

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

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To:

To:

The Securities Authority

The Tel Aviv Stock Exchange

[www.isa.gov.il](http://www.isa.gov.il)

[www.tase.co.il](http://www.tase.co.il)

**Immediate Report**

The Event: Demand to File a suit

Israel Corporation Ltd. (hereinafter: the “Company”) hereby reports that on February 4, 2015 a letter of shareholders of the Company (as they claim) (the “Applicants”) was issued to the Company, in it the Company was requested in accordance with section 194(b) to the Companies Law, 1999, to file a suit against the controlling shareholders of the Company, as well as the former CEO of the Company and three officers of the Company (collectively: the “Officers”) in connection with bonuses they have received or will receive from the controlling shareholders of the Company or related parties to them in regards with the completion of the Distribution Act (as stated in the Company’s report dated December 23, 2014).

According to the applicants’, *inter alia*, the payment of the aforesaid bonuses is wrong and created conflict of interests to the Officers in connection with the Distribution Act, in which the controlling shareholders has had a personal interest, and was not approved by the Company as required.

It was further claimed that the Company has several claims against the controlling shareholders and the Officers, and in this framework the Applicants argue that the controlling shareholders have breached their duty of fairness and duty of good faith and that the Officers have breached their fiduciary duties and duty of good faith, have received benefits which either belongs to the Company or to which it is entitled to, without authorization, and have made unjust enrichment. Therefore the Applicants argue that the controlling shareholders and the Officers are liable to pay to the Company the bonuses amounts, in a total amount of USD 14.3 million, and that the Company shall sue them for this.

The Company will examine the application in accordance with the law.

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The date when the event first became known to the corporation: February 4, 2015

Time: 18:40

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 5, 2015