

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

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

Public

Sort name: Israel Corporation

Address: P.O.B. 20456, Tel Aviv 61204

Tel: 03-6844517, 6844500, Fax: 03-6844587

Email: MAYAAK@ISRAELCORP.COM

Date of Transmission: January 4, 2015

Reference: 2015-01-002296

To:

To:

The Securities Authority

The Tel Aviv Stock Exchange

www.isa.gov.il

www.tase.co.il

Immediate Report

The Event: Motion to Approve the filing of a Derivative Lawsuit

See the attached report.

The date when the event first became known to the corporation: January 1, 2015

Time: 17:00

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: January 4, 2015

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

January 4, 2015

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

Immediate Report - Motion to Approve the Filing of a Derivative Lawsuit

Israel Corporation Ltd. ("**the Company**") hereby announces, that on January 1, 2015 it was served with a copy of a motion to approve the filing of a derivative lawsuit (and a copy of the derivative lawsuit) (the "**Motion**"), which was filed with the district court in Tel-Aviv (Economic Department) by two shareholder who claim to be the cumulative holders directly or indirectly of 42 shares of the Company (the "**Applicants**") against Messrs. Gideon Langholz, Oded Dagani, Zahavit Cohen and Michael Bricker (who serve as directors in the Company, the "**Respondent Directors**"), against Trigger Foresight (limited partnership) ("**Trigger Foresight**") (the Respondent Directors and Trigger Foresight, jointly: the "**Respondents**") and against the Company as a formal respondent.

According to the Applicants, in concise, the Respondent Directors, the members of a special committee appointed by the Board of Directors (the "**Special Committee**") in connection with the examining of the debt arrangement of ZIM Integrated Shipping Services Ltd. ("**ZIM**"), refrained from acting in real time in an informed manner and in accordance with their duty to formulate the Debt Arrangement with terms which are beneficial from the Company's point of view, and that the Special Committee was oriented towards approving the Debt Arrangement at all costs. Additionally, the Applicants claim, *inter alia*, that Trigger Foresight, which was appointed as consultant to the Special Committee, justified the Debt Arrangement in retrospect after it was faced with an accomplished fact, that its opinion contains mistakes and unreasonable assumptions, and claim that it was in conflict of interest. According to the Applicants, the members of the Special Committee aided by Trigger Foresight did not exercised reasonable judgment, and the result they reached was completely unreasonable.

Considering, *inter alia*, the above, the Applicants claim that the Respondent Directors violated their duty of care and the fiduciary to the Company, and that Trigger Foresight knowingly aided and participated in the violation of the fiduciary duties of the Respondent Directors, *inter alia* as a gatekeeper, and was negligent towards the Company. As part of the Motion and the lawsuit, the Court is requester to charge the Respondents, jointly or severally, to pay the Company for the damage which they claim occurred following the approval of the terms of the Debt Arrangement, which is

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

claimed to be estimated at a total amount of USD 110 million minimum, in light of the fact that the value of ZIM shares according to the Motion, does not exceed 90 million dollars.

The Company is studying the Motion and the lawsuit.

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: January 4, 2015