

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.

Registrar Number: 520028010

**Form 121
Public**

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

Sort name: Israel Corporation

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To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: Zim - Petition against the State

See the attached report below

The date when the event first became known to the corporation: February 16, 2014

Time: 15:00

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: February 17, 2014

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Israel Corp. Ltd

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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

February 17, 2014

To:

The Israeli Securities Authority
Through the magna system

The Tel Aviv Stock Exchange Ltd.
Through The Magna System

Re: **Supreme Court petition regarding the "golden share" of the state in
Zim Integrated Shipping Services Ltd.**

The Company hereby announces that on February 16, 2014, the National Naval Officers Association - "Histadrut Haovdim Haclalit Hahadasha" and others (the "**Petitioners**"), filed a petition to the Supreme Court against the Minister of Finance, the Minister of Transportation (the "**Ministers**") and the Government Companies Authority (the "**GCA**"), as well as against Zim Integrated Shipping Services ("**Zim**") and the Company, as formal respondents (the "**Petition**") which its principles are as follows:

1. According to the petitioners, the formulating arrangement with Zim's creditors, which was reported by the Company on January 23, 2014 ("**the Arrangement**"), although the petitioners do not dispute its necessity, includes in their opinion a reduction, amendment, or impairment to the state's special share in Zim, which was granted to it in 1995 (the "**Golden Share**"). According to the petitioners, reduction, amendment or impairment to the Golden Share, as stated, are not necessary, and in any case, it has not been proven that it is essential to the completion of the Arrangement in Zim. It was also argued, that the willingness to waive or amend the Golden Share benefit Zim's shareholders at the expense of public interests which were outlined in the Golden Share.
2. Accordingly, the petitioners seek, *inter alia*, that the Supreme Court will order the ministers to justify: (a) Why would they not act to prevent the execution of an act of the actions subject to consent under the Golden Share (such as changing the ownership structure of Zim) in a manner that will lead to waiver of the golden share, amendment, revocation or reduction; (b) Why would they not act to prevent the amendment to the

Golden Share, including by way of examining proportional and less harmful alternatives to the consummation of the arrangement without harming essential interests, and that, among other things, given that the public's rights and workers' rights, which are protected by the Golden Share, has not yet been secured; (c) Why would they not act to ensure the continuance of preservation of the essential interests and the continuance of the Shipping activities of Zim and the continuance of training and existence of Israeli seamanship, in every arrangement that will be approved.

3. Petitioners also request that the Supreme Court will order the GCA to explain why it did not refrain and / or will refrain from delivering an appeal by Zim, in order to obtain the Ministers' consent for performing an action that requires their approval, including waiver of the Golden Share, amending, revoking or reducing it.
4. In regards to the Ministers and the GCA, the Petitioners request that the Supreme Court will order them to justify why would they not act to present to the public, or to the petitioners, by virtue of the principle of transparency, the details of the Arrangement or at least, the instructions under the Arrangement regarding the Golden Share.
5. In addition to the above, the Petitioners request the Supreme Court to issue an injunction instructing the Ministers to immediately prevent any material action in regards to the Golden Shares.

The company is currently studying the petition, and to the extent required, the Company will present its position.

Sincerely,
Israel Corporation

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: February 17, 2014