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**Israel Corporation Ltd.**

Registrar Number: 520028010

**Form T121  
Public**

To:  
The Securities Authority  
www.isa.gov.il

To:  
The Tel Aviv Stock Exchange  
www.tase.co.il

Date of Transmission: 14/11/2019  
Reference: 2019-01-098061

**Immediate Report**

**The Event: Adjustment of the Interest Rates**

Reference numbers of previous reports on this subject: *2019-01-088266, 2019-01-095019, 2019-01-096390.*

*See attached report - Adjusting Interest Rates following the amendment to the deeds of trust of the Company's bonds (series no.: 7, 10, 11, 12, 13).*

A file is hereby attached: Adjustinginterestratesisa.pdf

The Company is not a shell company as defined in the Stock Exchange Regulations

The date when the event first became known to the corporation: *November 14, 2019*  
Time: *13:00*

Name of report authorized signatory and name of authorized electronic signatory: *Maya Alcheh Kaplan*

Position: *Vice President, General Counsel and Company's Secretary*

Signature date: *November 14, 2019*

Form structure updated: *29/10/2019*

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

Short name: Israel Corporation

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Former names of reporting entity: Israel Corporation Ltd.

Name of Electronic Reporter: Maya Alcheh Kaplan. Position: Vice President, General Counsel and Company's Secretary

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**Israel Corp. Ltd**

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**Attorney Maya Alchek-Kaplan**

Vice President, General Counsel and Company's Secretary

November 14, 2019

To  
The Israeli Securities Authority  
Exchange  
via MAGNA

To  
Tel-Aviv Stock

via MAGNA

To whom it may concern,

Re: Immediate Report – Adjustment of the Interest Rates  
Following the Amendments of the Bonds' Deeds of Trusts (Series no.: 7, 10, 11, 12, 13) of Israel  
Corporation Ltd. (the "Company")

Following the Company's previous reports dated October 11, 2019, November 6, 2019 and November 10, 2019 (reference numbers: 2019-01-088266, 2019-01-095019 and 2019-01-096390, accordingly) regarding the amendment of the Company's deeds of trust and an adjustment of the of the interest rates of the Company's bonds (series no.: 7, 10, 11, 12, 13) (the "**Bonds**"), and further to the approval of the bondholders' meetings for the proposed amendment to the deeds of trust of the Bonds, dated November 11, 2019 (the "**Date of the Approval**") as specified in the Trustee's immediate reports dated November 13, 2019 (reference numbers: 2019-10-097401; 2019-10-110788, 2019-10-110797, 2019-10-110806 and 2019-10-110818, respectively), the Company hereby reports as follows:

1. The interest rate of the Bonds (series no. 7) shall be adjusted as follows:
  - 1.1. Starting the Date of the Approval, an addition of 0.25% shall be added to the Bonds' (series no. 7) principal balance annual interest rate.
  - 1.2. The principal interest rate of the Bonds (series no. 7) for the period starting September 12, 2019 and up to the Date of the Approval shall be 4.95%.
  - 1.3. The principal interest rate of the Bonds (series no. 7) starting from the Date of the Approval and up to the date of the following affective interest payment on March 12, 2020, shall be 5.2%.
  - 1.4. The weighted interest rate to be paid by the Company to the bondholders (series no. 7) in the following interest payment date (on March 12, 2020) shall be 2.55178% and the annual interest rate reflected from the weighted interest rate shall be 5.11758%.

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- 1.5. The adjusted annual interest rate (after adding the abovementioned additional interest rate), of the Bonds' principal (series no. 7), starting from the following interest period on March 12, 2020 shall be 5.2%. In addition, the adjusted semi-annual interest rate (after adding the abovementioned additional interest rate as stated in section 1.1 above), of the Bonds' principal (series no. 7), starting from the following interest period shall be 2.6% (the "**Adjusted Interest Rate of the Bonds (Series no. 7)**").
- 1.6. The Adjusted Interest Rate of the Bonds (series no. 7) shall be valid until the full payment of the unpaid principal balance of the Bonds (series no. 7), subject to the provisions of interest adjustment in the event of change in the Bonds' (series no. 7) ranking, according to the conditions of the deed of trust of the Bonds' (series no. 7).
2. The interest rate of the bonds (series no. 10) shall be adjusted as follows:
  - 2.1. Starting the Date of the Approval, an addition of 0.25% shall be added to the Bonds' (series no. 10) principal balance annual interest rate.
  - 2.2. The principal interest rate of the Bonds (series no. 10) for the period starting May 31, 2019 and up to the Date of the Approval shall be 4.30%.
  - 2.3. The principal interest rate of the Bonds (series no. 10) starting from the Date of the Approval and up to the date of the following affective interest payment on November 30, 2019 shall be 4.55%.
  - 2.4. The weighted interest rate to be paid by the Company to the bondholders (series no. 10) in the following interest payment date (on December 1, 2019<sup>1</sup>) shall be 2.18137% and the annual interest rate reflected from the weighted interest rate shall be 4.32717%.
  - 2.5. The adjusted annual interest rate (after adding the abovementioned additional interest rate), of the Bonds' principal (series no. 10), starting from the following interest period on December 1, 2019 shall be 4.55%. In addition, the adjusted semi-annual interest rate (after adding the abovementioned additional interest rate as stated in section 2.1 above), of the Bonds' principal (series no. 10), starting from the following interest period shall be 2.275% (the "**Adjusted Interest Rate of the Bonds (Series no. 10)**").
  - 2.6. The Adjusted Interest Rate of the Bonds (series no. 10) shall be valid until the full payment of the unpaid principal balance of the Bonds (series no. 10), subject to the

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<sup>1</sup> The date of the fixed payment on November 30, 2019 is on a Saturday.

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provisions of interest adjustment in the event of change in the Bonds' (series no. 10)  
ranking, according to the conditions of the deed of trust of the Bonds' (series no. 10).

3. The interest rate of the Bonds (series no. 11) shall be adjusted as follows:
  - 3.1. Starting the Date of the Approval, an addition of 0.25% shall be added to the Bonds' (series no. 11) principal balance annual interest rate.
  - 3.2. The principal interest rate of the Bonds (series no. 11) for the period starting May 31, 2019 and up to the Date of the Approval shall be 5.45%.
  - 3.3. The principal interest rate of the Bonds (series no. 11) starting from the Date of the Approval and up to the date of the following affective interest payment on November 30, 2019 shall be 5.7%.
  - 3.4. The weighted interest rate to be paid by the Company to the bondholders (series no. 11) in the following interest payment date (on December 1, 2019<sup>1</sup>) shall be 2.76110% and the annual interest rate reflected from the weighted interest rate shall be 5.47717%.
  - 3.5. The adjusted annual interest rate (after adding the abovementioned additional interest rate), of the Bonds' principal (series no. 11), starting from the following interest period on December 1, 2019 shall be 5.7%. In addition, the adjusted semi-annual interest rate (after adding the abovementioned additional interest rate as stated in section 3.1 above), of the Bonds' principal (series no. 11), starting from the following interest period shall be 2.85% (the "**Adjusted Interest Rate of the Bonds (Series no. 11)**").
  - 3.6. The Adjusted Interest Rate of the Bonds (series no. 11) shall be valid until the full payment of the unpaid principal balance of the Bonds (series no. 11), subject to the provisions of interest adjustment in the event of change in the Bonds' (series no. 11) ranking, according to the conditions of the deed of trust of the Bonds' (series no. 11).
4. The interest rate of the Bonds (series 12) shall be adjusted as follows:
  - 4.1. Starting the Date of the Approval, an addition of 0.25% shall be added to the Bonds' (series no. 12) principal balance annual interest rate.
  - 4.2. The principal interest rate of the Bonds (series no. 12) for the period starting September 30, 2019 and up to the Date of the Approval shall be 3.35%.
  - 4.3. The principal interest rate of the Bonds (series no. 12) starting from the Date of the Approval and up to the date of the following affective interest payment on March 31, 2020 shall be 3.6%.

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- 4.4. The weighted interest rate to be paid by the Company to the bondholders (series no. 12) in the following interest payment date (on March 31, 2020) shall be 1.75781% and the annual interest rate reflected from the weighted interest rate shall be 3.54475%.
- 4.5. The adjusted annual interest rate (after adding the abovementioned additional interest rate) of the Bonds' principal (series no. 12), starting from the following interest period on March 31, 2020 shall be 3.6%. In addition, the adjusted semi-annual interest rate (after adding the abovementioned additional interest rate as stated in section 4.1 above), of the Bonds' principal (series no. 12), starting from the following interest period shall be 1.8% (the "**Adjusted Interest Rate of the Bonds (Series no. 12)**").
- 4.6. The Adjusted Interest Rate of the Bonds (series no. 12) shall be valid until the full payment of the unpaid principal balance of the Bonds (series no. 12), subject to the provisions of interest adjustment in the event of change in the Bonds' (series no. 12) ranking or the event of deviation from Company's equity undertaking provision, according to the conditions of the deed of trust of the Bonds' (series no. 12).
5. The interest rate of the Bonds (series 13) shall be adjusted as follows:
  - 5.1. Starting the Date of the Approval, an addition of 0.25% shall be added to the Bonds' (series no. 13) principal balance annual interest rate.
  - 5.2. The principal interest rate of the Bonds (series no. 13) for the period starting September 30, 2019 and up to the Date of the Approval shall be 5.6%.
  - 5.3. The principal interest rate of the Bonds (series no. 13) starting from the Date of the Approval and up to the date of the following affective interest payment (on March 31, 2020) shall be 5.85%.
  - 5.4. The weighted interest rate to be paid by the Company to the bondholders (series no. 13) in the following interest payment date on March 31, 2020, shall be 2.87356%, and the annual interest rate reflected from the weighted interest rate shall be 5.79475%.
  - 5.5. The adjusted annual interest rate (after adding the abovementioned additional interest rate) of the Bonds' principal (series no. 13), starting from the following interest period on March 31, 2020 shall be 5.85%. In addition, the adjusted semi-annual interest rate (after adding the abovementioned additional interest rate as stated in section 5.1 above), of the Bonds' principal (series no. 13), starting from the following interest period shall be 2.925% (the "**Adjusted Interest Rate of the Bonds (Series no. 13)**").

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- 5.6. The Adjusted Interest Rate of the Bonds (series no. 13) shall be valid until the full payment of the unpaid principal balance of the Bonds (series no. 13), subject to the provisions of interest adjustment in the event of change in the Bonds' (series no. 13) ranking or the event of deviation from Company's equity undertaking provision, according to the conditions of the deed of trust of the Bonds' (series no. 13).

Sincerely,

Israel Corporation Ltd.

Name of report authorized signatory and name of authorized electronic signatory: Maya Alcheh Kaplan  
Position: Vice President, General Counsel and Company's Secretary.  
Signature date: November 14, 2019