

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

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Date of Transmission: 25/03/2010

Reference: 2010-01-429207

To:

The Securities Authority

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

To:

The Tel Aviv Stock Exchange

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

**Immediate Report**

The Event: Immediate Report

*See the attached herewith*

The date when the event first became known to the corporation: 24/03/2010, time: 15:00.

Reference of former documents in this regard (referring does not constitute incorporation by reference):

Former name of reporting entity:

The Israel Corporation Ltd.

Form structure updated 15/03/2010

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Name of Electronic Reporter: Noga Yatziv. Position: Company's Secretary.  
Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail – [nogay@israelcorp.com](mailto:nogay@israelcorp.com)

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**The Israel Corporation Ltd.**

Millennium Tower, 23 Aranha Street, P.O.B. 20456, Tel-Aviv 61204

Tel: 03-6844517, Fax: 03-6844587

**THE ISRAEL CORPORATION**

**Adv. Noga Yatziv**

Company Secretary and Assistant to the President

24 March 2010

To:

The Securities Authority

via MAGNA

Dear Sir/Madam,

To:

The Tel-Aviv Stock Exchange Ltd.

via MAGNA

**Re: Immediate Report – Israel Corporation Ltd. (hereinafter: the “Company”)**

On March 24, 2010, the Board of Directors of the Company confirmed, further to the approval of the Audit Committee and taking into consideration the recommendations of the Company’s Remuneration Committee, payment of annual bonuses to senior officers in the Company, including the Messrs. Nir Gilad (CEO of the Company), Avisar Paz (CFO), Elie Goldschmidt (Vice President of Communication and Regulatory Affairs) and Noga Yatziv (the outgoing Company Secretary) (hereinafter: the “**Company’s Senior Officers**”), all as set forth below:

1. **Amounts of the Annual Bonuses in Respect of 2009**

- 1.1 To Mr. Nir Gilad – a total annual bonus in respect of 2009 in the amount of NIS 2,700,000;
- 1.2 To Mr. Avisar Paz – a total annual bonus in respect of 2009 in the amount of NIS 1,000,000;
- 1.3 To Mr. Elie Goldschmidt – a total annual bonus in respect of 2009 in the amount of NIS 400,000;

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1.4 To Ms. Noga Yatziv (the outgoing Company Secretary) – a total annual bonus in respect of 2009 in the amount of NIS 400,000.

2. The Company deems it appropriate to note that Mr. Idan Ofer, the Chairman of the Board of Directors, informed the Audit Committee and the Board of Directors of the Company that he wishes not to receive an annual bonus in respect of 2009.

3. **Manner of Determining the Remuneration**

In the award of the annual bonuses and in the determination of the amounts thereof, the Company took into account, *inter alia*, the following parameters:

3.1 The Company's business results for 2009, including profitability, return on capital, etc.

3.2 Compliance with the targets of the Company's work plan and its strategic plan for 2009, and in particular, taking into consideration the period of the crisis.

3.3 The functioning of the Company's management during the period of the crisis, whilst handling and advancing significant business initiatives in various fields.

3.4 The significant contribution of the Company's management, headed by the Company's CEO, to achieve an agreed and complex recovery arrangement for ZIM Integrated Shipping Services Ltd.

3.5 A comparison was made with the salary terms of the Company's Senior Officers in previous years, including a comparison with the bonuses that were awarded in respect of 2008, whilst taking into account the business results of 2009, as compared to the business results of 2008.

3.6 An evaluation with regard to the contribution made by each of the Company's Senior Officers to the activities of the Company and its subsidiaries, to the development of their business and to the Company's business results.

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4. **The Reasons of the Audit Committee and the Board of Directors of the Company for the Amount of the Annual Bonuses**

The directors examined and considered the recommendation of the Company's CEO with regard to the annual bonus of the Company's Senior Officers (with the exception of the CEO) and they also examined and considered the amount of the appropriate and reasonable annual bonus for the Company's CEO, taking into consideration the recommendation of the Remuneration Committee, as well as the parameters set forth in section 3 above, and they confirmed them, *inter alia*, primarily based on the following considerations:

- 4.1 The amount of the annual bonuses took into account the Company's results for 2009, and as a consequence, the amount of the bonuses was less in 2009 than in 2008, by about 10% - 40%, as the case may be.
- 4.2 The large scope of activities of the Company's management was taken into account, in light of the economic situation, the need for a rapid response and the high level of involvement that is required of the Company's management in the companies which form part of the Company's group, including the enhancement of the supervision and control processes.
- 4.3 In addition, the management and the advancement of business initiatives in various fields were taken into account, as well as the significant contribution made by the Company's management, headed by the Company's CEO, to achieve an agreed and complex recovery arrangement for ZIM Integrated Shipping Services Ltd.
- 4.4 The Company, under the management of the Company's Senior Officers, complied with the work plans which had been set, including taking into consideration the period of the crisis, which began in 2009.
- 4.5 The contribution made by each of the Company's Senior Officers to the activities of the Company and its subsidiaries was taken into consideration.
- 4.6 Taking into consideration the existing knowledge of standard practice at other companies, the annual bonuses which were granted to the Company's

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Senior Officers, as aforesaid, are reasonable under the circumstances, even though a detailed comparison was not made with regard to standard practice at companies of a similar size.

4.7 Great appreciation was expressed for the initiative taken and the announcement made by the Chairman of the Board of Directors, Mr. Idan Ofer, that he wished not to receive an annual bonus in respect of 2009.

4.8 The granting of appropriate and reasonable annual bonuses to the Company's Senior Officers constitutes a continuation of the policy which has been applied at the Company in previous years, and is intended, *inter alia*, to reward the Company's Senior Officers, out of a desire to advance the Company's best interests and objectives, by giving them incentives for their continued activity and involvement for the Company's benefit.

4.9 The Company believes that the combination of fixed employment terms and annual bonuses, in addition to future remuneration through an option plan (to which the Company's Senior Officers are entitled) create a correct and fair remuneration mix for the Company's Senior Officers, with the aim of encouraging the maximization of the Company's profits and the advancement of its business results.

4.10 Taking all of the above considerations into account, the Company considers there to be full justification for the grant of the remuneration as set forth above, which is appropriate and reasonable under the circumstances.

None of the directors objected to the approval of the annual bonuses to the Company's Senior Officers.

## 5. **Additional Details**

5.1 For further details with regard to the terms of employment and office of the Company's Senior Officers, as stated, see the details in the Fourth Chapter (Article 21) of the Company's annual report for 2009, which was published concurrently with this Report.

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5.2 The Company's Audit Committee approved the remuneration for the Company's Senior Officers on March 22, 2009; and the Board of Directors of the Company approved the remuneration for the Company's Senior Officers on March 24, 2009.

5.3 The Company deems it appropriate to note that even though it believes that the annual bonuses to the Company's Senior Officers are not exceptional, it deems it appropriate to submit a report in this matter, taking into consideration the fact that the Company believes it important to act with transparency to its shareholders in these matters.

Sincerely yours,

Israel Corp. Ltd.