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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 136
Public**

Date of Transmission: 17/08/2017

Reference: 2017-01-071473

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

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

Immediate Report on a Transaction with a Controlling Shareholder or with a Director, which Does Not Require the Approval of the General Meeting

Regulation 37A(5) of the Securities Regulations (Periodic and Immediate Reports), 5766-2006

1. A report is hereby submitted of the approval of a transaction in accordance with Regulation 1 to the Companies Regulations (Relief in Transactions with Interested Parties), 2000.
2. The date of the approval of the transaction by the Board of Directors 16/08/2017.
3. A summary of the transaction's principles and a summary of the reasons of the Board of Directors and Audit Committee for the approval of the transaction.
See attached report
OfficersInsurance August17 .isa.pdf

Name of report authorized signatory and name of authorized electronic signatory: Maya Alchek Kaplan
Position: Vice President, General Counsel and Company's Secretary
Signature date: 17/08/2017

Form structure updated: 09/08/2017

Securities of the corporation are listed in the Tel Aviv Stock Exchange
Short name: Israel Corporation
Address: P.O.B. 20456, Tel Aviv 61204 Tel: 03-6844517, 03-6844500, Fax: 03-6844587
Email: MAYAAK@ISRAELCORP.COM

Former names of reporting entity: The Israel Corporation Ltd.

Name of Electronic Reporter: Maya Alchek Kaplan. Position: Vice President, General Counsel and Company's Secretary. Address: Aranha 23, Millennium Tower, Tel Aviv 61204. Phone – 03-6844517, Fax: 03-6844587, e-mail: mayaaak@israelcorp.com

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Millennium Tower, 23 Aranha Street, P.O. Box 20456, Tel Aviv 61204
Tel.: (03) 6844517 Fax: (03) 6844587

Attorney Maya Alcheh-Kaplan

Vice President, General Counsel and Company's Secretary

August 17, 2017

To
The Securities Authority
via MAGNA

To
Tel-Aviv Stock Exchange
via MAGNA

Dear Sir/Madame,

Re: Israel Corporation Ltd. (the "Company")

1. Following the approval of the Company's general meeting of shareholders dated 14.7.2015 of a framework transaction, allowing the Company to engage over three years in the renewal of officers insurance policies, and following the approval of the Company's general meeting of shareholders dated 8.10.2015 regarding the deductible amount in the framework of the officers insurance policies (the "**Framework Transaction**"), the Company hereby announces that on 16.8.2017 the Company's Board of Directors approved, following the approval of the Company's Compensation Committee dated 14.8.2017, the engagement in the renewal of the insurance policy for the Company's officers who serve today, and as shall serve from time to time (including the Company's CEO), in accordance with the terms of the Framework Transaction.

For further details regarding the terms of the Framework Transaction and of the engagement in officers insurance policies, see Company's reports dated 28.5.2015 and 14.7.2015 (References: 2015-01-031422 and 2015-01-072771), and dated 31.8.2015 and 8.10.2015 (References: 2015-01-109389 and 2015-01-130458), incorporated herein by way of reference.¹

2. The purchase of the insurance policy was approved, *inter alia*, based on the reasons specified in the above reports, including given that the engagement is in accordance with the terms of the Framework Transaction and the Company's Officers Compensation Policy² and constitute identical term for all officers; that the engagement in the purchase of the policy is in line with market conditions and is not likely to materially affect the Company's profitability, assets or liabilities; and given that the insurance coverage is part of the customary and acceptable terms of

¹ For details regarding the renewal of the engagement in the insurance policy for the Company's officers see Company's report dated 17.8.2016 (Reference: 2016-01-105487).

² See Company's reports dated 28.5.2015 and 14.7.2015 (References: 2015-01-031422 and 2015-01-072771, respectively).

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office in the Company, is fair, reasonable and in the interest of the Company, since it allows the Company's officers to fulfill their duties properly considering their responsibilities.

**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's Secretary
Date of signing: 17/8/2017