

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.**

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

Tel: (03) 6844517, Fax: (03) 36844587

**Attorney Maya Alcheh-Kaplan**

Vice President, General Counsel and Company Secretary

## **ISRAEL CORPORATION**

April 18, 2019

2019-01-038845

To:

The Securities Authority  
Through the MAGNA system

The Tel Aviv Stock Exchange Ltd.  
Through the MAGNA system

Dear Sir/Madam,

Re: **Immediate Report of the Convening of a Special General Meeting of the Shareholders of Israel Corporation Ltd.**

An immediate report is hereby given in accordance with the Companies Law, 5759-1999 (hereinafter: the “**Companies Law**”), the Securities Regulations (Immediate and Periodic Reports) 5730-1970 (hereinafter: the “**Reporting Regulations**”), the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting at a Public Company and the Addition of an Item to the Agenda), 5760-2000, and the Companies Regulations (Voting in Writing and Position Statements), 5766-2005, (hereinafter: the “**Voting Regulations**”), with regard to the convening of a special general meeting of the shareholders of Israel Corporation Ltd. (hereinafter: the “**Company**”), which will be held on Tuesday, May 28, 2019, at 10:00 a.m., at the Company’s offices, at 23 Aranha St., Millennium Tower, Tel Aviv (hereinafter: the “**Meeting**”), for the purpose of passing the resolutions on the agenda, as set forth below:

1. **The Items on the Meeting’s Agenda and an Overview of the Text of the Resolution**

- 1.1 The approval of the terms and conditions of office and employment of Mr. Yoav Doppelt as the CEO-designate of the Company. For further details on this matter, please see Section 2 below.

**Overview of the Text of the Proposed Resolution: “To approve the terms and conditions of office and employment of Mr. Yoav Doppelt as the CEO-designate of the Company, as stated in the Report Convening the Meeting.”**

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

- 1.2 To approve the granting of a letter of an indemnity undertaking for an officer, to Mr. Johanan Locker.

On March 12, 2019, the Board of Directors of the Company approved the appointment of Mr. Johanan Locker as a director of the Company, when the date of commencement of his office has not yet been determined, and it is expected during the second quarter of 2019.<sup>1</sup> Effective from the date of commencement of his office, Mr. Locker will be entitled to such remuneration and terms of office as per standard practice at the Company with respect to directors, as stated in Section 3 of this Report below.<sup>2</sup> Further to the approvals of the Audit and Compensation Committee and the Board of Directors of the Company, the granting of a letter of indemnity to Mr. Johanan Locker, in effect from the date of his appointment, in such draft as was attached to the Report Convening a Meeting of the Company dated September 13, 2018 (Reference No. 2018-01-087141), which is presented by way of incorporation by reference (hereinafter: the “**Letter of Indemnity Undertaking**”), is hereby brought for the approval of the Meeting convened herein.

**Overview of the Text of the Proposed Resolution: “To approve the granting of the Letter of Indemnity Undertaking to Mr. Johanan Locker, as stated in the Report Convening the Meeting.”**

2. **Additional Details with Respect to the Resolution in Section 1.1 – Approval of the Terms and Conditions of Office and Employment of the CEO-designate of the Company**

- 2.1 On March 12, 2019, the Board of Directors of the Company approved an update to the Company’s business strategy that will include, together with the objective of continuing to maximize the value of the Company’s investments in Israel Chemicals Ltd. (hereinafter: “**ICL**”) and Oil Refineries Ltd. (known by its Hebrew acronym, “**Bazan**”) (hereinafter: “**Bazan**”), also the making of new investments in accordance with the guiding principles that were set forth in the Company’s Immediate Report dated March 13, 2019 (Reference No. 2019-01-021592), which is presented by way of incorporation by reference. With respect to the updating of the business strategy, as stated above, the Board of Directors of the Company approved the appointment of Mr. Yoav Doppelt as the CEO-designate of the Company, and he will lead the updated strategy, concurrently with his office as Chairman of the Board of Directors of ICL.

- 2.2 Below are details regarding Mr. Doppelt, in accordance with Regulation 26A of the Reporting Regulations:

---

<sup>1</sup> For further details, see the Company’s Immediate Report dated March 13, 2019 (Reference No. 2019-01-021601), which is presented by way of incorporation by reference.

<sup>2</sup> In accordance with the approval of the Audit and Compensation Committee and the Board of Directors of the Company (Regulations 1A and 1B.1 of the Companies Regulations (Relief in Transactions with Interested Parties), 5760-2000). For details with regard to the terms and conditions of office of directors in accordance with the Company’s Compensation Policy, which was approved by the general meeting of the shareholders on July 9, 2018, see the Company’s Reports dated June 28, 2018 and July 9, 2018 (Reference Nos. 2018-01-057546 and 2018-01-062016), which are presented by way of incorporation by reference.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

<b>Name:</b>	<b>Yoav Doppelt</b>
<b>ID No.</b>	024074429
<b>Date of birth</b>	December 13, 1968
<b>Date of commencement of office</b>	It is expected to commence during the second quarter of 2019, the precise date has not yet been determined.
<b>The position that he holds at the Corporation, at a subsidiary, at a related company or at an interested party</b>	A director of ICL; he has been appointed to serve as the Chairman of the Board of Directors of ICL, and the date of commencement of his office as Chairman of the Board of Directors of ICL is expected to be during the second quarter of 2019 <sup>3</sup>
<b>Is he an interested party in the Corporation?</b>	No
<b>Is he a relative of a senior officer or another interested party in the Corporation?</b>	No
<b>Education</b>	B.A. in Economics and Management from the Technion – The Israel Institute of Technology; and an M.B.A. from the University of Haifa.
<b>Business experience in the last five years</b>	Chairman of OPC Energy Ltd., CEO of Kenon Holdings Ltd. (hereinafter: “ <b>Kenon</b> ”), holds various positions at companies within the Kenon Group and at private companies that are deemed to be related to the controlling shareholders of the Company, a director of the Company. <sup>4</sup> It should be stated that insofar as the Company has been informed, Mr. Doppelt has given notice of the termination of his positions at companies that are related to the controlling shareholders of the Company (with the exception of ICL), and he will not serve at such companies concurrently with his office at the Company.

2.3 Further to the foregoing, on April 15, 2019, and on April 17, 2019, the Board of Directors of the Company approved, further to the approval of the Audit and Compensation Committee dated April 11, 2019, the terms and conditions of office and employment of Mr. Yoav Doppelt as the CEO-designate of the Company, and the bringing of the said terms and conditions to the Meeting

<sup>3</sup> It should be stated that upon his appointment as the CEO-designate of the Company, Mr. Doppelt gave notice of the termination of his positions at companies that are deemed to be related to the controlling shareholders of the Company (with the exception of ICL, as stated above).

<sup>4</sup> Mr. Doppelt served as a director of the Company until June 15, 2014.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

convened herein. This is after the Audit and Compensation Committee and the Board of Directors of the Company deliberated upon the considerations and the binding provisions pursuant to the Companies Law, including reference to the matters set forth in Chapter A of the First Schedule A of the Companies Law, and the determination of the matters that are set forth in Chapter B of the First Schedule A of the Companies Law, and they approved the aforesaid terms and conditions of office, while deviating from the Company's Compensation Policy.<sup>5</sup> As set forth above, Mr. Doppelt has given notice of the termination of his positions at companies that are related to the controlling shareholders of the Company (with the exception of ICL), and he will not serve at such companies concurrently with his office at the Company, therefore and while taking the foregoing into consideration, the controlling shareholders of the Company do not have any personal interest in the approval of the terms and conditions of his office at the Company.

2.4 **The period of the engagement** – Mr. Doppelt will serve as the CEO of the company in a full-time position, for an unspecified period, subject to the approval of the terms and conditions of his office and employment in accordance with the provisions of the law.

2.5 **Compensation** – below are details of the compensation to which the CEO-designate will be entitled:

2.5.1 **Salary** – A monthly salary in the amount of NIS 200,000 (gross) (hereinafter: the “**Monthly Salary**”).<sup>6</sup>

2.5.2 **Related Terms** – Related terms in keeping with standard practice at the Company and in accordance with the Company's Compensation Policy, including social benefits, including 26 vacation days, 22 sick days, contributions and deposits to a pension fund/senior employees' insurance, a continuing education fund, insurance for loss of capacity to work, convalescence benefits, and additional related terms such as use of a vehicle, certain grossed-up tax amounts, telephone expenses, a 13<sup>th</sup> salary, and so on and so forth. The total of all of the aforesaid related terms to which the CEO-designate will be entitled in respect of a particular year will not exceed 50% of his annual salary in that year.<sup>7</sup> In addition, as per standard practice at the Company and in accordance with its Compensation Policy, the CEO-designate is entitled to a reimbursement of expenses in connection with his

---

<sup>5</sup> Accordingly, unless otherwise expressly stated with respect to the terms and conditions of office of the CEO-designate, the contents of this Report will apply. In the event of any inconsistency between the contents of the Compensation Policy and the contents of this Report, the contents of this Report will prevail.

<sup>6</sup> Should the Consumer Price Index on the relevant date have increased by five percent as compared with the index of the month of April 2019 (hereinafter: the “**Base Index**”), the Monthly Salary will be linked, from the said date and thereafter, to the Base Index, and subsequently, additional linkage will be performed from time to time, should there be an additional increase of five percent as compared with the Base Index. For details with respect to the Monthly Salary in accordance with the Company's Compensation Policy, see Section 4 of the Compensation Policy.

<sup>7</sup> It is clarified that this percentage has been calculated based on the assumption that the vacation days are taken, and it does not include increased retirement compensation or an adjustment period, as set forth below.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

position and his office, in accordance with the procedures in effect at the Company that have been approved by the Board of Directors.

2.5.3 Advance Notice and Adjustment Period – In the event of the termination of his office, the CEO-designate is entitled to advance notice and to an adjustment period, as set forth below:

2.5.3.1 **Advance Notice** – Subject to the CEO-designate having been employed at the Company for at least 24 months prior to the giving of notice with respect to the termination of his office, the CEO-designate is entitled to an advance notice period of six months, in any event of the termination of his office, except in the event in which severance pay can be negated pursuant to law. If 24 months of employment have not yet expired prior to the giving of notice with respect to the termination of his office, he will be entitled to an advance notice period of three months. During the advance notice period, the Monthly Salary will be paid to the CEO-designate, and he will also be entitled to the related terms. The advance notice period is mutual, and it will be binding on the CEO-designate also in the event of the termination of his office of his own initiative. The Company will be entitled, in its discretion, to demand that the CEO-designate continue in his position during the advance notice period or terminate his position prior to the expiration of the advancement of period, provided that in such an event, the Monthly Salary and the related terms that are due to him in respect of the advance notice period will be paid to the CEO-designate. The CEO-designate will be entitled to the *pro rata* share of the annual bonus in relation to the bonus year during which his office came to an end, including in respect of the advance notice period during which he continued to actually serve in his position, if he so continued, and provided that the terms and conditions for receiving an annual bonus have been satisfied with respect to the said year.

2.5.3.2 **Adjustment Period** – Subject to the CEO-designate having been employed at the Company for at least 24 months prior to the giving of notice with respect to the termination of office, the CEO-designate is entitled to an adjustment period of six months (which does not overlap the advance notice period) in any event of the termination of his office, except in the event in which severance pay can be negated pursuant to law. If 24 months of employment have not yet expired prior to the giving of notice with respect to the termination of his office, the CEO-designate will be entitled to an adjustment period of three months, and all as against the signing of a non-competition undertaking and a waiver and no-claims letter vis-à-vis the Company and any entity on its behalf in connection with his term of office, his

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

employment and the termination of his employment with the Company, as per the standard texts at the Company. The adjustment period will commence at the expiration of the advance notice period, and during the adjustment period, the CEO-designate will be entitled to the Monthly Salary and also to the related terms. And it should be clarified that the CEO-designate will not be entitled to the *pro rata* share of the annual bonus in respect of the adjustment period.

2.5.4 Severance Pay/Retirement Compensation – In any event of the termination of the employment of the CEO-designate, except in cases in which severance pay can be negated pursuant to law, he will receive severance pay/retirement compensation at a total rate of two (2) Monthly Salaries (in accordance with the rate of his last Monthly Salary prior to the date of the retirement), in respect of each year of work.<sup>8</sup>

The severance pay/retirement compensation in this Section 2.5.4 above include the amounts that stand to the credit of the CEO-designate in respect of compensation in the pension funds/provident funds (as have been calculated by the insurance companies/the funds, including profits that have accrued), and the Company will pay the supplemental amounts to the CEO-designate as are required to bring them up to the amounts that are due to him as stated above.

Payment of the severance pay/retirement compensation at a rate that exceeds the rate that is set forth in the Law will be done as against the signing by the CEO-designate of a non-competition undertaking and a waiver and no-claims letter vis-à-vis the Company and any entity on its behalf in connection with his term of office, his employment and the termination of his employment with the Company, as per the standard texts at the Company.

2.5.5 Annual Bonus – The annual bonus for the CEO-designate is based on criteria that are measurable, which are derived from the Company's actual performance in the relevant calendar year with respect to the targets that have been determined in the work plan, in advance, with respect to that year, except for an insignificant part of the bonus that is based on discretion, as stated in Section 2.5.5.4 below. The criteria for the annual bonus for the CEO-designate will be determined by the Audit and Compensation Committee and the Board of Directors of the Company in accordance with the provisions of Sections 2.5.5.1 to 2.5.5.11 below.

2.5.5.1 The annual bonus consists of a component that is based on the Company's targets (hereinafter: the "**Target-Based Bonus Component**") and an insignificant component that is based on discretion (hereinafter: the "**Discretion-Based Bonus Component**").<sup>9</sup>

---

<sup>8</sup> For details with respect to retirement compensation to which an officer is entitled pursuant to the Compensation Policy, see Section 6.2.3 the Compensation Policy.

<sup>9</sup> For details with respect to the annual bonus pursuant to the Compensation Policy and the manner of the determination thereof, see Sections 7.2, 7.3 and 7.4 of the Compensation Policy.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

- 2.5.5.2 It should be emphasized that the threshold condition for the granting of a bonus in respect of the Target-Based Bonus Component in respect of a particular calendar year is the existence of net profit that is not less than US \$70 million pursuant to the Company's consolidated annual financial statements for the year (hereinafter: the "**Minimum Profit**").
- 2.5.5.3 The Audit and Compensation Committee and the Board of Directors will determine what the relative weight is of each target that will be chosen for the purpose of calculating the Target-Based Bonus Component, as stated in Section 2.5.5.1 above, and the number of targets that will be included. The targets that will be chosen for the purpose of calculating the Target-Based Bonus Component will be targets that are measurable.
- 2.5.5.4 The Discretion-Based Bonus Component will constitute up to three times the Monthly Salary of the CEO-designate, and the total compensation in respect of the Discretion-Based Bonus Component and the Target-Based Bonus Component will not exceed the ceiling stated in Section 2.5.5.8 below. It should be stated that the Discretion-Based Bonus Component will be determined in accordance with the assessment of the Chairman of the Board of Directors of the Company and subject to the approval of the Audit and Compensation Committee and the Board of Directors of the Company, and the granting thereof will not be subject to the Minimum Profit.
- 2.5.5.5 In the framework of the Target-Based Bonus Component, the Audit and Compensation Committee and the Board of Directors of the Company will choose between two targets to six targets, which will be measurable performance targets or measurable financial targets, from out of the following targets: compliance with the budget, net profit, net debt, milestones in the making of investments in accordance with the Company's strategy, disposal of assets, financial costs, return to shareholders, cash flow, debt raising (including debt turnover/offers), the making of a strategic transaction (including a restructuring) in the Company's holdings in the companies that are held by it (both present and future), the implementation of targets out of the strategic plan that will be determined by the Company, savings in costs and expenses, regulatory targets; and in addition, the weight for each target will be determined, which will be not less than 15% with respect to each target.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

2.5.5.6 The selection of the structure of the bonus, the targets and the weights for the bonus will be determined by the Audit and Compensation Committee and the Board of Directors of the Company, as set forth above, each year in advance, not later than by the end of March of the said year, and they will be examined in a detailed manner.<sup>10</sup> Insofar as necessary, in accordance with the provisions of any law, the Company will include disclosure in periodic reports with respect to the Target-Based Bonus Component in respect of the year that has passed.

2.5.5.7 When the Audit and Compensation Committee and the Board of Directors of the Company come to determine the structure of the Target-Based Bonus Component for the CEO-designate, a decision will be made for each and every target as to whether it will be measured according to one of the following two alternatives set forth below:

- a. The target threshold alternative – in this alternative, a measurable target threshold will be measured with respect to each target, which will be derived from the work plan (budget) or directly from the parameter that needs to be modified or achieved (hereinafter: the “**Target Threshold**”). If the CEO-designate met the Target Threshold, he will be entitled to the full compensation in respect of the said target, and if the CEO-designate failed to meet the Target Threshold, he will not be entitled to any compensation at all in respect of the said target;
- b. The linear alternative – the Audit and Compensation Committee and the Board of Directors of the Company will use the rules set forth below:
  - (i) A quantitative Target Threshold, as defined in section 2.5.5.7(a) above, will be determined for each target.
  - (ii) A quantitative lower threshold will also be determined for each target, which will not be less than 80% of the Target Threshold. In respect of failure to meet the lower threshold, no bonus whatsoever will be paid in respect of the specific target.
  - (iii) Compliance with the lower threshold will be rewarded with a bonus at a particular percentage of the bonus in respect of the specific target, and

---

<sup>10</sup> This provision will not apply with respect to the annual bonus in respect of 2019, while taking into account the date of the Meeting that is the subject of this Report and the date of commencement of the office, and while taking into consideration the updated strategic plan that will be determined.



This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

compliance with the Target Threshold (100%) will be rewarded with the full compensation in respect of that target. Compliance according to a percentage between the lower threshold and the Target Threshold will be rewarded with a bonus that will be calculated in a linear manner (with respect to the difference between the lower threshold and the Target Threshold).

2.5.5.8 The annual bonus of all of the components that are described in Section 2.5.5.1 above will not exceed 12 times the Monthly Salary of the CEO-designate (when, as stated in Section 2.5.5.4 above, out of that amount, the Discretion-Based Bonus Component will constitute up to three times the Monthly Salary). It should be clarified that at the time of the cancellation of the annual bonus, the Audit and Compensation Committee will be entitled to approve a modification of up to 10% (upwards or downwards) in the weights and/or in the ranges and/or in the threshold that have been determined with respect to each target that is included in a Target-Based Bonus Component, which will not be deemed to be a deviation from the terms and conditions of office and employment.<sup>11</sup>

2.5.5.9 Exclusion of exceptional events – from the calculation of the performance for the purpose of the Target-Based Bonus Component, exceptional events will be excluded and/or events will be excluded that are not related to the current operations of the Company and/or of companies held by it as stated below, so that these will not affect the entitlement to the annual bonus and the calculation thereof in the bonus year in which they took place, provided that the effect thereof will not be taken into account in the Company's budget for the year of the bonus:

- a. Exclusions that were made in respect of the said fiscal year by ICL, Bazan and another company in which the Company has material influence in connection with annual bonuses for the CEO of those companies.
- b. Effects of the Company's investment accounting, which were not budgeted for, such as: changes in the accounting treatment as a result of going into consolidation or coming out of consolidation, an increase/decrease of control, any other modification in the manner of the accounting treatment of the investment (for example, a transition from equity to

---

<sup>11</sup> For details with respect to the possibility of granting a discretionary bonus in accordance with the Company's Compensation Policy, see Section 7.5 of the Compensation Policy. It should be noted that the Company's Compensation Policy includes a provision with respect to spreading the payment of the annual bonus, which does not apply to the proposed terms and conditions for the CEO-designate.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

assets designated for sale, etc.), disposals, reductions, revaluations.

- c. Exclusion of the effect of accounting results, which results have not been budgeted for, in respect of mergers, acquisitions or disposals.
- d. Exclusion of accounting profit and loss, which has not been budgeted for, arising from an event that is not backed by the receipt or withdrawal of cash flow, such as: the effect of expenses or income arising from past claims, deferred taxes.
- e. Exclusion of the effect of financial and capital transactions, which transactions have not been budgeted for, such as: derivatives, COLLAR, swap and redemption of financial assets, the offering of securities with a discount/premium.
- f. Exclusion of the effect of modifications in the accounting standardization, which modifications have not been budgeted for.

For the purpose of the contents of this section, “the Company” means the Company and the Company’s headquarter companies, as defined in the section of definitions in the chapter entitled “The Corporation’s Business” in the Company’s periodic report for the year 2018.<sup>12</sup> It should be clarified that the Audit and Compensation Committee and the Board of Directors will be entitled to determine not to perform such exclusion or to perform the exclusion of an exceptional event that was not included above, provided that the supplement as a consequence of the non-performance of the exclusion/the performance of the other exclusion, together with the Discretion-Based Target Component, will not exceed the maximum Discretion-Based Target Component as stated in Section 2.5.5.4 above.

2.5.5.10 With respect to the authority of the Board of Directors to reduce the bonus and to reimburse funds that are based on financial statements, Sections 7.6 and 7.8 of the Compensation Policy will apply, respectively.

2.5.5.11 As aforesaid, in the event of the termination of employment during the bonus year, the CEO-designate will be entitled to a *pro rata* bonus in respect of the period during the said bonus year in which he continued to

---

<sup>12</sup> Which was published on March 19, 2019, and which is presented by way of incorporation by reference (Reference No. 2019-01-024244).

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

actually perform his position (including during the advance notice period), subject to the conditions of entitlement to the annual bonus in respect of the said bonus year, and it will be paid on the date of the payment of the annual bonuses to the officers serving at the Company at that time (as stated in Sections 2.5.5.1 and 2.5.5.10 above).

2.5.5.12 With respect to the conversion of part of the annual bonus into options in new investments, see Section 2.6.1 of this Report.

2.6 **Capital compensation in new investments**<sup>13</sup> – In accordance with the updated business strategy that has been approved by the Board of Directors, the Company will aspire to maximize the value for its shareholders also from new investments, in a format that is similar to the private equity format. Therefore, in respect of each completion of the Company's engagement in a new transaction<sup>14</sup> (hereinafter: the "**New Transaction**" and the "**Acquired Company**," respectively), if performed, the CEO-designate is entitled to receive, without consideration, capital compensation that will consist of a combination of option warrants that are convertible into shares of the Acquired Company (hereinafter: the "**Options**") and restricted stock units (RSU) of the Acquired Company (hereinafter: the "**Restricted Shares**," and collectively with the Options: the "**Capital Compensation**"), in an automatic manner and without additional approvals being required from the Company's organs, and in accordance with the conditions set forth below:

2.6.1 A threshold condition for the granting of the Capital Compensation is an undertaking by the CEO-designate that an amount that is equal to 30% of the amount of the last annual bonus to which he is entitled (if any) will be given in Options to the shares of the Acquired Company when the investment transaction therein was performed during the year in respect of which the bonus is being granted, if the investment transaction was performed.<sup>15</sup> If, during the year in respect of which the bonus is being granted, the Basic Annual Grant (as defined below) was not granted in full, the rate of the annual bonus that will be given as Options will be reduced in accordance with the rate of the Capital Compensation that was actually granted out of the Basic Annual Grant.<sup>16</sup>

---

<sup>13</sup> It should be noted that the Compensation Policy does not include capital compensation to officers.

<sup>14</sup> The Audit and Compensation Committee and the Board of Directors will be entitled to authorize that receipt of shares by the Company as a consequence of spin-off, merger or restructuring proceedings of the companies that are held by the Company will be deemed to be an investment transaction for the purpose of the granting of Capital Compensation as stated below.

<sup>15</sup> Upon (and subject to) the entitlement to the annual bonus, such a *pro rata* share will be granted not as an annual bonus, but rather, in Options to shares of a company/companies that was/were acquired during the year in respect of the bonus is being given, in accordance with the value/s on the date of the granting of the annual bonus. The Options to shares in respect of the *pro rata* share of the annual bonus will be subject to the conditions set forth below with respect to the Options (except for the exercise price, which will be determined in accordance with the price of the share of the Acquired Company as of the date of the granting of the annual bonus).

<sup>16</sup> It is clarified that any part that is not granted as Options in a particular year will be paid to the CEO-designate in the framework of the payment of the annual bonus.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

- 2.6.2 Subject to the performance of investment transactions, the Capital Compensation will be granted to the CEO-designate in such a manner that the Acquired Company will allocate the Capital Compensation to the CEO-designate (in the framework of the investment transaction or as an undertaking to perform the allocation at a future date, around the time of the investment transaction).
- 2.6.3 The Capital Compensation that is granted to the CEO-designate will not exceed 7% of the capital that is issued/the rights of the Acquired Company (assuming full exercise of the Capital Compensation).
- 2.6.4 The value of the annual grant of the Capital Compensation to the CEO-designate will equate (subject to what is stated in Section 2.6.3 above) to NIS 4 million per year (the value as of the date of the grant, when the economic value will be determined in accordance with the Black-Scholes model or with the binomial model or with any other generally accepted economic model for the performance of valuations, as will be determined by the Audit and Compensation Committee) (hereinafter: the “**Basic Annual Grant**”), when two thirds of the grant will be in Options, and one third will be in Restricted Shares. If, at the time of the performance of an investment transaction, an additional investment transaction is expected in the same year, the Audit and Compensation Committee will determine the value of the Capital Compensation that will be granted to the CEO-designate in respect of each investment transaction out of the Basic Annual Grant or the Cumulative Grant, as the case may be (provided that the aggregate total of the value of the Capital Compensation in respect of all of the investment transactions in that year does not exceed the total of the Basic Annual Grant or the Cumulative Grant, as the case may be). It should be clarified that the CEO-designate will be entitled to one grant only of Capital Compensation in each Acquired Company, in addition to and without derogating from the foregoing in Section 2.6.1 above.
- 2.6.5 If, in a particular year, the Company does not perform an investment transaction or if the value of the Capital Compensation that was actually received by the CEO-designate in any particular year is lower than the Basic Annual Grant for any reason whatsoever, the part that was not granted will be carried forward to the following year, and if, in the following year, Capital Compensation is not granted to the CEO-designate which reaches the value of the said part that was carried forward, as stated above, the Audit and Compensation Committee will be entitled to authorize that the said part that had been carried forward from the original year will be carried forward for one more additional year only, should it be determined that circumstances existed that justify this (the amount of the Basic Annual Grant in respect of a particular year, including the amounts that have been carried forward from a previous year/previous years and that can be used in that year, will hereinafter and hereinabove be referred to as the “**Cumulative Grant**”). It

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

should be clarified that in any granting of Capital Compensation, the grant will first be applied in respect of differences that have been carried forward from previous years, and thereafter, in respect of the said year.

- 2.6.6 The Capital Compensation will vest in stages, and in fixed, equal installments, over a period of three years from the date of the grant.
- 2.6.7 The Options will be exercisable until the expiration of a period that will not exceed seven years from the date of the grant (hereinafter: the “**Exercise Period**”).
- 2.6.8 The exercise price of the Options will be the price at which the Company performed the preliminary investment (including investments in capital and shareholders’ loans) in the Acquired Company (hereinafter: the “**Company’s Investment Price**”). Notwithstanding the foregoing, should the Acquired Company be a public company whose shares are traded on the Stock Exchange, the exercise price will be the Company’s Investment Price or the price of the share of the Acquired Company according to the closing rate on the last trading day that preceded the date of completion of the investment transaction, whichever is the higher of the two. On their vesting date, the Restricted Shares will be automatically exercised into ordinary shares (subject to adjustments), without the payment of any exercise price.
- 2.6.9 The mechanism for the exercise of the Options will be a cashless option exercise, unless the CEO-designate opts for exercise for payment.
- 2.6.10 The terms and conditions of the Options and the Restricted Shares (as the case may be) will include the usual adjustments for the protection of the offeree, such as in cases of the distribution of a dividend at the Acquired Company, the distribution of bonus shares, the issue of rights, a merger, the purchase or sale of assets, a restructuring, an alteration of capital, etc., and also adjustments in respect of payments that will be received by the Company that were included in the value of the preliminary investment (such as the repayment of shareholders’ loans, payment of capital notes, redemption of redeemable securities, etc.).
- 2.6.11 The terms and conditions of the Capital Compensation will include full acceleration of the vesting periods in events that arise from a change of control at the Acquired Company, from “exit” events at the Acquired Company, such as an offering, a merger (including a reverse triangular merger), a transaction for the sale of all or most of the assets of the Acquired Company, in the event that the Company sells the majority of its holdings in the Acquired Company (directly or indirectly) or any other event whose outcome would be similar, in nature, to the aforesaid events.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

- 2.6.12 In any event of the termination of the office of the CEO-designate (hereinafter: the “**Termination of Office**”), the conditions set forth below will apply to the Capital Compensation:
- 2.6.12.1 The day of the Termination of Office will be the day on which notice was received or provided of the Termination of Office (hereinafter: the “**Day of the Termination of Office**”).
- 2.6.12.2 On the Day of the Termination of Office, all of the Capital Compensation whose vesting period has not yet ended will expire, and it will no longer be valid.
- 2.6.12.3 The Options that were allocated whose vesting period has ended by the Day of the Termination of Office will be exercisable by him, up until the expiration of the Exercise Period or up until the expiration of 12 months from the Day of the Termination of Office, whichever is the earlier of the two. For the avoidance of doubt, it is hereby clarified that the twelve-month period (which commences on the Day of the Termination of Office) during which time the CEO-designate is entitled to exercise the Options will not form part of the vesting period.
- 2.6.13 It should be clarified that the above provisions will be subject to the making of taxation decisions, if necessary and if made, and to what is stated therein, to the provisions of a capital compensation plan, if any, and to the provisions of any other relevant law.
- 2.6.14 Upon the actual allocation of the Capital Compensation, the CEO-designate will be given written notice with respect to the allocation of the Options and the Restricted Shares (hereinafter: the “**Allocation Document**”). The Allocation Document will specify, *inter alia*, the terms and conditions of the Capital Compensation (for example, the number of the Options and the Restricted Shares, the exercise price, the vesting period, the date of expiration, the tax track that applies to the Options and the Restricted Shares, the manner of exercise, transferability, and any other condition that is related to the granting of the Capital Compensation), provided that the conditions are in accordance with a capital compensation plan (if any), with this Report and with the applicable law.
- 2.6.15 The CEO-designate will be given the possibility of choosing the taxation track for the Capital Compensation, including the Options and the Restricted Shares that will be held through a trustee in accordance with the provisions of Section 102 of the Income Tax Ordinance (New Version) 5721-1961 (hereinafter: the “**Ordinance**”). The CEO-designate will sign any declaration or document that are required for the purpose of the allocation, including a declaration that he is aware of the provisions of the tax track that applies to him and, insofar as necessary, also that he agrees to what is stated in the deed

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

of trust that will be signed between the Company or the Acquired Company and a trustee in connection with the Options and the Restricted Shares.

2.6.16 Should there be any tax charge whatsoever or any other compulsory payment (National Insurance payment, national health tax, etc.) in respect of and/or following the allocation of the Capital Compensation to the CEO-designate, an exercise into shares, the sale of the underlying shares, the receipt of a dividend or any other benefit in respect of the Capital Compensation or the underlying shares, the CEO-designate will solely bear the said charge.

2.6.17 Should the Acquired Company distribute a dividend to its shareholders, after the date of the granting of Restricted Shares to the CEO-designate and prior to the vesting date thereof, the CEO-designate will be entitled, shortly after the date of the dividend distribution, to a cash bonus in an amount that is equal (gross) to the amount of the dividend that would have been paid to him, had he held, on the record date for the dividend distribution, such number of ordinary shares of the Acquired Company that is equal to the number of shares that will actually be received (on the vesting date) in respect of the Restricted Shares that will actually vest.

2.7 The Audit and Compensation Committee may approve an immaterial change to the terms and conditions of office and employment of the CEO-designate. For this purpose, “**immaterial change**” – means a change whose impact on the total annual cost of the CEO-designate’s compensation is not greater than 10%.

2.8 **Indemnity and Insurance** – The CEO-designate will be entitled to a letter of indemnity undertaking in accordance with the Company’s Compensation Policy, in such draft as was attached to the Report Convening a Meeting of the Company dated September 13, 2018 (Reference No. 2018-01-087141), which is presented by way of incorporation by reference. It should be stated that the CEO-designate will be included in the insurance arrangements for the Company’s officers, as will be in effect from time to time.

2.9 Below is a summary of the expected compensation as of the present time for the CEO-designate in respect of 2019, in accordance with the proposed terms and conditions of office and employment, assuming that he serves in office for the whole of 2019, and in terms of cost to the Company (in NIS thousands):

Details of the recipient of the compensation				Compensation for services			Total
Name	Position	Scope of position	Holding percentage of the Corporation’s capital	Salary	Bonus	Share-based payment	
Mr. Yoav Doppelt	CEO	Full-time	–	3,600	2,400 [1]	[2]	6,000 [3], [4]

\* The compensation amounts are stated in terms of cost to the Company.

[1] The actual amount of the annual bonus in respect 2019 will only become apparent after the end of the year, and in accordance with the results for 2019. The ceiling of the annual

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

bonus (gross) for the CEO-designate in accordance with the proposed terms and conditions is NIS 2.4 million. For details with respect to the manner of the calculation of the annual bonus for the CEO-designate, see Section 2.5.5 above. As of the present time, the amount of the annual bonus that will be granted to the CEO-designate cannot be forecast. For details with respect to the CEO-designate's undertaking that an amount equal to up to 30% out of the annual bonus amount to which he is entitled (if any) will be granted in options to shares of Acquired Companies, see Section 2.6.1 above.

[2] The granting of the Capital Compensation to the CEO-designate at the Acquired Companies is subject to the performance of investment transactions. The value of the Capital Compensation in new investments in respect of 2019, if granted, will actually become apparent only on the date of the grant, in the event that an investment is made in an Acquired Company. Subject to the aforesaid terms and conditions, and to the rest of the terms and conditions and parameters that have been determined for the granting of such Capital Compensation to the CEO-designate, the annual value of the Capital Compensation will equate to NIS 4 million, and all in accordance with and as set forth in Section 2.6 above.

[3] The amount does not include the Capital Compensation, the granting of which and the scope of which are not known at the present time (see Note [2] above).

[4] The compensation that is set forth in the table does not include the terms and conditions of office and employment of the CEO-designate as the chairman of the Board of Directors of ICL, insofar as these will be approved by the competent organs at ICL. For further details, see Section 2.10 below. In respect of his office as a director of ICL, up until the commencement of his office as the chairman of the Board of Directors of ICL, Mr. Doppelt is entitled to the directors' remuneration that is in effect at ICL. The details of the total compensation that will be granted to Mr. Doppelt from ICL in respect of his service at ICL in 2019 will be set forth in Article 21 of the Company's Periodic Report.

2.10 It should be stated that on March 12, 2019, the Board of Directors of ICL, a company that is owned by the Company (45.86%), appointed Mr. Yoav Doppelt to serve as the chairman of the Board of Directors of ICL. In accordance with the report convening a general meeting that was published by ICL, the proposed terms and conditions of office and employment for Mr. Yoav Doppelt as chairman of the Board of Directors of ICL are brought for the approval of the shareholders of ICL, with a special majority, as required pursuant to law. In accordance with the aforesaid report convening the general meeting of ICL, the said terms and conditions of office of Mr. Doppelt at ICL include variable compensation of a target-based annual bonus, and the ceiling for the annual bonus (assuming the achievement of all of his targets) will be NIS 1 million, the granting of options into shares of ICL, in accordance with ICL's option plan, with an annual grant value of NIS 3 million per year for a period of three years, and also arrangements upon the termination of office, and all in accordance with what is set forth in the report convening the general meeting of ICL.<sup>17</sup> Should compensation be granted to Mr. Doppelt from ICL, as stated above, the Company will include a reference to the compensation in the Periodic Report (Article 21), in accordance with the provisions of the law.

2.11 The terms and conditions of the outgoing CEO's compensation – For details with respect to the terms and conditions of office and employment of the outgoing CEO, see the table in Article 21, and also subsections (16), (17) and (18) in Article 21 of Chapter D (Additional Details) of the Company's Periodic Report for 2018, as published on March 19, 2019 (Reference No.: 2019-01-024244), which is presented by way of incorporation by reference.

---

<sup>17</sup> For details regarding the proposed terms and conditions of office and employment for Mr. Yoav Doppelt as chairman of the Board of Directors of ICL, see ICL's invitation to a meeting that was published on April 18, 2019 (Reference No.: 2019-02-035718).



This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

2.12 While taking into account the small number of the Company's employees, most of whom are headquarter staff, and while taking into consideration the nature of the Company as a holding company, the Audit and Compensation Committee and the Board of Directors of the Company believe that the ratio between the cost of employment of the CEO-designate in accordance with his proposed terms and conditions of office and employment and the average and median cost of employment of the rest of the Company's employees is not relevant to the employment relationships at the Company, and it has no adverse effect on the employment relationships at the Company.<sup>18</sup>

2.13 The ratio between the compensation package components

Given payment from the Company of the maximum compensation components, the *pro rata* share of the variable component<sup>19</sup> out of the total compensation to the CEO-designate will equate to approximately 65%.<sup>20</sup>

2.14 Given that the Company's Compensation Policy does not conform to the terms of the CEO-designate's compensation, the said terms deviate from the Company's Compensation Policy, and they were approved in accordance with the provisions of Section 272(C1) of the Companies Law.

2.15 The main reasons of the Audit and Compensation Committee and the Board of Directors of the Company:

After examining the considerations that are required pursuant to the Companies Law, including reference to the matters set forth in Chapter A of the First Schedule A of the Companies Law, the matters set forth in Chapter B of the First Schedule A of the Companies Law, and also additional data, the Audit and Compensation Committee and the Board of Directors of the Company approved the terms and conditions of office and employment of the CEO-designate, while deviating from the Compensation Policy, and they found that the terms and conditions of the CEO-designate's compensation are for the Company's benefit, and they are reasonable given the circumstances of the matter, based on the main reasons set forth below:

2.15.1 In March 2019, the Board of Directors of the Company decided to update the Company's business strategy. The updating of the strategy (including the Company's intention to act in accordance with a

---

<sup>18</sup> In accordance with the salary data at the Company for 2018, the ratio between the cost of employment of the CEO-designate in accordance with his proposed terms and conditions of office and employment and the average and median cost of employment of the rest of the Company's employees equates to approximately 8.09 and approximately 16.13, respectively.

<sup>19</sup> The fixed component includes salary, related terms and a severance pay component. For the purpose of calculating the variable compensation, a theoretical calculation was made, assuming receipt of the maximum annual bonus (see Section 2.5.5.8 above) and Capital Compensation in new investments in the amount of the full Basic Annual Grant (see Section 2.6.4 above).

<sup>20</sup> It should be noted that in accordance with the Company's Compensation Policy, given the maximum compensation components, the *pro rata* share of the variable component out of the total compensation ranges between approximately 19%-35% (for the purpose of this estimated range: (a) the severance pay component is included in the fixed component; (b) as of the date of determining the Compensation Policy, the Company did not have a capital compensation plan for officers). The Compensation Policy determines that the actual ratios are likely to vary in accordance with the actual compensation.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

format that is similar to a private equity format) necessitates the service of a CEO with the experience and qualifications that are required in order to lead the updated strategy. Therefore, in the course of the approval of the terms of office of the CEO-designate, emphasis was placed on the CEO-designate's suitability to lead the Company's updated strategy, in view of his extensive professional experience as a manager, including at public companies of a significant size, and also in view of his record at the local and international level in improving investments, in making investments, and in realizing investments through offerings and M&A transactions, etc.

- 2.15.2 In determining the CEO-designate's terms of office, the Audit and Compensation Committee and the Board of Directors of the Company took into account the degree of responsibility that is imposed on him, his anticipated duties and areas of responsibility, the expected growth in the scope of the position and the complexity of its characteristics, as a consequence of the updating of the Company's business strategy (including as compared with the scope of the position of the Company's outgoing CEO), and the need to bring the CEO-designate into the ranks of the Company, and to retain him for the long-term, while giving him appropriate incentives.
- 2.15.3 The following were also taken into account: the CEO-designate's education, qualifications, expertise in the fields that are relevant to the Company's operations and to the Company's updated strategy, his significant contribution to the success of companies in the past, and his importance to the success aspired to by the Company and to the realization of the future plans.
- 2.15.4 The Audit and Compensation Committee and the Board of Directors of the Company determined that it would be appropriate to approve the terms of office of the CEO-designate as a special case, while deviating from the Company's Compensation Policy, *inter alia*, taking into account the aspiration to bring the CEO-designate into the Company, and also while considering the fact that the Company's existing compensation policy does not take into account the updating of the Company's business strategy, it is not tailored to the Company's targets that are derived from the updated strategy, and it is not tailored to the change anticipated in the scope and in the nature of the Company's operations. The Audit and Compensation Committee will examine the adjustment of the Company's Compensation Policy.
- 2.15.5 The Audit and Compensation Committee and the Board of Directors of the Company decided to base a significant part of the compensation on variable compensation, which is not guaranteed. The basing of a significant part of the compensation for the CEO-designate on variable compensation, which depends on performance and which depends on the making and improvement of new investments, is coherent with the Company's policy and strategy for the future (including the Company's intention to act in a format that

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

is similar to a private equity format), and it is also consistent with the Company's interests in maximizing value from the Company's investments (existing and new), and all from a long-term perspective, in accordance with his contribution, the period of his employment at the Company and the Company's success.

- 2.15.6 To that end, it has been taken into account that the Capital Compensation in new investments is forward-looking, it is contingent upon actually making new investments, which might be given in companies that are not traded (in other words, not liquid). In addition, the exercise price of the Options that are included in the Capital Compensation has been determined based on the price according to which the Company's investment will be made, in a manner that is aimed at the CEO-designate being likely to actually benefit from the Options only in the event of the improvement of the investments (taking into account the compensation structure that is generally implemented at private equity funds).
- 2.15.7 The Capital Compensation at Acquired Companies is intended, among other purposes, to link the CEO-designate's compensation to the achievement of the Company's targets, with a long-term perspective, while taking into account the period of time that is required to identify and improve future investments of the Company, when the threshold condition pursuant to which the CEO-designate will undertake that a particular percentage of the bonus amounts to which he is entitled will be granted as Options in the Acquired Company, also links a significant part of the CEO-designate's compensation to the risks that the Company bears at the time of entering into new investments.
- 2.15.8 The Audit and Compensation Committee and the Board of Directors of the Company has determined that the proposed ceiling for the annual bonus, as well as the ratio between the fixed component and the variable component in the compensation terms, are appropriate, reasonable and suitable for the CEO-designate's position, taking into consideration the Company's updated strategy, and the targets that it faces, and in particular, taking into account the fact that most of the compensation components are performance-based, measurable and forward-looking, which the Board of Directors views as a challenge.
- 2.15.9 In addition, while taking into account the small number of the Company's employees, most of whom are headquarter staff, and while taking into consideration the nature of the Company as a holding company, the Audit and Compensation Committee and the Board of Directors of the Company believe that the ratios between the proposed salary cost for the CEO-designate and the salary cost of the rest of the Company's employees, including the average cost and the median cost, which are reasonable in and of themselves, are not relevant to the employment relationships at the Company, and have no adverse effect on the employment relationships at the Company.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

- 2.15.10 The mix of his employment terms at the Company strikes a balance between the various components and the retention of a reasonable ratio between them, in order to create the maximum incentive for his performance on an ongoing basis, in the short-term, and to maximize the Company's profits in the long-term. It should be stated that in the course of the discussions, it was taken into account by the Audit and Compensation Committee and the Board of Directors of the Company that the CEO-designate is likely to receive compensation from ICL in respect of his office as the chairman of the Board of Directors of ICL.
- 2.15.11 The Audit and Compensation Committee and the Board of Directors of the Company have determined that the engagement is for the Company's benefit, that the consideration in respect of his employment as the CEO-designate is appropriate and fair, and that it creates appropriate balances and incentives for achieving the Company's targets, while taking into account the Company's anticipated work plan as a consequence of the new strategy and the Company's actual performance, and all, while taking into consideration the size of the Company, its strength, status and positioning as an international investment and holding company, and the fact that the granting of compensation is standard practice at private equity funds, a practice that has been determined as being relevant for the purpose of examining the compensation terms for the CEO-designate.
- 2.15.12 The CEO-designate is also entitled to be included in the officers' liability insurance policies, as per standard practice at the Company, and to the granting of a letter of indemnity undertaking. See the reasons for such grant as set forth in Section 3.2 below.
- 2.15.13 Therefore, the Audit and Compensation Committee approved, on April 11, 2019, and the Board of Directors of the Company unanimously approved, on April 15, 2019 and on April 17, 2019, the engagement, and they recommended that this Meeting approve same.

3. **Additional Details with Respect to the Resolution in Section 1.2 –The granting of a Letter of Indemnity Undertaking to Mr. Johanan Locker**

- 3.1 It should be stated that in addition to the Letter of Indemnity Undertaking that is being brought for approval by this Meeting, in accordance with the decision of the Audit and Compensation Committee and the Board of Directors of the Company, Mr. Locker will be entitled to remuneration and terms of office as per standard practice with respect to directors of the Company,<sup>21</sup> including annual remuneration and participation remuneration in the maximum amount that is set forth in the Companies Regulations (Rules with Respect to Remuneration and Expenses for Outside Directors), 5760-2000 (hereinafter: the "**Remuneration Regulations**"), while taking into consideration the Company's ranking and the director's classification as an

---

<sup>21</sup> For details, see the Compensation Policy.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

“expert director” who is entitled to an “expertise supplement” as set forth in Regulation 5A of the Remuneration Regulations, to a reimbursement of expenses and to inclusion in the insurance arrangements for the Company’s officers.

3.2 Below is an overview of the reasons of the Audit and Compensation Committee and the Board of Directors of the Company for the granting of the Letter of Indemnity Undertaking:

3.2.1 The granting of the Letter of Indemnity Undertaking to the officers of the Company is for the Company’s benefit, given that the Letter of Indemnity Undertaking allows the officers of the Company, including the directors of the Company, to fulfil their position as required and for the Company’s benefit, while taking into consideration the risks entailed in the Company’s operations and the personal liability that is imposed pursuant to law on the officers and directors, in particular, and also due to the importance of the existence of the Letters of Indemnity Undertaking for the officers’ performance.

3.2.2 The granting of an indemnity undertaking is standard practice at many public companies in Israel, including companies whose operations are similar in scope and nature to the Company’s operations, and such undertaking has been given, in the past, to officers and directors of the Company.

3.2.3 The Letter of Indemnity Undertaking is consistent with the provisions of the Company’s Compensation Policy and it is subject to the provisions of the Companies Law.

#### 4. **Notice of the Convening of a Special General Meeting**

Notice is hereby given that a special general meeting of the Company’s shareholders will be held on Tuesday, May 28, 2019, at 10:00 a.m., at the Company’s offices at 23 Aranha St., Millennium Tower, Tel Aviv, whose agenda comprises the passing of the resolutions set forth above.

#### 5. **The Majority Required to Approve the Resolutions on the Meeting’s Agenda**<sup>22</sup>

5.1 The majority that is required at the Meeting, to approve the resolution proposed in Section 1.1 above, is a majority of the shareholders who are present at the Meeting, in person or by proxy, provided that one of the following is satisfied: (1) the count of the votes of the majority at the general meeting will include a majority of all the votes of the shareholders who are not controlling shareholders of the Company or entities with a personal interest in the approval of the proposed resolution, who are participating in the vote; the count of all the votes of the said shareholders will not take into

---

<sup>22</sup> To the best of the Company’s knowledge, the controlling shareholders of the Company do not hold shares at such rate that would confer on them the majority that is required to pass the resolution proposed in Section 1.1 of the agenda, because for the purpose of passing the said resolution, a special majority is required. To the best of the Company’s knowledge, the controlling shareholders of the Company hold shares at such rate that will confer on them the majority that is required to pass the resolution proposed in Section 1.2 of the agenda.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

account the votes of the abstaining shareholders; (2) the total of the votes against, from among the shareholders as stated in paragraph (1) above, will not exceed a rate of two percent (2%) of the total voting rights at the Company.<sup>23</sup>

A shareholder with a personal interest will be subject to the provisions of Section 276 of the Companies Law, *mutatis mutandis*.

5.2 The majority that is required at the Meeting to approve the resolution proposed in Section 1.2 above is a simple majority of the shareholders who are entitled to participate in the vote and who are present at the Meeting, in person or by proxy, without taking into account the votes of the abstaining shareholders.

## 6. **Quorum and Adjourned Meeting**

Pursuant to the Company's Articles, the quorum for the purpose of holding the Meeting will be constituted when five shareholders are present, whether in person or by proxy, who have at least twenty five percent of the voting rights. If there is no quorum at the general meeting at the expiration of half an hour from the time appointed for the commencement of the Meeting, the Meeting will stand adjourned by one week to the same day and to the same time and the same place, without it being necessary to give notice thereof to the shareholders, and if no quorum is constituted at the adjourned meeting at the expiration of half an hour from the time appointed for the Meeting, the shareholders present will constitute a quorum.

## 7. **The Record Date and Proof of Ownership of a Share**

The record date for determining the eligibility of a shareholder of the Company to vote at the general meeting, as stated in Section 182(c) of the Companies Law and Section 3 of the Voting Regulations, is at the end of the Stock Exchange trading day of Sunday, April 28, 2019, and if no trading is conducted on the Record Date, then on the first trading day prior thereto (hereinafter: the "**Record Date**").

In accordance with the Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at the General Meeting), 5760-2000, any shareholder in whose favor a share is registered with a member of the Tel Aviv Stock Exchange Ltd. and which share is included amongst the shares of the Company which are registered in the Register of Shareholders, in the name of a nominee company, and who wishes to vote at the general meeting, will submit to the Company confirmation from the said member of the Stock Exchange, with whom his title to the share is registered, with regard to his ownership of the share, on the Record Date, in accordance with the form in the Schedule of the aforesaid Regulations (hereinafter: "**Confirmation of Ownership**").

Such a shareholder is entitled to receive the Confirmation of Ownership from the member of the Stock Exchange through whom he holds his shares, at the branch of

---

<sup>23</sup> It should be noted that in accordance with Section 272(C1)(2) of the Companies Law, the Compensation Committee, and subsequently, the Board of Directors, may, in special cases, approve the engagement even if the general meeting objected to the approval of the engagement, provided that the Compensation Committee, and subsequently, the Board of Directors, passed a resolution to that effect, based on detailed reasons, and after reviewing the engagement and examining, during the said review, *inter alia*, the general meeting's objection.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

the Stock Exchange member or by dispatch by mail, in consideration of mailing costs only, if he so requested. A request in this matter will be given in advance, for a particular securities account.

## 8. **Manner of Voting**

### 8.1 **Voting By Proxy**

A shareholder who is entitled to participate in and vote at the Meeting, may vote, in person or by proxy, in accordance with that stated in the Company's Articles. A shareholder who wishes to vote by proxy, as set forth above, will deposit the Power of Attorney at the Company's registered office at least 48 hours prior to the time appointed for the Meeting or for the adjourned meeting, as the case may be.

### 8.2 **Voting By Voting Form and Sending Position Statements**

In accordance with the Voting Regulations, a shareholder who is entitled to participate in and vote at the Meeting may vote on a resolution submitted for the Meeting's approval, by using a voting form. For this purpose, the vote of the shareholder who voted using a voting form will be counted, as if he had been present at and participated in the Meeting. The vote using a voting form, with regard to a shareholder who wishes to vote using a voting form instead of his participation at the Meeting in person and/or by proxy, will be done using the Second Part of the Voting Form, which is attached herewith as **Appendix A** to this Report.

The Voting Form and the documents that need to be attached thereto as specified in the Voting Form will be submitted to the Company's offices up to 4 hours prior to the time for the convening of the Meeting. For this purpose, the time of submission is the time when the Voting Form and the documents that need to be attached thereto arrived at the Company's offices. A member of the Stock Exchange will send, by e-mail, without consideration, the link to the text of the Voting Form and the voting forms on the Distribution Site, to any shareholder who is not registered in the Register of Shareholders, and whose shares are registered with the said Stock Exchange member, unless the shareholder notified the Stock Exchange member that he does not wish to receive such link or unless he gave notice that he wishes to receive voting forms by post, in consideration of mailing costs only.

The addresses of the websites of the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd., where the text of the Voting Form, the position statements (if submitted to the Company) and the updated agenda (if published) are available, are as set forth below – the distribution site of the Israel Securities Authority is: <http://www.magna.isa.gov.il> (hereinafter: the "**Distribution Site**"); and the website of the Tel Aviv Stock Exchange Ltd. is: <https://maya.tase.co.il>. A shareholder may also apply directly to the Company and receive from it the text of the Voting Form and the position statements, if submitted.

One or more shareholders holding shares at a rate which constitutes five percent or more of the total voting rights at the Company, and also any shareholder holding such rate out of the total voting rights which are not held

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

by the controlling shareholder of the Company, as defined in Section 268 of the Companies Law, may inspect the voting forms as specified in Regulation 10 of the Voting Regulations.

As of the present date, the number of shares which constitute 5% of the total voting rights of the Company is: 381,307 ordinary shares having a par value of NIS 1.00 each of the Company.

As of the present date, the number of shares which constitute 5% of the total voting rights of the Company which are not held by the controlling shareholder of the Company, as defined in Section 268 of the Companies Law, is: 182,950 ordinary shares having a par value of NIS 1.00 each of the Company.

The last date for the submission of position statements is up to ten days prior to the date of the Meeting, and the last date for the submission of the Board of Directors' response to a position statement is up to five days prior to the date of the Meeting.

### 8.3 Voting Through the Electronic System

A non-registered shareholder, as defined in Section 177(1) of the Companies Law, may vote using a voting form that is transmitted to the Company through the Electronic Voting System (as defined below), all in accordance with and subject to the terms and conditions set forth in the Voting Regulations.

After the Record Date, upon receipt of an identification number and an access code from the member of the Stock Exchange, and after a process of identification, a non-registered shareholder may vote through the electronic system, which operates pursuant to Article B of Chapter G2 of the Securities Law, 5728-1968 (hereinafter and hereinabove: the “**Electronic Voting System**” and the “**Securities Law**”, respectively). The address of the Electronic Voting System, as construed in Section 44K2 of the Securities Law, is: <https://votes.isa.gov.il>.

In accordance with and subject to the terms and conditions set forth in the Voting Regulations and the instructions of the Israel Securities Authority in this matter, voting through the Electronic Voting System will be possible for up to six (6) hours prior to the time for the convening of the Meeting or at an earlier time as will be determined by the Israel Securities Authority, provided that it will not exceed 12 hours prior to the time for the convening of the Meeting (hereinafter: the “**System Closing Time**”). It should be clarified that a vote cast through the Electronic Voting System may be modified or cancelled up until the System Closing Time, and it may not be modified through the Electronic Voting System after this time.

If a shareholder voted in more than one of the aforesaid ways, his later vote will be counted, and the vote of a shareholder in person at the Meeting or by proxy will be deemed to be later than a vote using a voting form or a vote using the Electronic Voting System.



This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

9. **Request by a Shareholder to Include an Item to the Agenda**

The last date for the submission of a request by a shareholder, pursuant to Section 66(B) of the Companies Law, to include an item on the agenda of the Meeting, is up to seven (7) days after the date of the convening of the Meeting. It should be stated that should a request be submitted pursuant to this section above – there may be changes to the Meeting's agenda, including the addition of an item to the agenda, and it will be possible to examine the up-to-date agenda in the Company's reports on the Distribution Site.

10. **Inspection of Documents**

The Company's shareholders may inspect the text of the proposed resolutions, at the Company's offices, at 23 Aranha St., Millennium Tower, Tel Aviv, on Sundays to Thursdays, from 09:00 a.m.-16:00 p.m., by prior arrangement on Tel: 03-6844500.

**Sincerely yours,**

**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 & Company Secretary

Date of signature: April 18, 2019.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

## APPENDIX A – VOTING FORM

# ISRAEL CORPORATION LTD.

## VOTING FORM

In accordance with the Companies Regulations (Voting in Writing and Position Statements), 5765-2005 (hereinafter: the “Voting Regulations”)

### FIRST PART

1. **Name of the Company**

Israel Corporation Ltd. (hereinafter: the “Company”).

2. **Type of the Meeting, the Date and the Venue**

A special general meeting of the Company’s shareholders, that will be held on Tuesday, May 28, 2019, at 10:00 a.m., at the Company’s offices, at 23 Aranha St., Millennium Tower, Tel Aviv (hereinafter: the “Meeting”).

3. **Details of the Items on the Agenda in respect of which Shareholders can Vote Using a Voting Form**

3.1 The approval of the terms and conditions of office and employment of Mr. Yoav Doppelt as the CEO-designate of the Company. For further details on this matter, please see Section 2 of the Report Convening the Meeting to which this Voting Form is attached (hereinafter: the “Report Convening the Meeting”).

**Text of the Proposed Resolution:** “To approve the terms and conditions of office and employment of Mr. Yoav Doppelt as the CEO-designate of the Company, as stated in the Report Convening the Meeting.”

3.2 To approve the granting of a letter of an indemnity undertaking for an officer, to Mr. Johanan Locker.

**Text of the Proposed Resolution:** “To approve the granting of the Letter of Indemnity Undertaking to Mr. Johanan Locker, as stated in the Report Convening the Meeting.”

4. **Inspection of the Text of the Proposed Resolutions**

The Company’s shareholders may inspect the text of the proposed resolutions at the Company’s offices, at 23 Aranha St., Millennium Tower, Tel Aviv, on Sundays to Thursdays, from 09:00-16:00, by prior arrangement on Tel: 03-6844500, and also on the websites of the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd., whose addresses are specified in Section 11 below.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

## 5. **The Majority Required to Pass the Resolutions at the Meeting**

5.1 The majority that is required at the Meeting, to approve the resolution proposed in Section 3.1 above, is a majority of the shareholders who are present at the Meeting, in person or by proxy, provided that one of the following is satisfied: (1) the count of the votes of the majority at the general meeting will include a majority of all the votes of the shareholders who are not controlling shareholders of the Company or entities with a personal interest in the approval of the proposed resolution, who are participating in the vote; the count of all the votes of the said shareholders will not take into account the votes of the abstaining shareholders; (2) the total of the votes against, from among the shareholders as stated in paragraph (1) above, will not exceed a rate of two percent (2%) of the total voting rights at the Company.<sup>1</sup>

A shareholder with a personal interest will be subject to the provisions of Section 276 of the Companies Law, *mutatis mutandis*.

5.2 The majority that is required at the Meeting to approve the resolution proposed in Section 3.2 above is a simple majority of the shareholders who are entitled to participate in the vote and who are present at the Meeting, in person or by proxy, without taking into account the votes of the abstaining shareholders.

## 6. **Mention of a Shareholder's Connection**

In the Second Part of the Voting Form, space is allocated for marking whether the shareholder has or does not have a connection, as required pursuant to the provisions of the Companies Law, and for giving a description of the nature of the relevant connection. **Should a shareholder fail to mark such a space, or should he fail to describe the nature of the connection, his vote will not be included in the count of the votes.**

## 7. **Validity of the Voting Form**

7.1 The Voting Form will be valid only if "Confirmation of Ownership" (a power of attorney from the nominee company proving the ownership of the share; hereinafter: "**Confirmation of Ownership**") of the non-registered shareholder (i.e., a shareholder in whose favor shares are registered with a Stock Exchange member and which shares are included amongst the shares registered in the Register of Shareholders, in the name of the nominee company; hereinafter: "**Non-Registered Shareholder**") is attached thereto, or if Confirmation of Ownership was sent to the Company through the Electronic Voting System, as defined below, or a photocopy of an ID card,

---

<sup>1</sup> It should be noted that in accordance with Section 272(C1)(2) of the Companies Law, the Compensation Committee, and subsequently, the Board of Directors, may, in special cases, approve the engagement even if the general meeting objected to the approval of the engagement, provided that the Compensation Committee, and subsequently, the Board of Directors, passed a resolution to that effect, based on detailed reasons, and after reviewing the engagement and examining, during the said review, *inter alia*, the general meeting's objection.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

passport or certificate of incorporation, if the shareholder is registered in the Company's books.

In the alternative, a Non-Registered Shareholder may transfer Confirmation of Ownership to the Company through the Electronic Voting System up until the time of the Closing of the Electronic Voting System (i.e., up to six (6) hours prior to the time for the convening of the Meeting).

7.2 The last time for the submission of the voting forms is up to four (4) hours prior to the time of the general meeting. For this purpose, the time of the submission is the time at which the Voting Form and the documents that need to be attached thereto arrived at the Company's offices, whose address is specified in Section 9 below.

## 8. **Voting Through the Electronic Voting System**

A Non-Registered Shareholder may vote using a voting form that is transmitted to the Company through the Electronic Voting System (as defined below), all in accordance with and subject to the terms and conditions set forth in the Voting Regulations.

After the Record Date (as this term is defined below), upon receipt of an identification number and an access code from the member of the Stock Exchange, and after a process of identification, A Non-Registered Shareholder may vote through the electronic system, which operates pursuant to Article B of Chapter G2 of the Securities Law, 5728-1968 (hereinafter: the "**Electronic Voting System**" and the "**Securities Law**," respectively). The address of the Electronic Voting System, as construed in Section 44K2 of the Securities Law, is: <https://votes.isa.gov.il>.

In accordance with and subject to the terms and conditions set forth in the Voting Regulations and the instructions of the Israel Securities Authority in this matter, voting through the Electronic Voting System will be possible for up to six (6) hours prior to the time for the convening of the Meeting or at an earlier time as will be determined by the Israel Securities Authority, provided that it will not exceed 12 hours prior to the time for the convening of the Meeting (hereinafter: the "**System Closing Time**"). It should be clarified that a vote cast through the Electronic Voting System may be modified or cancelled up until the System Closing Time, and it may not be modified through the Electronic Voting System after this time.

If a shareholder voted in more than one of the aforesaid ways, his later vote will be counted, and the vote of a shareholder in person at the Meeting or by proxy will be deemed to be later than a vote using a voting form or a vote using the Electronic Voting System.

## 9. **The Company's Address for Delivering Voting Forms and Position Statements**

At the Company's offices, at 23 Aranha St., Millennium Tower, Tel Aviv.

## 10. **The Last Date for Delivering Position Statements, the Last Date for Delivering the Board of Directors' Response to Position Statements and the Record Date for Determining a Shareholder's Eligibility to Participate in and Vote at the Meeting**

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

10.1 The last date for the submission of position statements is up to ten (10) days prior to the date of the Meeting, and the last date for the submission of the Board of Directors' response to a position statement is up to five (5) days prior to the date of the Meeting.

10.2 The record date for determining the eligibility of a shareholder of the Company to vote at the general meeting, as stated in Section 182(c) of the Companies Law and Section 3 of the Voting Regulations, is at the end of the Stock Exchange trading day of Sunday, April 28, 2019, and if no trading is conducted on the Record Date, then on the first trading day prior thereto (hereinafter: the "Record Date").

11. **Addresses of the Distribution Site and the Website of the Stock Exchange, Where the Voting Forms and Position Statements are Available**

11.1 The address of the Distribution Site of the Israel Securities Authority is:  
<http://www.magna.isa.gov.il>.

11.2 The address of the website of the Tel Aviv Stock Exchange Ltd. is:  
<https://maya.tase.co.il>.

12. **Additional Comments, as Required Pursuant to the Voting Regulations**

12.1 A Non-Registered Shareholder may receive the Confirmation of Ownership, as defined in Section 71 of the Companies Law, and as stated in Section 7.1 above, at the branch of the Stock Exchange member or by dispatch by mail, if he so requested, in consideration of mailing costs only. A request in this matter will be given in advance, for a particular securities account. In addition, a Non-Registered Shareholder may instruct that his Confirmation of Ownership be sent to the Company through the Electronic Voting System.

12.2 A Non-Registered Shareholder may receive by email, without charge, a link to the text of the Voting Form and the position statements (if any) on the Distribution Site, from the Stock Exchange member through which he holds his shares, unless he informed the Stock Exchange member that he does not wish to receive such a link or that he wishes to receive voting forms by mail, in consideration of payment. The Non-Registered Shareholder's notice with respect to the voting forms will also apply with respect to the receipt of position statements (if any).

In addition, any shareholder may contact the Company directly to receive from it, without charge, the text of the Voting Form, or, with his consent, a link to the text of the Voting Form on the Distribution Site, and also the position statements that have reached the Company, if any.

12.3 One or more shareholders who hold shares at a rate constituting five percent (5%) or more out of the total voting rights at the Company and also a shareholder who holds such a rate out of all the voting rights which are not held by the controlling shareholder of the Company, as defined in Section 268 of the Companies Law, may, himself or through a representative on his behalf, after the convening of the general meeting, inspect the voting forms and the voting records through the Electronic Voting System, which have reached the Company, as set forth in Regulation 10 of the Voting Regulations.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

- 12.3.1 As of the present date, the number of shares that constitute 5% of the total voting rights at the Company is: 381,307 ordinary shares having a par value of NIS 1.00 each of the Company.
- 12.3.2 As of the present date, the number of shares which constitute 5% of the total voting rights of the Company that are not held by the controlling shareholder of the Company, as defined in Section 268 of the Companies Law, is: 182,950 ordinary shares having a par value of NIS 1.00 each of the Company.
- 12.4 After the date of publication of this Voting Form, there may be changes to the agenda of the Meeting which is the subject of this Voting Form (including the addition of an item to the agenda), and position statements may be published in matters pertaining to this voting form. It will be possible to inspect the up-to-date agenda of the Meeting, as aforesaid, and the position papers, if submitted, in the Company's reports on the Distribution Site.
- 12.5 An amended voting form, insofar as required, as a consequence of changes to the resolutions on the agenda, will be published by the Company on the Distribution Site concurrently with the publication of the changes to the resolutions, as aforesaid, not later than the dates set forth in Regulation 5B of the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting at a Public Company), 5760-2000.
- 12.6 The shareholder will specify the manner of his voting with respect to the item on the agenda and in respect of which he can vote using this Voting Form, in the Second Part of this Voting Form.
13. **Cancellation of the Voting Form**

A shareholder may, up to twenty four (24) hours prior to the time of the convening of the general meeting, contact the address for the submission of voting forms, as stated in Section 9 above and, after proving his identity to the satisfaction of the Company's Secretary or another employee who has been appointed for this purpose, withdraw the Voting Form and his Confirmation of Ownership.

\*\*\*\*\*

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

## **APPENDIX B – VOTING FORM**

# **ISRAEL CORPORATION LTD.**

## **VOTING FORM**

**In accordance with the Companies Regulations (Voting in Writing and Position Statements), 5765-2005 (hereinafter: the “Voting Regulations”)**

### **SECOND PART**

#### **Part A:**

1. **Name of the Company:** Israel Corporation Ltd. (hereinafter: the “Company”).
2. **Company’s Address (for delivering and sending voting forms):** 23 Aranha St., Millennium Tower, Tel Aviv.
3. **Company’s No.:** 52-002801-0.
4. **Date of the Meeting:** Tuesday, May 28, 2019, at 10:00 a.m., and any adjourned meeting.
5. **Type of the Meeting:** A special general meeting.
6. **Record Date:** At the end of the Stock Exchange trading day of Sunday, April 28, 2019, and if no trading is conducted on the Record Date, then on the first trading day prior thereto

#### **Part B (to be completed by the shareholders):**

1. **Details of the Shareholder**
  - 1.1 Name of the Shareholder: \_\_\_\_\_.
  - 1.2 ID No.: \_\_\_\_\_.
  - 1.3 Passport No. (if the shareholder does not possess an Israeli ID card): \_\_\_\_\_.
  - 1.4 The country in which the passport was issued (if the shareholder does not possess an Israeli ID card): \_\_\_\_\_.
  - 1.5 The passport is valid until the date of (if the shareholder does not possess an Israeli ID card): \_\_\_\_\_.

This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

1.6 Corporation No. (if the shareholder is a corporation):  
\_\_\_\_\_.

1.7 Country of incorporation (if the shareholder is a corporation):  
\_\_\_\_\_.

2. **Manner of Voting**

Item on the Agenda	Manner of Voting <sup>2</sup>			Are you a controlling shareholder of the Company/ do you have a personal interest in the approval of the resolution?		Are you a senior officer of the Company?		Are you an institutional investor <sup>3</sup> ?	
	For	Against	Abstain	No	Yes*	No	Yes*	No	Yes*
To approve the terms and conditions of office and employment of Mr. Yoav Doppelt as the CEO-designate of the Company, as stated in the Report Convening the Meeting									
To approve the granting of the Letter of Indemnity Undertaking to Mr. Johanan Locker, as stated in the Report Convening the Meeting.									

**A senior officer of the Company** – as defined in Section 37(d) of the Securities Law.

**An institutional investor** – as defined in Regulation 1 of the Supervision of Financial Services Regulations (Provident Funds) (Participation by a Managing Company in a General Meeting), 5769-2009; and also a Mutual Fund Manager, as construed in the Mutual Funds Law, 5754-1994.

\* Please specify the nature of the relevant connection, as the case may be:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. **Comments in Accordance with the Voting Regulations:**

- a. With respect to shareholders holding shares through a Stock Exchange member (pursuant to Section 177(1) of the Companies Law) – this Voting Form is valid solely upon the attachment of Confirmation of Ownership, except in cases in which the vote is through the Electronic Voting System.

<sup>2</sup> Failure to mark a response will be deemed to be abstaining in the vote on the said matter.

<sup>3</sup> The vote of a shareholder who fails to complete this column, or who marks “Yes” but fails to give details, will not be included in the count of votes.



This is an English convenience translation of the original Hebrew version. In case of any discrepancy, the binding version is the Hebrew original

- b. With respect to shareholders registered in the Company's Register of Shareholders – the Voting Form is valid upon the attachment of a photocopy of the ID card/ passport/ certificate of incorporation.

**Date:** \_\_\_\_\_

\_\_\_\_\_  
Shareholder's Signature