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

March 10, 2021

To:

The Securities Authority	The Tel Aviv Stock Exchange Ltd.
Through the MAGNA system	Through the MAGNA system

Dear Sir/Madam,

Re: **Immediate Report of the Convening of a Special Annual 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 annual general meeting of the shareholders of Israel Corporation Ltd. (hereinafter: the "**Company**"), which will be held on Sunday, April 18, 2021, at 10:00 a.m., at the Company's offices or by using means of communications as stated in Section 5 of this Report (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 a Summary of the Resolutions**

1.1 **Review of the Periodic Report for 2019**: A discussion of the Company's audited financial statements and the Board of Directors' Report on the State of the Company's Affairs for the year ended on December 31, 2019.

1.2 **Appointment of Auditor**: The reappointment of the Company's auditors and, in accordance with the Company's Articles, the authorization of the Board of Directors of the Company to set their fees[1].

Summary of the Proposed Resolution: "To reappoint the accountants of the accounting firm Somekh Chaikin (KPMG) as the Company's auditors and, in accordance with the Company's Articles, to authorize the Company's Board of Directors to set their fees".

1.3 **Reappointment of the Incumbent Directors**: The appointment of the incumbent directors of the Company (with the exception of the outside directors who shall continue to serve in office up until the expiration of their statutory term in office), Mr. Aviad Kaufman, Mr. Amnon Lion, Mr. Yair Caspi, Ms. Tali Bellish-Michaud and Mr. Victor Shohet, for an additional

[1] For details with regard to the auditor's fees, see Section 7 of Chapter E (Corporate Governance Report, Effectiveness of Monitoring and Internal Audit for 2019) in the Company's Periodic Report for 2019, as published on March 26, 2020 (Reference No.: 2020-01-030654), which is presented by way of incorporation by reference (hereinafter: the "**Periodic Report for 2019**").

term in office as directors of the Company, as set forth in Section 2 of the Report Convening the Meeting below.

Summary of the Proposed Resolution: (it should be clarified that for each one of the directors enumerated in this section, there will be a vote on a separate resolution; the said resolutions will be numbered as Resolutions No. 3 - No. 7 on the form convening the meeting, to which this Report constitutes an appendix): "To approve the renewal of the term of office of the following directors: (a) Mr. Aviad Kaufman; (b) Mr. Amnon Lion; (c) Mr. Yair Caspi; (d) Ms. Tali Bellish-Michaud; and (e) Mr. Victor Shohet; who will continue to be entitled to remuneration and to the terms of office as set forth in Section 2 of the Report Convening the Meeting."

1.4 **Approval of the granting of a Letter of Indemnity Undertaking to Mr. Victor Shohet**

On November 30, 2020, the Company's Board of Directors approved the appointment of Mr. Victor as an independent director of the Company, commencing from the date of the Board of Directors' resolution.[2] It is proposed to approve the granting of a Letter of Indemnity Undertaking to Mr. Victor Shohet, as set forth in Section 3 of the Report Convening the Meeting below.

Summary of the text of the Proposed Resolution: "To approve the granting of a Letter of Indemnity Undertaking to Mr. Victor Shohet, as set forth in Section 3 of the Report Convening the Meeting."

1.5 **Updating the Compensation Policy – the Officers' Insurance Section**

Updating Section 11.2 (Officers' Insurance) of the Compensation Policy for Officers of the Company, in accordance with that set forth in Section 4 of this Report below. It is clarified that the rest of the provisions of the Compensation Policy will not be modified, and that the updating of the Compensation Policy, as stated in this Report, will not give rise to the extension of the validity of the Company's current Compensation Policy, which was approved on October 29, 2019 by the Company's Shareholders' Meeting (as updated, without the extension of validity, on January 30, 2020).

Summary of the text of the Proposed Resolution: "To update Section 11.2 (Officers' Insurance) of the Compensation Policy for Officers of the Company, as stated in Section 4 of the Report Convening the Meeting."

2. **Further Details with Respect to the Resolution in Section 1.3 on the Agenda (Reappointment of the Incumbent Directors)**

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[2] See the Company's Immediate Report with respect to the appointment of Mr. Shohet, dated November 30, 2020 (Reference No.: 2020-01-121777), which is presented by way of incorporation by reference.

2.1 The signed declarations of the candidates to serve as directors of the Company, pursuant to section 224B of the Companies Law, are attached herewith as **Appendix A** to this Report.

2.2 The directors appointed for an additional term in office shall continue to be entitled to remuneration and terms of office as per standard practice with regard to directors at the Company[3], as shall be in effect from time to time, including to annual remuneration and to remuneration for participation, in the maximum amount as set forth in the Companies Regulations (Rules Regarding Remuneration and Expenses for an Outside Director), 5760-2000 (the "**Remuneration Regulations**"), taking into consideration the rank of the Company and the classification of a director as an "expert director", who is entitled to an "expertise supplement" as set forth in Regulation 5A of the Remuneration Regulations, to the reimbursement of expenses and to arrangements for a letter of indemnity and/or a letter of release, as the case may be, and insurance for directors and for officers of the Company; for further details in connection with the terms of office of Mr. Victor Shohet, including the proposed resolution to grant a Letter of Indemnity Undertaking to Mr. Victor Shohet, see Section 3 below.

2.3 For the details that are required in accordance with Regulation 36B(a)(10) of the Reporting Regulations regarding incumbent members of the Board of Directors who are candidates for an additional term in office, see the description pursuant to Regulation 26 in the chapter headed "Additional Details on the Corporation" in the Periodic Report for 2019. Below is an update of the aforesaid details with regard to the following directors:

Name of the Director	Update
Victor Shohet	Commenced serving as a director of the Company on November 30, 2020. For details required in accordance with Regulation 36B(a)(10) of the Reporting Regulations, see the Company's Immediate Report dated November 30, 2020 (Reference No.: 2020-01-121777), incorporated herein by reference.
Yair Caspi	Commenced serving as a director of Oil Refineries Ltd (Bazan); Appointed as chairman of the board of directors of OPC Energy Ltd. (previously served as a director).

3. **Further Details with Respect to the Resolution in Section 1.4 on the Agenda (the Granting of a Letter of Indemnity Undertaking to Mr. Shohet)**

[3] For details, see the Company's Compensation Policy (see the Report Convening a General Meeting of the Company, dated September 12, 2009 (Reference No.: 2019-01-095503) and the Report on the Results of the Meeting, dated October 30, 2019 (Reference No.: 2019-01-092034)), as well as updates to the Compensation Policy as published in the Report Convening a General Meeting of the Company, dated December 24, 2019 and dated January 30, 2020 (Reference No.: 2019-01-113343 and 2020-01-011940, respectively), incorporated herein by reference.

3.1 Effective from the date of commencement of his term in office, Mr. Shohet shall be entitled to remuneration and to terms of office as per standard practice at the Company with regard to directors of the Company, as shall be in effect from time to time, including to annual remuneration and to remuneration for participation, in the maximum amount as set forth in the Remuneration Regulations, taking into consideration the rank of the Company and the classification of a director as an "expert director", who is entitled to an "expertise supplement" as set forth in Regulation 5A of the Remuneration Regulations, to the reimbursement of expenses and to be included in the insurance arrangements for officers of the Company.[4]

3.2 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 Undertaking to Mr. Shohet, 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.

3.3 Below is a concise summary of the reasons provided by the Audit and Compensation Committee and the Board of Directors for the granting of a Letter of Indemnity Undertaking:

3.3.1 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 Company's officers, including the Company's directors, to perform their position as required and for the Company's benefit, while taking into consideration the risks entailed in the Company's activities 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.

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

3.3.3 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. **Further Details with Respect to the Resolution in Section 1.5 on the Agenda (the Updating of the Compensation Policy – the Insurance Section)**

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[4] In accordance with the approval of the Audit and Compensation Committee and the Board of Directors of the Company (Regulations 1A, 1B.1 and 1B.4 of the Companies Regulations (Concessions in Transactions with Interested Parties), 5760-2000).

4.1 Background

4.1.1 On October 29, 2019, the Company's Shareholders' General Meeting approved, in accordance with the provisions of the Companies Law, the Compensation Policy for the Company's Officers (hereinafter: the "**Compensation Policy**"), for a period of three years commencing on the date of the Meeting's approval, as aforesaid.[5] On January 30, 2020, the Company's Shareholders' General Meeting approved the updating of the officers' insurance section in the Compensation Policy for the Company's Officers, without extending the validity thereof.[6]

4.1.2 The arrangement of the framework conditions for the engagement in the Company's directors and officers' liability insurance policies from time to time is set forth in Section 11.2 of the Company's Compensation Policy.

4.1.3 In the course of the proceeding to renew the officers' insurance policies, the Company was informed, by the insuring entities and by the insurance consultants, that in the wake of trends in the local and global insurance markets, there has been an increase in the costs and in the terms and conditions of the aforesaid insurance policies, which also included a significant increase in the amounts of the premiums and in the amounts of the deductibles that are required for such a liability insurance policy, and there have also been changes in the scope of the limits of coverage of the insurance policies.

4.1.4 In addition, in June 2020, the Israel Securities Authority staff published a position whereby, *inter alia*, it is sufficient for the details that will be provided in the Compensation Policy with respect to the framework conditions for the officers' liability insurance to include a reference to the scope of the insurance coverage only, as long as the cost of the premium and the amount of the deductible will be in accordance with the market conditions on the date of the issuance of the policy and provided that the cost is not material to the Company.[7]

4.1.5 In view of this, the Audit and Compensation Committee and Board of Directors of the Company examined the need to update the provisions of the Compensation Policy with respect to the framework conditions for the engagements in the officers' insurance, and so as to allow the renewal of the engagements in the officers' liability insurance policies from time to time in accordance with the provisions of the law and taking into consideration the trends in the insurance market, as aforesaid, and the ISA Staff's Position, as aforesaid, and they determined that it would be appropriate to update the terms of the limits of liability for the insurance policies and also to remove the ceilings of the annual insurance premium and the deductible, as are

[5] See Footnote 3, *supra*.
[6] See Footnote 3, *supra*.
[7] See the Israel Securities Authority Staff's Position No. 101-21: Compensation Policy (Best Practice), as updated in June and August 2020, in the link.

set forth in the Compensation Policy, in such a manner that these would be determined in accordance with the market conditions, and all, as will be set forth below.

4.1.6 In addition, the current Compensation Policy includes a reference to the purchase of joint insurance policies with the ICL Group Ltd. (hereinafter: "**ICL**"), as stated in the Report Convening a General Meeting of the Company dated December 2017. It is proposed to update the reference to the purchase of joint insurance policies in accordance with what is stated below. It is also proposed to update the text of Section 11.2.3(4) of the Compensation Policy in connection with the run-off insurance with respect to directors and officers, with such limits of liability and upon such terms as set forth below.

4.1.7 Further to the approval by the Audit and Compensation Committee of the updating of the officers' insurance section in the Compensation Policy, the Company's Board of Directors discussed the aforesaid update, and after considering the Audit and Compensation Committee's recommendation, it approved the updating of Section 11.2 (Officers' Insurance) of the Compensation Policy and it approved bringing it for the approval of the General Meeting convened herein,[8] so that Section 11.2 will be updated as set forth below (the changes are marked):

"11.2 Officers' Insurance

~~*11.2.1 On December 27, 2017, the Company's General Meeting approved the Company's engagement in an insurance policy for the Company's officers, as are presently serving the Company and as will serve the Company from time to time, and it also approved the Company's engagements to purchase policies or for the extensions or renewals of the aforesaid insurance policy or of policies that will be purchased in the future.*~~[23]

~~*11.2.1*~~ *11.2.1* ~~*In addition and without derogating from the existing insurance coverage, as stated above,*~~ *the Compensation Committee will be entitled to approve from time to time the Company's engagements in purchases of* ~~*additional*~~ *insurance policies for the officers and the directors (including the renewal or extension of existing policies or policies that will be purchased in the future) of any kind, with any insurer/s in Israel or overseas, for all of the directors and officers*

[8] With respect to the majority that is required to approve the resolution and the manner of approval thereof, see Section 6 of this Report.

who are serving and who will serve from time to time at the Company and/or at companies held by the Company, including directors in respect of whom the controlling shareholder could be deemed to have a personal interest in the engagement with them, as they will be from time to time, provided that the engagement is upon market conditions, that it is not likely to have a material effect on the Company's profitability, its property or its undertakings, and that it is consistent with the framework's principles, as are set forth in the Compensation Policy.

*11.2.2 Without derogating from the foregoing, insurance policies that will be purchased, as aforesaid, are likely to include, inter alia, joint policies with the ICL Group Ltd. (hereinafter: "**ICL**") (including policies that contain a joint layer for ICL and for the Company and a separate layer).*

Should such policies be purchased, the Company's part in the liability for the payment of the insurance premium between ICL and the Company in the joint layer will be based on the insurers' assessment at that time.

11.2.3 The terms of all the insurance policies for the Officers of the Company which are in effect (including the additional policies that will be purchased, if purchased and/or renewed, as stated in this Policy) will be in accordance with that set forth below, and this will be approved by the Compensation Committee:

(1) The cost of the annual insurance premium to be paid by the Company in respect of all of the insurance policies as well as the amount of the deductible for the Company will be in accordance with the market conditions on the date of the issuance of the policy ~~cumulative insurance policies in effect will not exceed US $ 1,500 thousand~~. It is clarified that pursuant to the insurance policy, there is no deductible for the officers;

(2) The limits of liability in respect of all cumulative insurance policies in effect will not exceed ~~will be within a range between US $120 million and~~ US $200 million per occurrence and per period, plus reasonable legal defense expenses beyond the limits of liability;

~~*(3) The deductible for the Company in respect of claims against Officers in respect of all cumulative insurance policies in effect will not exceed US $5 million. It is clarified that pursuant to the insurance policy, there is no deductible for the Officers*~~*.*

~~*(4) In the event that the Company's insurance policy is not renewed, the Company may purchase the continuation (extension) of the application of the policy for a total premium not exceeding US $2 million ("Run Off").*~~

11.2.4 In addition and without derogating from the foregoing, the Company will be entitled to engage, from time to time and for any reason whatsoever, in run-off insurance policies with respect to directors and officers. The limits of liability in the run-off insurance policies, as will be issued from time to time, will not exceed US $200 million per occurrence and per period, plus reasonable legal defense expenses beyond the limits of liability. The cost of the insurance premium that will be paid by the Company in respect of all of the run-off insurance policies and also the amount of the deductible will be in accordance with the market conditions on the date of the issuance of insurance policy.

It should be noted that a ~~supplement~~ deviation of up to 25% ~~per year of the amount of the components~~ of the limits of liability of the said insurance – will not be deemed to be a deviation from the Compensation Policy.

11.2.5 ~~11.2.4~~ For the avoidance of doubt, it is hereby clarified that the foregoing in this Policy does not adversely affect the validity of the existing insurance arrangements and/or authorizations that have been received pursuant to law for engagements in officers' insurance prior to the determination of this Policy."

4.1.8 The updated framework conditions, as aforesaid, have been determined after consultation with the Company's insurance consultants, while using a security coefficient that takes into account the market trends and the indications that have been received from the insurers in connection with the purchase of officers' insurance of such type and of such scope as are suitable for the Company, and while taking into account the requirements of the Company and its operations, and also while taking into account the fact that the insurance market is likely to undergo fluctuations and that it operates as a sophisticated market of supply and demand and in accordance with the ISA Staff's Position.

4.1.9 It is clarified that except as stated in this Report, no change will take place in the other sections of the Compensation Policy. For details with respect to the other provisions of the Compensation Policy, see the Report Convening a Shareholders' Meeting of the Company to Approve the Compensation Policy, dated September 12, 2009 (Reference No.: 2019-01-095503), incorporated herein by reference (hereinafter: the "**Report Convening a Meeting to Approve the Compensation Policy**") and the Report Convening a Shareholders' Meeting of the Company to Approve the Updating of the Insurance Section in the Compensation Policy, dated December 24, 2019 (Reference No.: 2019-01-113343), incorporated herein by reference.

4.1.10 It should be stated that upon the approval of the aforesaid framework conditions that are being brought for the approval of the Meeting, as aforesaid in this Report, they will apply with respect to any engagement or renewal of insurance policies that will take effect from March 1, 2021.

4.2 The Main Changes that Have Taken Place in the Compensation Policy

In the Compensation Policy, Section 11.2 (Officers' Insurance) was updated, as set forth in Section 4 above.
For details regarding the manner of implementation of the Compensation Policy and also with regard to agreements that are not in accordance with the Compensation Policy, see Sections 2.3 and 2.4 of the Report Convening a Meeting to Approve the Compensation Policy.

4.3 Additional Reasons to Approve the Updating of the Compensation Policy

4.3.1 As stated above, the updating of the Compensation Policy has been done against the background of the trends in the local and global insurance market, as presented to the Company by entities in the insurance market, and it is intended to adjust the limits that are set forth in the Compensation Policy for the purpose of renewing the officers' insurance policies from time to time and in accordance with the ISA Staff's Position, as aforesaid. No change has been made to the other provisions of the Compensation Policy.

4.3.2 The granting of insurance coverage to the officers, including in the types of policies that are mentioned in the Compensation Policy, is for the Company's benefit, because it allows the Company's officers to perform their position as properly required and for the Company's best interests, while taking into consideration the risks entailed in the Company's activities and the personal liability that is imposed pursuant to law on the officers of the Company and on the directors, in particular, in respect of their activities as officers of the Company.

4.3.3 Engagement in a directors' and officers' insurance policy is in keeping with standard practice at public companies in Israel, and it forms part of the current and generally accepted terms of office for the officers of a company, in the normal course of its business.

4.3.4 The actual terms and conditions of the insurance policies will be determined in accordance with negotiations with the insurance companies.

4.3.5 The updating of the current Compensation Policy, in accordance with the proposed conditions, will allow the Company the flexibility that is necessary in its engagement in such insurance policies, given the ever-changing market conditions, and the said update has been determined while taking into consideration the up-to-date position of the Israel Securities Authority.

4.3.6 In view of the foregoing, the Compensation Committee and the Board of Directors believe that the updating of the current Compensation Policy, as aforesaid, is for the Company's benefit.

5. **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 Sunday, April 18, 2021, at 10:00 a.m., at the Company's offices or by using means of communications (pursuant to the limitations set in order to prevent the spread of the Coronavirus), whose agenda comprises the passing of the resolution as set forth above. **Connect to the Meeting using the following number:**
+972-03-9786688/ Participant's Code No. 980 6333 0495 #.

6. **The Majority Required to Pass the Resolutions on the Meeting's Agenda**

6.1 The majority that is required at the Meeting, to approve the resolutions proposed in Sections 1.2, 1.3 and 1.4 on the agenda above, is a simple majority of the shareholders who are entitled to participate in the vote, who are present at the Meeting, in person or by proxy, without taking into account the votes of the abstaining shareholders.[9]

6.2 The majority that is required at the Meeting to approve the resolution proposed in Section 1.5 on the agenda 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 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

[9] To the best of the Company's knowledge, the Company's shareholding controllers hold shares at a rate that will confer on them the majority that is required to pass each one of the resolutions set forth in Sections 1.2, 1.3 and 1.4 on the Meeting's agenda.

(1) above, will not exceed a rate of two percent (2%) of the total voting rights at the Company.[10]

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

7. **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.

8. **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 Thursday, March 18, 2021, 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 the Stock Exchange member or by dispatch by mail to his address, 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.

9. **Manner of Voting**

9.1 **Voting By Proxy**

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[10] To the best of the Company's knowledge, the Company's shareholding controllers do not hold shares at a rate that will confer on them the majority that is required to pass the proposed resolution set forth in Section 1.5 on the Meeting's agenda, because, for the purpose of passing the said resolution, a special majority is required. It should be stated that the Compensation Committee and, subsequently, the Board of Directors, may act to approve the proposed resolution set forth in Section 1.5 as aforesaid in accordance with the provisions of Sections 267A(c) and 272(c1)(2) of the Companies Law.

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.

9.2 **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 B** 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 statement, 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 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.

9.3 **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**," as applicable). 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.

10. **Request by a Shareholder to Include an Item on 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.

11. **Inspection of Documents**

The Company's shareholders may inspect the text of the proposed resolution, at the Company's offices, at 23 Aranha St., Millennium Tower, Tel Aviv, by prior arrangement and subject to the limitations as determined in order to prevent the spread of the Coronavirus, on Sundays to Thursdays, from 09:00-16:00, 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: March 10, 2021

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")

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 annual general meeting of the Company's shareholders, that will be held on Sunday, April 18, 2021, at 10:00 a.m., at the Company's offices or by using means of communications (pursuant to the limitations set in order to prevent the spread of the Coronavirus), whose agenda comprises the passing of the resolutions as set forth below. **Connect to the Meeting using the following number: +972-03-9786688/ Participant's Code No. 980 6333 0495 #**.

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

   3.1 **The appointment of an auditor:** The reappointment of the Company's auditors and, in accordance with the Company's Articles, the authorization of the Company's Board of Directors to set their fees.[1]

   Summary of the Proposed Resolution: "To reappoint the auditors of the accounting firm of Somekh Chaikin (KPMG) as the Company's auditors and, in accordance with the Company's Articles, to authorize the Company's Board of Directors to set their fees."

   3.2 **The reappointment of the incumbent directors:** The appointment of the Company's incumbent directors (with the exception of the outside directors who will continue to serve until the expiration of their statutory term in office), Mr. Aviad Kaufman, Mr. Amnon Lion, Mr. Yair Caspi, Ms. Tali Bellish-Michaud and Mr. Victor Shohet, for an additional term in office as directors of the Company, as set forth in Section 2 of the Report Convening the Meeting to which this Voting Form is attached (hereinafter: the "**Report Convening the Meeting**").

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[1] For details with regard to the auditor's fees, see Section 7 of Chapter E (Corporate Governance Report, Effectiveness of Monitoring and Internal Audit for 2019) in the Company's Periodic Report for 2019, as published on March 26, 2020 (Reference No.: 2020-01-030654), which is presented by way of incorporation by reference (hereinafter: the "**Periodic Report for 2019**").

Summary of the Proposed Resolution: (it should be clarified that for each one of the directors enumerated in this section, there will be a vote on a separate resolution; the said resolutions will be numbered as Resolutions No. 3 - No. 7 on the form convening the meeting, to which the Report Convening the Meeting constitutes an appendix): "To approve the renewal of the term of office of the following directors: (a) Mr. Aviad Kaufman; (b) Mr. Amnon Lion; (c) Mr. Yair Caspi; (d) Ms. Tali Bellish-Michaud; and (e) Mr. Victor Shohet; who will continue to be entitled to remuneration and to the terms of office as set forth in Section 2 of the Report Convening the Meeting."

3.3 **Approval of the granting of a Letter of Indemnity Undertaking to Mr. Victor Shohet**

On November 30, 2020, the Company's Board of Directors approved the appointment of Mr. Victor as an independent **director** of the Company, commencing from the date of the Board of Directors' resolution.[2] It is proposed to approve the granting of a Letter of Indemnity Undertaking to Mr. Victor Shohet, as set forth in Section 3 of the Report Convening the Meeting.

Summary of the text of the Proposed Resolution: "To approve the granting of a Letter of Indemnity Undertaking to Mr. Victor Shohet, as set forth in Section 3 of the Report Convening the Meeting."

3.4 **Updating the Compensation Policy – the Officers' Insurance Section**

Updating Section 11.2 (Officers' Insurance) of the Compensation Policy for Officers of the Company, in accordance with that set forth in Section 4 of the Report Convening the Meeting. It is clarified that the rest of the provisions of the Compensation Policy will not be modified, and that the updating of the Compensation Policy, as stated in Section 4 of the Report Convening the Meeting, will not give rise to the extension of the validity of the Company's current Compensation Policy, which was approved on October 29, 2019 by the Company's Shareholders' Meeting (as updated, without the extension of validity, on January 30, 2020).

Summary of the text of the Proposed Resolution: "To update Section 11.2 (Officers' Insurance) of the Compensation Policy for officers of the Company, as stated in Section 4 of 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, by prior arrangement and subject to the limitations set in order to prevent the spread of the Coronavirus, on Sundays to Thursdays, from 09:00-16:00, on Tel: 03-6844500, and also on the websites of the Israel Securities Authority and the Tel Aviv Stock Exchange Ltd. (hereinafter: the "**Stock Exchange**"), whose addresses are specified in Section 11 below.

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[2] See the Company's Immediate Report with respect to the appointment of Mr. Shohet, dated November 30, 2020 (Reference No.: 2020-01-121777), which is presented by way of incorporation by reference.

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

5.1 The majority that is required at the Meeting, to approve the resolutions proposed in Sections 3.1, 3.2 and 3.3 on the agenda above, is a simple majority of the shareholders who are entitled to participate in the vote, who are present at the Meeting, in person or by proxy, without taking into account the votes of the abstaining shareholders.[3]

5.2 The majority that is required at the Meeting to approve the resolution proposed in Section 3.4 on the agenda 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 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.[4]

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

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

In the Second Part of the Voting Form, space is allocated for marking whether the shareholder does 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,

[3] To the best of the Company's knowledge, the Company's shareholding controllers hold shares at a rate that will confer on them the majority that is required to pass each one of the resolutions set forth in Sections 3.1, 3.2 and 3.3 on the Meeting's agenda.

[4] To the best of the Company's knowledge, the Company's shareholding controllers do not hold shares at a rate that will confer on them the majority that is required to pass the proposed resolution set forth in Section 3.4 on the Meeting's agenda, because, for the purpose of passing the said resolution, a special majority is required. It should be stated that the Compensation Committee and, subsequently, the Board of Directors, may act to approve the proposed resolution set forth in Section 3.4 as aforesaid in accordance with the provisions of Sections 267A(c) and 272(c1)(2) of the Companies Law.

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, 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**

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 Thursday, March 18, 2021, 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.

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. **<u>Cancellation of the Voting Form</u>**

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.

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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**: Sunday, April 18, 2021, 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 Thursday, March 18, 2021, 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): _______.
   - 1.6 Corporation No. (if the shareholder is a corporation): __________________.
   - 1.7 Country of incorporation (if the shareholder is a corporation): ____________.

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2. Manner of Voting

Item on the Agenda	Manner of Voting[1]			Are you a controlling shareholder of the Company/ do you have a personal interest in the approval of the resolution? [2]	
	For	Against	Abstain	No	Yes*
3.1 To reappoint the auditors of the accounting firm of Somekh Chaikin (KPMG) as the Company's auditors and, in accordance with the Company's Articles, to authorize the Company's Board of Directors to set their fees					
3.2(a) To approve the renewal of the term of office of the director Mr. Aviad Kaufman, who will continue to be entitled to remuneration and to the terms of office as set forth in Section 2 of the Report Convening the Meeting					
3.2(b) To approve the renewal of the term of office of the director Mr. Amnon Lion, who will continue to be entitled to remuneration and to the terms of office as set forth in Section 2 of the Report Convening the Meeting					
3.2(c) To approve the renewal of the term of office of the director Mr. Yair Caspi, who will continue to be entitled to remuneration and to the terms of office as set forth in Section 2 of the Report Convening the Meeting					
3.2(d) To approve the renewal of the term of office of the director Ms. Tali Bellish-Michaud, who will continue to be entitled to remuneration and to the terms of office as set forth in Section 2 of the Report Convening the Meeting					
3.2(e) To approve the renewal of the term of office of the director Mr. Victor Shohet, who will continue to be entitled to remuneration and to the terms of office as set forth in Section 2 of the Report Convening the Meeting					
3.3 To approve the granting of a Letter of Indemnity Undertaking to Mr. Victor Shohet, as set forth in Section 3 of the Report Convening the Meeting					
3.4 To update Section 11.2 (Officers' Insurance) of the Compensation Policy for officers of the Company, as stated in Section 4 of the Report Convening the Meeting					

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

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[1] Failure to mark a response will be deemed to be abstaining in the vote on the said matter.

[2] The vote of a shareholder who does not fill in this column, or who marks "Yes" but fails to provide details, will not be included in the count of the votes.

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An interested party, a senior officer or an institutional investor

Are you an interested party, a senior officer or an institutional investor? [Mark]

Are you an interested party[3] in the Company?	Yes	No
Are you a senior officer[4] of the Company?	Yes	No
Are you an institutional investor[5]?	Yes	No

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.

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.

c. This Voting Form shall be delivered to the Company, or it shall be sent by registered mail, so that this Voting Form and the aforesaid documents will be received at the Company's registered office by not later than four hours prior to the time of the convening of the general meeting. A Voting Form that arrives later will not be deemed to be presence at the meeting for the purpose of the constitution of a quorum for voting, and it will not be counted in the vote.

Date: _____________

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Shareholder's Signature

[3] As defined in Section 1 of the Securities Law, 5728-1968.
[4] As defined in Section 37(d) of the Securities Law, 5728-1968.
[5] As defined in Regulation 1 of the Control of Financial Services Regulations (Provident Funds) (Participation by a Management Company in a General Meeting), 5769-2009, and also a Mutual Fund Manager, within the meaning of that term in the Joint Investment Trust Law, 5754-1994.