

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

Short name: Israel Corporation

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Date of Transmission: April 19, 2016

Reference: 2016-01- 051520

To:

To:

The Securities Authority

The Tel Aviv Stock Exchange

www.isa.gov.il

www.tase.co.il

Immediate Report

The Event: Amendment to Loan Agreement

See the attached report.

The date when the event first became known to the corporation: April 18, 2016

Time: 18:45

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: April 19, 2016

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Israel Corporation Ltd.

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

Dear Sir/Madam,

Re: **Immediate Report - Amendment to Loan Agreement**

Further to note 17 to the Company's financial statements for December 31, 2015 (filled on March 31, 2016, reference no. 2016-01-022842), the Company wishes to inform that on April 18, 2016 an amendment to the loan agreement with a consortium of banks mentioned in the said note (the "Amendment") was signed. In the framework of the Amendment, among other things, the Company's commitment to a financial covenant was removed, and it was determined that in case that the ratio between the Company's net financial debt and the total assets (as such terms' definitions in the Amendment¹) shall exceeds 60%, the ratios set in the agreement between the value of the securities provided by the Company and the balance of the loan shall be increased. In addition, in the framework of the Amendment events that if realized the lenders will be entitled to demand the repayment of the loan (according to and subject to the terms of the agreement) were added, including decrease in the share price of Israel Chemicals Ltd. ("ICL") below 2.35 USD and increase of the total financial debt (as defined in the Amendment) above certain amount which was set forth in the agreement. Also, it was set forth that executing distribution as its definition in the Amendment shall be subject to certain conditions, similarly to the trust deeds of the Company's bonds (for details see the Company's immediate reports dated December 21, 2014 and December 25, 2014 as well as note 17.E.1 to the Company's financial report for December 31, 2015).

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: April 19, 2016

¹ In the framework of the agreement the total assets was added with (in addition to the market value of ICL shares and ORL shares (where a maximum of 0.34804 USD per one ORL share was set) as mentioned in note 17 to the financial report for December 31, 2015) 75% of the amounts in the loan (as defined in the Amendment) which was provided by the Company to Kenon Holdings Ltd. in the framework of the Distribution Act as stated in the Company's transaction report dated December 23, 2014, as well as the amount of the tax return (as defined in the Amendment) in connection with the distribution act (for details see the Company's immediate report dated January 27, 2015 and section 18.3.14 to the periodic report for 2015). It shall be stated that in case of an amendment to the loan to Kenon without the lenders' approval, the lenders will be entitled to demand that the amounts in kenon loan as stated shall not be included in the total assets.