This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

Israel Corporation Ltd.

Form 136
Public

Registrar Number: 520028010

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Sort name: Israel Corporation

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Date of Transmission: 29/08/2013

Reference: 2013-01-130725

To:	To:
The Securities Authority	The Tel Aviv Stock Exchange
www.isa.gov.il	www.tase.co.il

Immediate report regarding a transaction with a controlling shareholder or director that does not require shareholders' approval.

1. Hereby filed a report on the approval of a transaction pursuant to Article 1 of the companies Regulations (Relief in Transactions with Interested Parties), 2006.
2. Date of approval of the transaction by the Board: August 28, 2013.
3. Summary of the transaction highlights and main reasons for the Board and the Audit Committee to approve the transaction.

Report attached

Hereinafter is the text of Article 1 c. Of the Companies Regulations (Relief in Transactions with Interested Parties), 2000: (A) the reliefs under the regulations of 1 to 1, shall not apply to a public company if one shareholder or more, holding at least one percent of the issued capital or voting rights of the company, gave notice of his objection to granting such relief, provided a written objection to the Company not later than fourteen days from the day the public Company filed a statement under the Securities Act on the decision or from the day the Company filed an amended Report to the aforementioned report. (B) If an objection was submitted as described in paragraph (a), the transaction must be approved in accordance with the provisions of section 273 or 275, as appropriate.

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan
Position: Vice President, General Counsel and Company Secretary
Date of signing: August 29, 2013

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Israel Corp. Ltd

Israel Corp. Ltd
Millennium Tower, 23 Aranha Street P.O. Box
20456 Tel Aviv 61204 Israel
Tel.: (03) 6844517 Fax: (03) 6844587
Advocate Maya Alcheh-Kaplan
Vice President
General Counsel and Company Secretary

29.08. 2013

To:
The Israeli Securities Authority
Through the magna system

The Tel Aviv Stock Exchange Ltd.
Through The Magna System

Dear Sirs,

Re: Immediate Report - Israel Corporation Ltd. (the "Company")

In Accordance with the Companies Regulations (Relief in Transactions with Interested Parties), 2000 ("the Relief Regulations")' and in Accordance with the Securities Regulations (Periodic and Immediate Reports), 1970, the Company hereby reports as follows:

1. On August 9, 2012, the general meeting of shareholders of the company approved a "framework agreement", as referred to in Article 1 (3) of the relief regulations, allowing over three years the renewal of an insurance policy for Company officers, serving in office in the Company today and as will serve it from time to time[1] (including, their responsibilities in office, at the request of the Company or on its behalf, in companies held by the Company, directly or indirectly), from any insurance company in Israel and/or abroad, which will be selected by the Company's Board of Directors, provided that the audit Committee and the Company's Board of Directors shall approve for each insurance renewal, that the terms of the policy are in accordance with conditions of the Framework Agreement,

[1] Including officers considered as controlling shareholders and / or their relatives and / or officers that the controlling shareholder may be deemed to have a personal interest in their inclusion in the insurance policy.

including, among others, an option to change the terms of renewal of policies purchased, subject to the framework Agreement ("framework Agreement").

For further details about of the Framework Agreement and its terms, see the Company's report dated July 4, 2012 (Reference: 2012-01-176643), presented herein by way of reference.

2. The renewal of the insurance policy in relation to the Company officers who serve today, and as shall serve from time to time (including liability in office, at the request of the Company or on its behalf, in companies held by the Company, directly or indirectly), for an additional year, until 30.08.2014, was approved by the compensation committee and the audit committee of the company during their meetings dated 25.08.2013 and by the Company's Board of Directors at its meeting on 28.08.2013. The approved insurance policy includes a first layer, shared with Israel Chemicals Ltd. ("ICL"), of an officer's liability insurance with a limit of $ 20 million per event and period, and a separate second layer of liability insurance for officers in the Company group with a limit of an additional $ 120 million per event and period. Under the terms of the Framework Agreement, officers in the Company group as aforesaid shall be beneficiaries in both layers. As part of the mentioned approvals, the total annual premium to be paid by the Company in respect of the said policy which does not exceed the maximum premium amount specified in the Framework Agreement, as well as that the terms of the policy are in accordance with conditions of the Framework Agreement, as specified in the report mentioned in Section 1 above. In addition, the compensation committee and Board of Directors approved, for the sake of caution[2], that such agreement, in respect to the Company's CEO, is made under the same conditions as in

[2] including pursuant to Article 1a1 of the Relief Regulations.

respect to other officers at the Company, and is made in market conditions and is not likely to materially affect the Company's profitability, assets or liabilities.

3. The purchase of the insurance policy was approved, *inter alia*, based on the parameters and arguments specified in the report on section 1 above, and, given that the policy terms match the terms of the Framework Agreement, are reasonable in light of the Company's operations and standart market conditions and similar conditions for all officers, and given that the insurance coverage for officers is fair, reasonable and in favor of the company, since it may allow the company officers to fulfill their duties properly considering the risks involved in then and their responsibilities.
4. In accordance with Article 1C of the Relief Regulations: (A) the reliefs under regulation 1 of the Relief Regulations, shall not apply on the Company if one shareholder or more, holding at least one percent of the issued capital or voting rights in the company, gave notice of his objection to granting such relief, provided a written objection to the Company not later than fourteen days from the day this report was issued, if and when it will be submitted; (B) If an objection was submitted as described in paragraph (a) above, the transaction must be approved in accordance with the provisions of section 273 or 275 of Companies Act, 1999 as appropriate.

Sincerely,
Israel Corporation Ltd.

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan
Position: Vice President, General Counsel and Company Secretary
Date of signing: August 29, 2013