlled company in accordance with Compensation Regulations) to their employer (or corporations related to their employer, including corporations that are interested parties in the Company) (the "**Employing Corporations**") as part of the employment arrangements between the said Employed Directors and their Employers, arrangements to which the Company is not a party. For carefulness reasons, and in light of the concern that said assignment of Employed Directors' compensation might be considered a transaction requiring approval in accordance with the provisions set forth in Sections 270(4) and 275 of the Companies Law, the assignment of compensation, in effect as of the first time of the Employed Directors' appointment, is brought to the approval of the General Meeting of the Company's shareholders. The number of Employed Directors entitled to receive said directors' compensation by virtue of said assignment of rights shall not exceed five directors at all times. Said assignment of the Employed Directors' compensation will be executed at the request of these directors, as part of the employment arrangements between the Employed Directors and their employer, arrangements to which the Company is not a party. The assignment of compensation is performed at the request of the Employed Directors and any of the Employed Directors may request to discontinue said assignment of compensation at his sole discretion.

**Phrasing of proposed resolution:** "To approve assignment of directors' compensation which the Employed Directors who serve in office from time to time are entitled to receive (within their meaning in Section 3.2 of the report), to the Employing Corporations, as of the first time of their appointment as directors. The number of employed directors to whom directors' compensation may be assigned, as said, will not exceed five directors at all times."

**Personal interest of controlling shareholder in Resolution no. 2 (assignment of compensation of Employed Directors) and the nature thereof**

The controlling shareholder that might be considered as having personal interest in approval of the Resolution specified in Section 1.2 of this Report is Millennium Investments Elad Ltd. ("**Millennium**"). Millennium holds 46.94% of the Company's share capital. Millennium is held by Mashat (Investments) Ltd. ("**Mashat**") and by Ofer Investments Group Ltd. ("**Ofer Investments Group**"), in holding rates of 80% and

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20% respectively. Mashat is a private company held indirectly, through foreign corporations, by a discretionary trust in which Mr. Idan Ofer is a principal beneficiary. Ofer Investments Group, holding directly 1.24% of the Company's share capital, is a shareholder in Millennium as specified hereinabove, and therefore, in light of the provisions set forth in Section 268 of the Companies Law, might be considered as having personal interest in the Resolution specified in Section 1.2 of this Report. Ofer Investments Group Ltd is a private company held fully by Ofer Holdings Group Ltd. ("**Ofer Holdings**") which is a private company whose ordinary shares are held equally by Orona Investments Ltd. (that is indirectly controlled by Mr. Ehud Angel) and by Linav Holdings Ltd., controlled by a discretionary trust in which Mr. Idan Ofer is a prime beneficiary. Mr. Ehud Angel has a special share granting him, among other things, and under certain limitations and in certain circumstances, another vote in the Board of Directors of Ofer Holdings. Furthermore, Kirby Enterprises Inc., held indirectly by the discretionary trust holding Mashat in which, as said, Mr. Idan Ofer is a principal beneficiary, holds 0.74% of the Company's share capital. In addition, Mr. Idan Ofer holds directly 2.46% of the Company's share capital.

Millennium and Ofer Investments Group might be considered as having personal interest in Resolution specified in Section 1.2 of this Report, since they or related companies thereof, directly or indirectly, might receive, following the assignment of the compensation to the Employed Directors, the compensation of the Employed Directors in accordance with said Resolution. Hence, also Mr. Ofer and Kirby Enterprises Inc. might have interest in this matter, as specified hereinabove.

**Names of directors who have personal interest in the approval of Resolution 2 (Assignment of Compensation of Employed Directors)**

The Employed Directors serving in office in the Company (i.e. Ron Moskovitz, Aviad Kaufman and Yoav Dopplet) may be considered as having personal interest in the assignment of the compensation of Employed Directors as specified in Section 2 hereinabove. In addition, Mr. Idan Ofer and Mr. Amnon Lion, serving as directors in Millennium Investments Elad Ltd., may be considered as having personal interest in the assignment of the compensation of Employed Directors, inter alia, while taking into account Section 4.4 of this report.

**Notice concerning the convening of a General Meeting; quorum**

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A notice is hereby delivered that a special meeting of the Company's shareholders will be convened on Monday, May 7<sup>th</sup>, 2012 at 11:00 in the Company's offices in 23 Aranha St., the Millennium Tower, Tel Aviv, on whose agenda is the passing of the resolutions specified in this Report.

According to the Company's Regulations, the quorum required for the purpose of convening the Meeting will be five shareholders, present in person or by proxy, that hold at least 25 percent of the voting rights. If there is no quorum attending the General Meeting after thirty minutes from the time set for the beginning of the Meeting, the Meeting will be adjourned for a week, to the same date, time and place, without having to notify shareholders of the fact, and if there is no quorum in the adjourned meeting after thirty minutes following the time set for the meeting, the shareholders present in the meeting shall constitute a quorum.

**Required majority for the purpose of passing resolutions on the Meeting's agenda**

As to the Resolution specified in Section 1.1 in this Report (Approval of annual bonus to the Company's Chairman of the Board of Directors): the required majority for the purpose of passing said Resolution is an ordinary majority of the shareholders entitled to attend the vote, attending the meeting in person or by proxy.

As to the Resolution specified in Section 1.2 of this Report (Approval of assignment of compensation to Employed Directors): pursuant to the provisions set forth in Section 275(a) in the Companies Law, the required majority for the purpose of passing the aforesaid Resolution is an ordinary majority of shareholders attending the meeting in person or by proxy, who are entitled to take part in the voting, provided that one of the following is fulfilled: (a) in a count of majority votes, the majority votes will include a majority of the shareholders votes that do not have personal interest in the approval of the transaction, and present at the Meeting; in the count of the entire votes of the aforesaid shareholders, abstaining votes shall not be taken into account; (b) the total of opposing votes amongst the shareholders specified in sub-paragraph (a) will not be greater than two percent of all the voting rights in the Company.

**Effective Date and proof of ownership in a share**

The effective date for the purpose of establishing a shareholder's right to vote in the Meeting as specified in Section 182 of the Companies Law, is the end of the trading day

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in the Stock Exchange on Thursday, April 5<sup>th</sup>, 2012, and if no trade is carried out on the effective date, then in the preceding first day of trade.

Pursuant to the Companies Regulations (Proof of Share Ownership for the Purpose of Voting at a General Meeting) – 2000, a shareholder in whose favor a share is registered with a member of the Tel Aviv Stock Exchange and that same share is included among the Company's shares registered in the Shareholders Register in the name of a registration company and who wishes to vote in the General Meeting, shall furnish the Company with a confirmation from the Stock Exchange member with whom his right to a share is registered, concerning his ownership of the share, on the effective date, in accordance with Form 1 in the supplement to said Regulations.

### **Voting by proxy and voting by voting papers**

A shareholder entitled to attend and vote in the Meeting, may vote on his own or through proxy in accordance with the provisions set forth in the Company's Articles. A shareholder wishing to vote through proxy as specified hereinabove, shall deposit the power of attorney at the Company's registered office at least 48 hours before the time set for the meeting or the adjourned meeting.

Pursuant to the Companies Regulations (Voting Paper and Position Papers) – 2005, a shareholder entitled to attend and vote in the meeting, is entitled to vote with respect to the Resolution specified in Sections 1.2 in this Report, using a voting paper. For this purpose, the vote of a shareholder who voted using a voting paper will be considered as if he was present and attended the Meeting. A vote executed by a voting paper with relation to a shareholder wishing to vote by a voting paper instead of by attending the Meeting in person and/or by proxy, will be done by using the second part of the voting paper enclosed to this Report.

The voting paper and the required enclosed documentation as specified in the voting paper are to be furnished to the Company's offices up to 72 hours prior to the time the Meeting is convened. For this purpose, the time of furnishing the voting paper is the time in which the voting paper and the required enclosed documentation arrived at the Company's offices. The last date for furnishing position papers is up to 10 days following the effective date. A shareholder may receive the confirmation of ownership, within its meaning in Section 71 of the Companies Law, in a branch of the Stock Exchange member or by mail, if he so requested. A request concerning this matter shall be delivered in advance to a specific securities account. A member of the Stock

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Exchange will send via email, at no cost, a link to the format of the voting paper and voting papers in the distribution website, to each shareholder who is not registered in the Shareholders Register and whose shares are registered with the Stock Exchange member, unless the shareholder notified the Stock Exchange member that he is not interested in receiving such a link or notified that he is interested in receiving voting papers through mail in return for payment of delivery fees only. His notice with regard to the voting papers shall also apply to the receipt of position statements. A position statement of a shareholder may be filed up to ten days after the effective date for the purpose of determining the Company shareholder's entitlement to vote in the General Meeting, as provided in Section 182 of the Companies Law, which is the end of the trading day in the Stock Exchange on Thursday, April 5<sup>th</sup>, 2012, and if no trade is conducted on the effective date, then on the preceding trading day. A position statement that will include the response of the Company's Board of Directors may be submitted no later than five days after the last date of delivery of position statements by the shareholders as stated above.

The voting paper will be valid only if a confirmation of ownership of the unregistered shareholder (that is to say, a shareholder in whose name shares are registered with a Stock Exchange member and these shares are included among the shares listed in the Company's Shareholders Register in the name of a nominee company) or photocopy of an identification card, passport or certificate of incorporation, as the case may be, are enclosed thereof, if the shareholder is registered in the Company's books. The addresses of the distribution website and the internet website of the Israel Securities Authority and the Tel Aviv Stock Exchange (respectively) containing voting papers and position statements are: [www.magna.isa.gov.il](http://www.magna.isa.gov.il) and the website of the Tel Aviv Stock Exchange: [maya.tase.co.il](http://maya.tase.co.il).

### **Review of documents**

The Company's shareholders may review the transaction report and the text of the proposed Resolutions in the Company's offices on Sunday – Thursday between, 09:00 – 16:00 following scheduling in advance via phone: 03-6844500.

Sincerely,  
Israel Corp. Ltd

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March 29<sup>th</sup>, 2012

To  
The Securities Authority  
Via the MAGNA System

To  
The Tel Aviv Stock Exchange Ltd.  
Via the MAGNA System

Dear Sir/ Madam,

Re: **Immediate report concerning the convening of a special General Meeting of shareholders of Israel Corp. Ltd**

Pursuant to the Securities Regulations (Transaction between a Company and a Controlling Shareholder Therein) – 2001, the Securities Regulations (Periodic and Immediate Reports) – 1970, and the provisions set forth in the Companies Law – 1999 (“**the Companies Law**”) and the regulations promulgated thereunder, Israel Corp. Ltd (“**the Company**”) is hereby honored to announce that a special General Meeting of the Company’s shareholders will be convened on Monday, May 7<sup>th</sup>, 2012 at 11:00 at the Company’s offices in 23 Aranha St., the Millennium Tower, Tel Aviv (“**the Meeting**”), on whose agenda are the following items.

1. **The Meeting's Agenda**

1.1. **Annual bonus to the Company’s Chairman of the Board of Directors**: approval of an annual bonus for the year 2011 in the amount of NIS 2.4 million to the Company’s Chairman of the Board of Directors, Mr. Amir Elstein.

**The phrasing of proposed resolution (“Resolution no. 1”)**: “To approve granting of an annual bonus in respect of the year 2011 in the amount of NIS 2.4 million to the Chairman of the Board of Directors, Mr. Amir Elstein.”

1.2. **Assignment of compensation of Employed Directors**: approval of assignment of compensation to Employed Directors (within their meaning in Section 3.2 of the Report) who serve in office from time to time, to the

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Employing Corporations, in light of the Employed Directors' request to assign their compensation as aforesaid.

**The phrasing of proposed resolution ("Resolution no. 1"): "To approve assignment of directors' compensation which the Employed Directors who serve in office from time to time are entitled to receive (within their meaning in Section 3.2 of the report), to the Employing Corporations, as of the first time of their appointment as directors. The number of Employed Directors to whom directors' compensation may be assigned, as said, will not exceed five directors at all times."**

2. **Additional information with regard to Resolution no. 1 - annual bonus to the Chairman of the Board of Directors**

2.1. On March 29<sup>th</sup> 2011 the Company's Board of Directors, following the approval of the Audit Committee and a discussion held by the Compensation Committee, approved the officers bonus policy as of the year 2011 ("**the Bonus Policy**"). For information concerning the Bonus Policy see Regulation 21 in the chapter "Additional Details" of the Company's Periodic Report for the year 2010 published on March 30<sup>th</sup> 2011 (Reference No.: 2011-01-098868) and in the Company's Periodic Report for the year 2011 published on March 29<sup>th</sup> 2012.

2.2. On March 28<sup>th</sup>, 2012 the Company's Board of Directors approved, following the recommendations of the Compensation Committee (in meetings held on January 11<sup>th</sup> 2012, February 16<sup>th</sup> 2012, March 13<sup>th</sup> 2012 and March 26<sup>th</sup> 2012) and the approval of the Audit Committee (in a meeting held on March 26<sup>th</sup> 2012), the payment of annual bonuses in respect of the year 2011 to officers in the Company, including to the Company's Chairman of the Board of Directors (the Chairman bonus is subject to the approval of the General Meeting convened in accordance with this Report), in accordance with the Bonus Policy. For details on the

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annual bonuses to officers in the Company see the Company's immediate report dated March 29<sup>th</sup> 2012.

- 2.3. In the framework of the discussion concerning the annual bonus to officers in the Company for the year 2011, including the Chairman of the Board of Directors, the Compensation Committee, the Audit Committee and the Company's Board of Directors reviewed and decided that the preliminary conditions for granting the annual bonus are met: there is a minimal net profit of 50 million dollars, and that granting an annual bonus with respect to each of the officers receiving the bonus is reasonable. Upon fulfillment of said preliminary conditions, a calculation was executed based on gradual profit formulas that were set in respect of each of the Company's officers ("**the Profit Formula**"). Furthermore, specific discussions were held as to the evaluation of each of the officers, including the Chairman of the Board of Directors, in accordance with quantitative and qualitative parameters in accordance with objectives and values set in advance in respect of each of the officers (as to each objective a specific grade between 0.5 – 1.5 was given and weighted in accordance with the values that were set with relation to each of the objectives), as well as a personal evaluation. Upon receipt of the weighted grade following the evaluation process specified hereinabove in accordance with the officer's qualitative and quantitative parameters, the weighted grade was multiplied by the amount received as a result of the application of the Profit Formula applicable to it. The amount obtained following said process and manner of calculation thereof were brought to the consideration of the Compensation Committee, the Audit Committee and the Board of Directors.
- 2.4. In a discussion held concerning the annual bonus in respect of 2011 to the Company's Chairman of the Board of Directors, the amount received following the manner of calculation was discussed, in accordance with the Bonus Policy specified hereinabove, as well as the overall circumstances, including the overall compensation of the Chairman of the Board of Directors on all of its different components, his performance and contribution to the Company's development and that of its business, and

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promoting processes whose goal is accomplishing the Company's objectives in the long term, the overall terms of employment of the Chairman of the Board of Directors, his compliance with the requirements set forth by his position and the agreement entered into with him, his performance and contribution to the Company's activities and the companies that are among the Company's Group, and his contribution to the promotion of the development and the support given to the Company's business ventures in different areas, the managerial objectives that he accomplished in 2011, his compliance with quantitative and qualitative parameters that were set for him as customary in companies of similar size while taking into account the Company's complexity and uniqueness and its different activities, and bonuses granted in previous years.

- 2.5. The annual bonus to the Chairman of the Board of Directors in respect of 2011 was set by the Compensation Committee, the Audit Committee and the Company's Board of Directors after having discussed the Chairman of the Board of Directors' compliance with the quantitative and qualitative parameters as evaluated by the Chairman of the Compensation Committee (an evaluation that was reviewed and approved by said organs), and after calculating the Profit Formula in respect of the Chairman of the Board of Directors in accordance with the Bonus Policy. Concerning his compliance with the qualitative and quantitative parameters, the reasons and considerations specified in Section 8 of this Report were noted. Furthermore, the amounts of annual bonuses that were granted in the past to the Chairman of the Board of Directors were reviewed. Said organs discussed the weighted bonus amount that was received from the product of the grade of his compliance with quantitative and qualitative parameters in the Profit Formula and determined that, in light of the evaluation provided by the Compensation Committee, the Audit Committee and the Board of Directors of the performance of the Chairman of the Board of Directors, his contribution to the Company in 2011 stemming from a long term perspective, including in guiding the Company's strategic plan and the complexity of his position, it would be

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reasonable and adequate to add to the bonus amount that was received as a result of the Bonus Policy formula an additional amount in a manner that the total amount of the bonus to the year 2011 will be the amount noted in the Resolution in Section 1.1 of this Report.

- 2.6. For additional details concerning the Company's Bonus Policy and the format of the discussions and the considerations underlying the decision for setting the annual bonus and the reasonableness of the overall compensation given to the Company's Chairman of the Board of Directors for the year 2011, see Regulation 21 of the Company's Periodic Report for the year 2011 and Regulation 10(b) (4) of the Company's Board of Directors Report for the year 2011 published, on March 29<sup>th</sup> 2012.

3. **Additional details concerning Resolution no. 2 – Assignment of compensation to Employed Directors**

- 3.1. As specified in the Company's reports dated October 3<sup>rd</sup> 2011, November 2<sup>nd</sup> 2011 and November 8<sup>th</sup> 2011<sup>1</sup>, the directors in the Company are entitled to receive identical acceptable terms of office by virtue of the resolutions of the Company's authorized organs, including an annual remuneration and directors' remuneration in the maximal amount set forth in the Companies Regulations (Rules for Compensation and Expenses of an External Director) - 2000 ("**Compensation Regulations**"), while taking into account the Company's rank and the Director's classification as an "expert director" who is entitled to receive "an expertise supplement" as set forth in Regulation 5a of the Compensation Regulations ("**Common Compensation for Directors in the Company**")<sup>2</sup>. In addition, directors serving in office in the Company

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<sup>1</sup> References numbers (respectively): 2011-01-290205, 2011-01-314658 and 2011-01-321351.

<sup>2</sup> For additional details see the Company's reports dated 9.12.2007 (Reference No.: 2007-01-471868), 7.1.2008 (Reference No.: 2008-01-007224), 30.3.2008 (Reference No.: 2008-01-088128), 15.4.2008 (Reference No.: 2008-01-110715), 14.5.2008 (Reference No.: 2008-01-133377), 30.6.2009 (Reference No.: 2009-01-157428), 5.8.2009 (Reference No.: 2009-01-188154), 20.8.2009 (Reference No.: 2009-01-188154), 22.7.2010 (Reference No.: 2010-01-563250), 30.8.2010 (Reference No.: 201001-605703), 2.11.2010 (Reference No.: 2010-01-667515), 21.11.2010 (Reference No.: 2010-01-686541), 3.10.2011 (Reference No.: 2011-01-290205), 2.11.2011 (Reference No.: 2011-01-314658) and 8.11.2011 (Reference No.: 2011-01-321351). Without derogating from the foregoing, the Chairman of the Board of Directors,

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are also entitled to receive indemnification and exemption as specified in the Company's reports dated March 22<sup>nd</sup> 2011, October 3<sup>rd</sup> 2011, November 2<sup>nd</sup> 2011 and November 8<sup>th</sup> 2011<sup>3</sup>, as well as insurance coverage as specified in the Company's reports dated August 2<sup>nd</sup> 2007 and August 25<sup>th</sup> 2011<sup>4</sup> ("**Remaining Customary Terms of Office**").

3.2. Among the directors who are in office in the Company, or a company controlled by the Company, there are directors who are employed as officers in companies that are related (whether directly or indirectly) to the controlling shareholder of the Company, that are not the Company or companies under the Company's control ("**Employed Director**" or "**Employed Directors**", as the case may be). The Company was requested by such Employed Directors to assign the customary directors' compensation, to which they are entitled by virtue of the resolutions of the Company's authorized organs or of a company controlled by the Company, as the case may be (provided that the compensation in a controlled company does not exceed the directors' compensation that is customary in the Company, *mutatis mutandis*, with relation to the controlled company in accordance with Compensation Regulations) to their employer (or corporations related to their employer, including corporations that are interested parties in the Company) ("**the Employing Corporations**") as part of the employment arrangements between the said Employed Directors and their Employers, arrangements to which the Company is not a party.

3.3. For carefulness reasons, and in light of the concern that said assignment of Employed Directors' compensation might be considered a transaction

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Mr. Amir Elstein is entitled to receive compensation in accordance with the provisions set forth in his employment contract (as specified in the Company's reports dated 31.8.2010 (Reference No.: 2010-01-606444) and 16.9.2011 (Reference No.: 2010-01-623115). Mr. Idan Ofer's entitlement to the directors' compensation that is customary in the Company was approved in accordance with the Companies Regulations (Reliefs in Transactions with Interested Parties) - 2000, as specified in the Company's report dated 30.10.2011 (Reference No.: 2011-01-310548).

<sup>3</sup> References no. (respectively): 2011-01-290205, 2011-01-314658 and 2011-01-321351.

<sup>4</sup> Reference no. (respectively): 2007-01-345580 and 2011-01-251919. For the purpose of this matter see also the Company's reports dated 11.9.2007 (Reference No.: 2007-01-391321), 25.9.2008 (Reference No.: 2008-01-270852), 24.3.2010 (Reference No.: 2010-01-428760) and 30.8.2010 (Reference No.: 2010-01-605556).

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requiring approval in accordance with the provisions set forth in Sections 270(4) and 275 of the Companies Law, the assignment of compensation, in effect as of the first time of the Employed Directors' appointment, is brought to the approval of the General Meeting of the Company's shareholders convened according to this Report.

- 3.4. The number of Employed Directors entitled to receive said directors' compensation by virtue of said assignment of rights shall not exceed five directors at all times.
- 3.5. Without derogating from the generality of the contents of Resolution no. 2 as specified in Section 1.2 hereinabove, it should be noted that the Employed Directors who serve in the Company's Board of Directors as of the date of this Report, are Mr. Ron Moskovitz, Mr. Aviad Kaufman and Mr. Yoav Doppelt, and that the Employed Director who serves in Zim Integrated Shipping Services Ltd., a company controlled by the Company, as of the date of this Report, is Mr. Yoav Zava (who was appointed to office on September 1<sup>st</sup> 2011). For additional details concerning the Employed Directors who serve in office in the Company, including the date of their appointment as directors in the Company, see the information specified in Regulation 26 in Part Four (additional information on the corporation) in the Company's Periodic Report for the year 2011 published on March 29<sup>th</sup> 2011.
- 3.6. The assignment of the Employed Directors' compensation is executed according to the request of these directors, as part of the employment arrangements between the Employed Directors and their employer, arrangements to which the Company is not a party. The assignment of compensation is performed at the request of the Employed Directors and any of the Employed Directors may request to discontinue said assignment of compensation at his sole discretion
- 3.7. The Company will note in its immediate reports regarding the appointment of a director in the Company (including convening of a General Meeting on whose agenda is the appointment of a director), whether the appointed director is an "Employed Director" and whether the directors' compensation that is customary in the Company which the Employed

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Directors is entitled to receive will be paid to the Employing Corporations, in accordance with the resolution on the agenda of the meeting convened in this Report (reference to this Report will also be included), to the extent relevant.

4. **Personal interest of the controlling shareholder in Resolution no, 2 (assignment of compensation of Employed Directors) and the nature thereof**

- 4.1. The controlling shareholder that might be considered as having personal interest in approval of the Resolution specified in Section 1.2 of this Report is Millennium Investments Elad Ltd. ("**Millennium**"). Millennium holds 46.94% of the Company's share capital. Millennium is held by Mashat (Investments) Ltd. ("**Mashat**") and by Ofer Investments Group Ltd. ("**Ofer Investments Group**"), in holding rates of 80% and 20% respectively. Mashat is a private company held indirectly, through foreign corporations, by a discretionary trust in which Mr. Idan Ofer is a principal beneficiary.
- 4.2. Ofer Investments Group, holding directly 1.24% of the Company's share capital, is a shareholder in Millennium as specified hereinabove, and therefore, in light of the provisions set forth in Section 268 of the Companies Law, might be considered as having personal interest in the Resolution specified in Section 1.2 of this Report. Ofer Investments Group Ltd is a private company held fully by Ofer Holdings Group Ltd. ("**Ofer Holdings**") which is a private company whose ordinary shares are held equally by Orona Investments Ltd. (that is indirectly controlled by Mr. Ehud Angel) and by Linav Holdings Ltd., controlled by a discretionary trust in which Mr. Idan Ofer is a principal beneficiary. Mr. Ehud Angel has a special share granting him, among other things, and under certain limitations and in certain circumstances, another vote in the Board of Directors of Ofer Holdings.
- 4.3. Furthermore, Kirby Enterprises Inc., held indirectly by the discretionary trust holding Mashat in which, as said, Mr. Idan Ofer is a principal

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beneficiary, holds 0.74% of the Company's share capital. In addition, Mr. Idan Ofer holds directly 2.46% of the Company's share capital.

4.4. Millennium and Ofer Investments Group might be considered as having personal interest in Resolution specified in Section 1.2 of this Report, since they or related companies thereof, directly or indirectly, might receive, following the assignment of the compensation to the Employed Directors, the compensation of the Employed Directors in accordance with said Resolution. Hence also Mr. Ofer and Kirby Enterprises Inc. might have interest in this matter, as specified hereinabove.

5. **The manner according to which the directors compensation is determined**

Nothing in said Resolution changes the Employed Directors' entitlement to receive the directors' compensation that is customary in the Company, but rather an assignment of this right to their employers. The customary directors' compensation in the Company is set in accordance with Compensation Regulations, while taking into account the Company's rank and the directors' entitlement to receive an "expertise supplement" as set forth in Regulation 5a of the Compensation Regulations and approved by the Company's authorized organs as specified in Section 1.1 hereinabove.

6. **Transactions of the type of the transaction or similar transactions**

For details on the customary employment terms that directors in the Company are entitled to receive by virtue of the resolutions of the Company's authorized organs, including the customary directors' compensation in the Company see Section 1.1 hereinabove.

7. **Approvals required for the purpose of passing resolutions on the Meeting agenda**

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7.1. Resolution no. 1 (annual bonus to the Chairman of the Company's Board of Directors): as specified in Section 2 hereinabove, the bonus was approved by the Compensation Committee in meetings held on January 11<sup>th</sup> 2012, February 16<sup>th</sup> 2012, March 13<sup>th</sup> 2012 and March 26<sup>th</sup> 2012, and the approval of the Audit Committee and the Company's Board of Directors in a meeting held on March 26<sup>th</sup> 2012 and March 28<sup>th</sup> 2012. The payment of annual bonuses in respect of the year 2011 to the Company's Chairman of the Board of Directors in accordance with Section 1.1 of this Report requires the approval of the Company's General Meeting convened in accordance with this Report

7.2. Resolution no. 2 (assignment of Employed Directors' compensation):

7.2.1. The Company's Audit Committee, in its meetings dated March 13<sup>th</sup> 2012 and March 19<sup>th</sup> 2012, decided to approve unanimously, subject to the Company's Board of Directors' approval and that of the Company's General Meeting, the assignment of the compensation of Employed Directors as specified in Section 1.2 of this Report.

The Audit Committee's meeting dated March 13<sup>th</sup> 2012 was attended by Mr. Gideon Langholtz (external director), Mr. Amnon Lion, Mr. Michael Bricker, Mr. Ze'ev Nahari.

The Audit Committee's meeting dated March 19<sup>th</sup> 2012 was attended by Mr. Gideon Langholtz (external director), Mr. Ofer Termechi (external director), Mr. Amnon Lion, Mr. Michael Bricker, Mr. Ze'ev Nahari.

7.2.2. In its meeting dated March 19<sup>th</sup> 2012, the Company's Board of Directors decided to approve unanimously, and subject to the approval of the Company's General Meeting, the assignment of the Employed Directors' compensation as specified in Section 1.2 of this Report.

Said Board of Directors meeting was attended by Mr. Amir Elstein, Ms. Zehavit Cohen, Mr. Michael Bricker, Mr. Dan Ziskind, Mr. Ofer

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Termechi (external director), and Prof. Gideon Langholtz (external director).

7.2.3. Assignment of Employed Directors' compensation as specified in Section 1.2 of this Report requires the approval of the General Meeting, convened in accordance with this Report.

8. **Summary of the reasons provided by the Audit Committee and the Board of Directors to grant the annual bonus to the Company's Chairman of the Board of Directors**

The Compensation Committee, Audit Committee and the Company's Board of Directors approved the granting of an annual bonus for the year 2011 to the Company's Chairman of the Board of Directors, Mr. Amir Elstein, in accordance with the bonus Policy specified in Section 2 hereinabove and based upon the following considerations and parameters:

8.1. In connection with the evaluation of his compliance with quantitative and qualitative parameters, Amir Elstein's contribution to leading strategic processes in the Company in the year 2011 was noted, including the implementation of the Company's strategic plan, his efforts to secure profit for the Company especially during times of global economic instability and a changing business environment, great appreciation of Amir Elstein's contribution in maintaining ongoing and continuous connection with the Company's management and his actions in the management of the Board of Directors and committees thereof including in terms of corporate governance. The Company's Board of Directors emphasized its appreciation of Amir Elstein's involvement and contribution in the overseeing of the activities of the companies that are among the Group's members, of his actions in respect to his office in the boards of directors of subsidiary companies, and his contribution to the promotion and development of transactions in the Company's line of business. In this respect, Amir Elstein's contribution to the agreement that was concluded between Israel Chemicals Ltd. and the State

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concerning royalties, receiving investments grant in Tower and the acquisition of FAB in Japan by Tower in 2011 was also noted.

In addition, special attention was given to Amir Elstein's performance and actions (including in accordance with the collaboration agreement signed with him and his compliance with the parameters that were set for him) as Chairman of the Board of Directors in the year 2011, and his abilities, skills and contribution to the Company were noted, while especially taking into account the unique nature and complexity of the Company's business activities, both geographically and in terms of its diverse activities, and their impact on the requirements from the Chairman position and the skills required from the Chairman of the Board of Directors. Furthermore, the Company's aspiration to preserve the continued office of Amir Elstein for the Company's benefit and its shareholders in the long term was noted. In addition, the previous amounts of annual bonuses granted to the Chairman of the Board of Directors were also reviewed.

- 8.2. After discussing the weighted amount of the annual bonus obtained by the product of the grade of his compliance with the qualitative and quantitative parameters in the Profit Formula, the directors prescribed that in light of the appreciation of the Compensation Committee, the Audit Committee and the Board of Directors of the performance of the Chairman of the Board of Directors, his contribution to the Company in 2011, characterized by a long term perspective, and including the direction of the Company's strategic plan and the complexity of his position, it would be reasonable and appropriate to add to the bonus amount that was the product of the Bonus Policy formula an additional amount in a manner that the total bonus amount for the year 2011 would be the amount specified in the Resolution as specified in Section 1.1 of this Report.

For further details on the review of the reasonableness and fairness of the bonus granted to the Chairman of the Board of Directors and his terms of employment see Regulation 10(b) (4) in the Company's Board of

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Directors' Report for the year 2011, and Regulation 21 of the Company's Periodic Report for the year 2011 published on March 29<sup>th</sup> 2012.

9. **Summary of the reasons of the Audit Committee and the Board of Directors to assign the compensation of Employed Directors**

The Company's Audit Committee and Board of Directors in their meetings dated March 13<sup>th</sup> 2012 and March 19<sup>th</sup> 2012 (respectively) approved, subject to the approval of the General Meeting, the assignment of the directors' compensation which Employed Directors are entitled to receive as specified in the Resolution in Section 1.2 in this Report, *inter alia*, based upon the following principal considerations:

- 9.1. The customary directors' compensation in the Company is set in accordance with the Compensation Regulations while taking into account the Company's rank and the directors' entitlement to receive "expertise supplement" as set forth in Regulation 5a of the Compensation Regulations, and as approved by the Company's authorized organs as specified in Section 3.1 of this Report.
- 9.2. The assignment of the directors' compensation does not constitute a change in the entitlement of the Employed Directors to receive the directors' compensation that is customary in the Company, as duly approved by the Company's authorized organs as specified hereinabove, but rather an assignment of this right to their employer (or corporations that are related to their employer). Therefore, the assignment of compensation does not impose additional cost exceeding the customary payment of the directors' compensation in the Company which directors in the Company are entitled to receive in any event in accordance with the resolutions of the authorized organs.
- 9.3. Assignment of the Company's customary directors' compensation which Employed Directors are entitled to receive is executed at the request of the Employed Directors as part of the employment arrangements between the Employed Directors and their employers, arrangements to which the

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Company is not a party. Assignment of compensation is executed at the request of the Employed Directors and any of the Employed Directors may instruct to discontinue said assignment of the compensation at his sole discretion.

- 9.4. The assignment of compensation which the Employed Directors are entitled to receive is performed as customary in employer-employee relationships when the employee is not entitled to receive additional consideration for his compensation in accordance with the provisions set forth in his employment arrangements.
- 9.5. Members of the Company's Audit Committee and Board of Directors are of the opinion that limiting the number of the Employed Directors whose compensation will be paid to their employers by virtue of the resolutions passed by the Company's authorized organs (or companies related to their employers) is reasonable and adequate.

In light of the foregoing, the members of the Company's Audit Committee and Board of Directors are of the opinion that assignment of the compensation which the Employed Directors are entitled to receive as specified in the Resolution in Section 1.2 of this Report is fair and reasonable and does not deviate from the standard and is without prejudice to the Company's interests.

10. **Directors who have personal interest in the approval of Resolution 2 (Assignment of compensation of Employed Directors)**

The Employed Directors serving in office in the Company (i.e. Ron Moskovitz, Aviad Kaufman and Yoav Doppet) may be considered as having personal interest in the assignment of the compensation of Employed Directors as specified in Section 2 hereinabove. In addition, Mr. Idan Ofer and Mr. Amnon Lion, serving as directors in Millennium Investments Elad Ltd., may be considered as having personal interest in the assignment of the compensation of Employed Directors, *inter alia*, while taking into account Section 4.4 of this Report.

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11. **Notice concerning convening of a General Meeting**

A notice is hereby delivered that a special meeting of the Company's shareholders will be convened on Monday, May 7<sup>th</sup> 2012 at 11:00 at the Company's offices in 23 Aranha Street, the Millennium Tower, Tel Aviv, whose agenda will include the passing of the resolutions specified in this Report.

12. **Required majority for the purpose of passing resolutions in the Meeting**

12.1. As to Resolution no. 1 in this Report (Approval of annual bonus to the Company's Chairman of the Board of Directors): the required majority for the purpose of passing said Resolution is an ordinary majority of the shareholders entitled to attend the vote, attending the meeting in person or by proxy.

12.2. As to Resolution no. 2 of this Report (Approval of assignment of compensation to Employed Directors): in accordance with Section 275(a) of the Companies Law, the required majority for the purpose of passing the aforesaid Resolution is an ordinary majority of shareholders attending the meeting themselves or through proxy, who are entitled to take part in the voting, provided that one of the following is met: (a) in a count of majority votes, the majority votes will include a majority of the shareholders votes that do not have personal interest in the approval of the transaction, who present at the Meeting; in the count of the entire votes of the aforesaid shareholders, abstaining votes will not be taken into account; (b) the total number of opposing votes amongst the shareholders specified in sub-paragraph (a) will not be greater than two percent of all the voting rights in the Company.

13. **The effective date**

The effective date for the purpose of establishing a shareholder's right to vote in the Meeting as specified in Section 182 of the Companies Law, is the end of the trading day in the Stock Exchange on Thursday, April 5<sup>th</sup>, 2012, and if no trade is carried out on the effective date, then in the preceding first day of trade

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14. **Proof of ownership of the share**

Pursuant to the Companies Regulations (Proof of Share Ownership for the Purpose of Voting at a General Meeting) – 2000, a shareholder in whose favor a share is registered with a member of the Tel Aviv Stock Exchange and that same share is included among the Company's shares registered in the Shareholders Register in the name of a registration company and who wishes to vote in the General Meeting, shall furnish the Company with a confirmation from the Stock Exchange member with whom his right to a share is registered, concerning his ownership of the share, on the effective date, in accordance with the form in the supplement to said Regulations.

15. **Quorum**

According to the Company's Regulations, the quorum required for the purpose of convening the Meeting will be five shareholders, present in person or by proxy, that hold at least 25 percent of the voting rights. If there is no quorum attending the General Meeting after thirty minutes from the time set for the beginning of the Meeting, the Meeting will be adjourned for a week, to the same date, time and place, without having to notify shareholders of the fact, and if there is no quorum in the adjourned meeting after thirty minutes following the time set for the meeting, the shareholders present in the meeting shall constitute a quorum.

16. **Voting by proxy**

A shareholder entitled to attend and vote in the Meeting, may vote on his own or through proxy in accordance with the provisions set forth in the Company's Articles. A shareholder wishing to vote through proxy as specified hereinabove, shall deposit the power of attorney at the Company's registered office at least 48 hours before the time set for the meeting or the adjourned meeting.

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17. **Voting by a voting paper**

Pursuant to the Companies Regulations (Voting Paper and Position Papers) – 2005, a shareholder entitled to attend and vote in the meeting, is entitled to vote with respect to Resolution 2 specified in Sections 1.2 in this Report (Assignment of Employed Directors' Compensation), using a voting paper. For this purpose, the vote of a shareholder who voted using a voting paper will be considered as if he was present and attended the Meeting. A vote executed by a voting paper with relation to a shareholder wishing to vote by a voting paper instead of by attending the Meeting in person and/or by proxy, will be done by using the second part of the voting paper enclosed as **Appendix A** to this Report.

The voting paper and the required enclosed documentation as specified in the voting paper, are to be furnished to the Company's offices up to 72 hours prior to the time the Meeting is convened. For this purpose, the time of furnishing the voting paper is the time in which the voting paper and the required enclosed documentation arrived at the Company's offices. The last date for furnishing position papers is up to 10 days following the effective date. A member of the Stock Exchange will send via email, at no cost, a link to the format of the voting paper and voting papers in the distribution website, to each shareholder who is not registered in the Shareholders Register and whose shares are registered with the Stock Exchange member, unless the shareholder notified the Stock Exchange member that he is not interested in receiving such a link or notified that he is interested in receiving voting papers through mail in return for payment of delivery fees only.

18. **Instructions issued by the Israel Securities Authority**

Pursuant to Regulation 10 of the Securities Regulations (Transaction between a Company and a Controlling Shareholder Therein) – 2001, the Israel Securities Authority is entitled to instruct the Company, within 21 days from the date of

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submitting this Report, to furnish within a period of time it deems reasonable, any explanation, details, information and documents related to the offering or agreement, as the case may be, subject matter of the Report, and instruct the Company to modify the Report in the manner and at the time it deems fit; in such case the Authority is entitled to instruct the adjournment of the General Meeting to a date that will be no earlier than three business days and no later than 21 days from the date of publication of the amended report.

19. **The Company's representatives for the purpose of handling the immediate report**

Advocates Zvi Efrat and/or Nurit Traurik and/or Uri Heller from Gornitzky & Co, whose address is 45 Rothschild Blvd. Tel Aviv, 65784; Phone: 03-7109191; Fax: 03-5606555.

20. **Review of documents**

The Company's shareholders may review the transaction report and the phrasing of the proposed resolutions in the Company's offices on Sunday – Thursday between 09:00 – 16:00 following scheduling in advance via phone: 03-6844500.

**Sincerely,**

**Israel Corp. Ltd**

Names of signatories on the transaction report and their positions:

Advocate Maya Alcheh-Kaplan

General Counsel (In-house) and Company Secretary

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## Appendix A - Voting Paper

### Israel Corporation Ltd.

#### Voting Paper

**Pursuant to the Companies Regulations (Voting in Writing and Position Statements) – 2005 (hereinafter: "the Voting Regulations")**

#### **First Part**

1. **Company name**

Israel Corporation Ltd (hereinafter: "**the Company**").

2. **Class of meeting, time and place of convening**

Special General Meeting held in the Company's offices in 23 Aranha Street, Millennium Tower, Tel Aviv on Monday, May 7<sup>th</sup> 2012 at 11:00 (hereinafter: "**the Meeting**"), and any adjourned meeting thereof.

3. **Specification of the items on the agenda in respect of which voting with a voting paper is permitted**<sup>1</sup>:

3.1. Approval of assignment of Employed Directors' compensation (within their meaning in Section 3.2 of the Report) of directors who serve in office from time to time, to the Employing Corporations, in light of said Employed Directors' request to assign their compensation.

**Text of proposed resolution: "To approve assignment of directors' compensation which the Employed Directors who serve in office from time to time are entitled to receive (within their meaning in Section 3.2 of the**

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<sup>1</sup> It will be noted that in the framework of the said General Meeting and additional resolutions will be brought for approval (approval of annual bonus to the Company's Chairman of the Board of Directors) in respect of which voting cannot be executed by a voting paper and as specified in this Report.

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**report), to the Employing Corporations, as of the first time of their appointment as directors. The number of Employed Directors to whom directors' compensation may be assigned, as said, will not exceed five directors at all times."**

4. **Review of the proposed text of the resolution**

The Company's shareholders may review the convening report and the other documents related to the proposed resolution of the General Meeting in the Company's offices on Sunday – Thursday between 09:00 – 16:00 following scheduling in advance via phone no.: 03-6844500 as well as on the internet websites of the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd whose address is specified in Section 12 hereunder.

5. **Required majority for the purpose of passing the Resolution in the Meeting**

Pursuant to the provisions set forth in Section 275(a) of the Companies Law, the required majority for the purpose of passing the Resolution specified in Section 3 is an ordinary majority of shareholders attending the meeting in person or by proxy, who are entitled to take part in the voting provided that one of the following is fulfilled: (a) in a count of majority votes, the majority votes will include a majority of the shareholders votes that do not have personal interest in the approval of the transaction, and who are present at the Meeting; in the count of the entire votes of the aforesaid shareholders abstaining votes shall not be taken into account; (b) the total of opposition votes amongst the shareholders specified in sub-paragraph (a) shall not be greater than two percent of all the voting rights in the Company

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6. **Noting the interest of a shareholder**

In the second part of the voting paper, there is a field designated for marking the existence or absence of interests in accordance with the provisions set forth in the Companies Law, and description of the nature of the relevant interest. **Where a shareholder fails to mark or describe the nature of the interest, his vote shall not be counted.**

7. **Effect of the voting paper**

7.1. The voting paper shall come into effect only if "confirmation of ownership" is enclosed thereof (power of attorney by the nominee company proving his ownership of the share; hereinafter: "Ownership Confirmation") of the unregistered shareholder (that is to say anyone in whose favor shares with the Stock Exchange member are registered and these shares are included among the shares listed in the Register of Shareholders in the name of the nominee company), or a photocopy of an identification card, passport or certificate of incorporation if the shareholder is registered in the Company's records.

7.2. The last date for furnishing voting papers is up to 72 hours prior to the convening of the General Meeting. For this purpose, the date of furnishing the voting papers is the date in which the voting paper and accompanying documentation thereof arrived at the Company's offices in the address noted in Section 10 hereinabove.

8. **The effective date for the entitlement of shareholders to attend and vote in the Meeting**

The effective date for the purpose of establishing entitlement of a shareholder to vote in the Meeting as specified in Section 182 of the Companies Law, is April 5<sup>th</sup> 2012 (hereinafter: "**the Effective Date to Vote in the Meeting**").

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9. **The Company does not allow voting via the internet.**
10. **The Company's address for the purpose of delivery of voting papers and position statements**

At the Company's offices in 23 Aranha Street, Millennium Tower, Tel Aviv.

11. **Last date to furnish position statements**

A position statement by a shareholder may be submitted up to ten days following the determining date for entitlement of a shareholder to vote in the General Meeting as provided in Section 182(b) of the Companies Law as noted in Section 8 hereinabove. The last date to furnish the Board of Directors' response to position statements, if and to the extent that position statements are submitted by the shareholders, and the Board of Directors decides to submit its response to said position statements, will be no later than five days following the last date of delivery of said position statements.

12. **Links to the distribution website and the internet website of the Stock Exchange containing voting papers and position statements**

12.1. Distribution website of Israel Securities Authority:  
[www.magna.isa.gov.il](http://www.magna.isa.gov.il).

12.2. Stock Exchange internet website: [maya.tase.co.il](http://maya.tase.co.il).

13. **Additional comments as required by the provisions set forth in the Voting Regulations**

13.1. A shareholder may obtain the certificate of ownership, within its meaning in Section 71 of the Companies Law and as provided in Section 7.1 hereinabove, in a branch of the Stock Exchange member or by postal delivery, at his request. A request concerning this matter will be delivered in advance to a specific securities account.

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- 13.2. A shareholder may contact the Company directly and receive from the Company, at no cost, the phrasing of the voting paper or, following his consent, a link to the phrasing of the voting paper in the distribution website and the position statements as delivered to the Company.
- 13.3. A shareholder who is not registered may receive a link to the phrasing of the voting papers and position statements (if any) in the distribution website at no cost via his email from the members of the Stock Exchange holding his shares, unless he notified the Stock Exchange member that he is not interested in receiving said link or that he is interested in receiving voting papers by mail for payment. The notice of an unregistered shareholder with relation to the voting papers will also apply to receipt of position statements (if any).
- 13.4. A shareholder shall specify the manner of his vote with relation to the item on the agenda in the second part of this voting paper.
- 13.5. One or more shareholders holding shares in a rate that constitutes five percent or more of the total voting rights in the Company and anyone holding such a rate out of all the voting rights that are not held by the controlling shareholder in the Company within its meaning in Section 268 of the Companies Law, may review the voting papers as specified in Section 10 of the Voting Regulations.
  - 13.5.1. As of the date of delivery of this voting paper, the quantity of shares constituting 5% of the entire voting rights in the Company is 381,307 ordinary shares of nominal value of 1 NIS each of the Company.
  - 13.5.2. As of the date of delivery of this voting paper, the quantity of shares constituting 5% of all the voting rights in the Company that are not held by the

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controlling shareholder is 183,550 ordinary shares of nominal value of 1 NIS each of the Company.

14. **Cancelation of voting paper**

Up to 24 hours prior to the convening of the General Meeting, a shareholder may approach the address for the delivery of the voting papers, as specified in Section 10 hereinabove, and after proving his identity to the satisfaction of the Company's secretary or another employee of the Company designated for that purpose, withdraw his voting paper and Proof of Ownership or cancel his vote; in the event he did so, the shareholder may only vote during the General Meeting.

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## Appendix – Voting Paper

### Israel Corporation Ltd.

#### Voting Paper

Pursuant to the Companies Regulations (Voting in Writing and Position Statements) – 2005 (hereinafter: "the Voting Regulations")

#### Second Part

##### Part A

1. **Company Name:** Israel Corporation Ltd (hereinafter: "**the Company**"); public company no. 52-002801-0
2. **Company address (for furnishing and delivery of voting papers):** 23 Aranha Street, Millennium Tower, Tel Aviv.
3. **Date and time of meeting:** Monday, May 7<sup>th</sup> 2012 at 11:00 and any adjourned meeting thereof.
4. **Class of meeting:** Special General Meeting.
5. **Effective date:** Thursday, April 5<sup>th</sup> 2012.
6. **Voting via the internet:** the Company does not permit voting via the internet.

##### **Part B (to be filled by shareholders):**

7. **Shareholder's details**
  - 7.1. Shareholder's name\_\_\_\_\_ .
  - 7.2. ID. No. \_\_\_\_\_ .
  - 7.3. Passport No. (if the shareholder does not hold an Israeli ID.) \_\_\_\_\_ .
  - 7.4. The State in which the passport was issued (if the shareholder does not hold an Israeli ID.) \_\_\_\_\_ .
  - 7.5. The passport is valid until (if the shareholder does not hold an Israeli ID.) \_\_\_\_\_ .

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7.6. Corporation no. (if the shareholder is a corporation):

\_\_\_\_\_

7.7. State of incorporation (if the shareholder is a corporation):

\_\_\_\_\_.

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**8. Manner of voting**

Item on the agenda	Manner of voting <sup>2</sup>			Do you have personal interest in the Resolution <sup>3</sup>		Are you an interested party in the Company <sup>4</sup>		Are you a senior officer in the Company <sup>5</sup>		Are you an institutional investor in the Company <sup>6</sup>	
	For	Against	Abstaining	No	Yes	No	Yes	No	Yes	No	Yes
Approval of assignment of Employed Directors' compensation (within their meaning in Section 3.2 of the Report) who serve in the Company from time to time, in light of said Employed Directors' request to assign their compensation											

**\* Please specify the relevant interest, as the case may be:**

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**9. Notes in accordance with the voting Regulations:**

<sup>2</sup> Failure to mark an answer is akin to abstaining from voting on that item.

<sup>3</sup> A shareholder who fails to fill in this column or marks "yes" without providing a reason, his voting shall not be counted. "Personal interest" including "negative personal interest."

<sup>4</sup> Within its meaning in the Securities Law - 1968.

<sup>5</sup> Within its meaning in the Securities Law - 1968.

<sup>6</sup> Within its meaning in Regulation 1 of the Control of Financial Services Regulations (Provident Funds) (Participation of a Managing Company in the General Meeting) - 2009; and manager of joint investments in trust within its meaning in the Joint Investments in Trust Law - 1994.

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- a. Shareholders holding shares through a Stock Exchange member (pursuant to Section 117(1) of the Companies Law - 1999) – this voting paper is in effect only with Confirmation of Ownership enclosed thereof.
- b. Shareholders registered in the Company's Register of Shareholders – the voting paper is in effect accompanied by a photocopy of the ID/passport/certificate of incorporations.

**Date:** \_\_\_\_\_

Signature of  
shareholder: \_\_\_\_\_