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Form 081

Public

Israel Corporation Ltd.

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

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

Immediate Report on Distribution of Cash Dividend for Securities

Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970

1. We hereby report that on *March 27th, 2024* it was resolved to distribute a dividend that will be paid to the Company's securities.

2. The total amount of the dividend to be paid is: *137,344,000 NIS*.

3. The balance of the Corporation's profits, as defined in Section 302 of the Companies Law, 5759-1999, after the distribution detailed in this report, amounts to: *1,990,000,000 USD.*

4. Dividend distribution approval procedure: *according to the board of directors resolution. See attached*.

   The abovementioned distribution is according to court's approval in accordance with section 303 of the Companies Law: *No.*

5. The record date: *April 9th, 2024*.

   The ex-dividend date: *April 9th, 2024*.

   The payment date: *April 17th, 2024*.

6. Details of Payment:

   Dividend that is distributed by a Israel resident company (for the composition of sources of the dividend and the tax rates see section 7a)

Qualifying Security No.	Name of Security	Dividend amount per Security	Dividend amount currency	Payment currency	Date of exchange rate for payment	% Individuals tax rate	% Corporate tax rate
576017	*ILCO Ordinary Shares*	*18.3178455*	*NIS*	*NIS*	_______	*15*	*15*

The amount of the dividend to be paid must be specified with an accuracy of up to 7 digits after the decimal point for payment in NIS and up to 5 digits after the decimal point in the case of payment in another currency.

Notes:

1. *The dividend amount does not include dividend for treasury securities (dormant shares) which are held by a fully owned subsidiary, and treasury securities (dormant shares) which are held by the Company.*
2. *The amount in stated in this section 6 is final.*

Is the dividend amount per security is final: *yes*

The amount of dividend per security is subject to changes due to: ___________.

7. The rates of tax withheld at source specified below are for the purpose of withholding tax at source by stock exchange members.

7(a) Composition of the sources of the dividend distributed by an Israeli resident company for shares and financial instruments except for REIT:

	% of the dividend	Individuals	Companies	Foreign Residents
Corporate tax liable income (1)	0	25%	0%	25%
Income whose source is overseas (2)	0	25%	23%	25%
Income from an approved enterprise/beneficiary enterprise (3)	100	15%	15%	15%
Ireland approved establishment incomes until 2013 (4)	0	15%	15%	4%
Ireland approved establishment incomes starting 2014 (5)	0	20%	20%	4%
Preferred incomes	0	20%	0%	20%
Income from a tourist/agricultural approved enterprise (6)	0	20%	20%	20%
Income from an approved enterprise/beneficiary enterprise who gave notice of concession (7)	0	15%	0%	15%
Income classified as capital gains	0	25%	23%	0%

Income by participating unit	0	0	0	0
Other	0	0	0	0

(1) Income subject to corporate tax – income from the distribution of profits or dividends whose source is income produced or accrued in Israel, which was received directly or indirectly from another entity which is subject to corporate tax.
(2) Income whose source is overseas is income produced or accrued overseas which was not taxed in Israel.
(3) Including income from a tourist beneficiary enterprise and that the year of choice/operating is until 2013.
(4) Income from an approved establishment Ireland whose year of choice/operation is until 2013.
(5) Income from an approved establishment Ireland whose year of choice starts on 2014 and onwards.
(6) Including income from a tourist/agricultural approved enterprise whose year of choice/operation is starts 2014 and onwards.
(7) Income from an approved enterprise or beneficiary who gave a notice of concession until June 30th, 2015, after deducting the owed Corporate Tax.

7B. Dividend distributed by Foreign Company

	Individuals	Companies	Foreign Residents
Dividend distributed by a Foreign Company	25%	23%	0%

7C. Dividend distributed by a of real estate investment principle

	% of the dividend	Individuals (1)	Companies	Foreign Resident Companies	Exempt Mutual Fund	Provident Fund
From real estate improvement, capital gain or depreciation (3)		25%	23%	23%	0%	0%
Other owed income (such as rent)		47%	23%	23%	23%	0%
Housing real estate for rent		20%	20%	20%	0%	0%
Income owed by the principal (4)		25%	0%	25%	0%	0%
Exceptional income		70%	70%	70%	60%	70%
Other						
% of weighted original deducted tax	100%					

(1) Individuals – including owed principal fund income, foreign resident individuals.

(2) Provident fund for ration, or benefits, or compensations as defined in the Income Tax Ordinance and provident fund or foreign pension fund which is a resident of a compensating state.

(3) From real estate improvement or capital gain, excluding short-term held real estate property sales, as well as income in the sum of depreciation expenses.

(4) Distribution from tax owed incomes by the principal, according to Section 46a4(E).

8. Number of the corporation's treasury securities that are not entitled to a dividend payment and for which a dividend waiver should be furnished: *204,565*.

9. The effect of the dividend distribution on convertible securities:

The effect of the dividend distribution on the convertible securities is as follows:

Name of Security	Qualifying Security No.	Notes
Option warrant for share - ILCO2020	*5760319*	Other: In any event of the payment of a cash dividend by the Company to the holders of its ordinary shares, during the period after the grant of the option warrants to the Offeree (including through the trustee), then on the ex-dividend date as determined by the Stock Exchange, the exercise price of the option warrants which have not yet been exercised and which have not yet expired by the said date shall be reduced by the amount of the dividend paid in respect of each share of the Company. Should it be determined in the allocation agreement that linkage differentials shall be added to the original exercise price, then linkage differentials shall also be added to the amount of the dividend subtracted from the exercise price as stated in this section, commencing from the date of the distribution of the dividend and up to the Exercise Date. It is clarified that the said adjustment shall apply to all of the option warrants which, on the Record Date for the payment of the dividend, have not yet been exercised (including with regard to option warrants which the Offeree was not entitled to receive or to exercise on the Record Date for the payment of the dividend).
Option warrant for share - ILCO2024	*1203868*	Other: In any event of the payment of a cash dividend by the Company to the holders of its ordinary shares, during the period after the grant of the option warrants to the Offeree (including through the trustee), then on the ex-dividend date as determined by the Stock Exchange, the exercise price of the option warrants which have not yet been exercised and which have not yet expired by the said date shall be reduced by the amount of the dividend paid in respect of each share of the Company. Should it be determined in the allocation agreement that

		linkage differentials shall be added to the original exercise price, then linkage differentials shall also be added to the amount of the dividend subtracted from the exercise price as stated in this section, commencing from the date of the distribution of the dividend and up to the Exercise Date. It is clarified that the said adjustment shall apply to all of the option warrants which, on the Record Date for the payment of the dividend, have not yet been exercised (including with regard to option warrants which the Offeree was not entitled to receive or to exercise on the Record Date for the payment of the dividend).

10. Recommendations and decisions of the board of directors in connection with the distribution of dividend according to Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 5730-1970: *attached herewith.* *Recommendationsandresolutionsoftheboard_pdf.isa*

Details of the authorized signatories on behalf of the corporation:

	Name of the authorized signatory	**Position**
1.	*Adv. Maya Alcheh-Kaplan*	*Other* *Vice President, General Counsel & Company Secretary*
2.	*Sagi Kabla*	*CFO*

Explanation: Pursuant to Regulation 5 of the Periodic and Immediate Reporting Regulations, 5730-1970, a report that is submitted pursuant to these Regulations shall be signed by the signatories authorized to sign on behalf of the corporation. The ISA Staff's position on this matter is available on the ISA's website: ***please click here***.

Note for Section 8 above: *72,322 shares are held by I.C. Management and Counseling (1986) Ltd, a company fully owned by the Company.*

132,243 shares are held by 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: 10/4/2024.

The reference numbers of previous documents in the matter (the reference does not constitute incorporation by reference):

Form structure updated 20/02/2024

The securities of the corporation are listed for trading on the Tel Aviv Stock Exchange.

Short name: Israel Corporation

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Email: MAYAAK@ISRAELCORP.COM

Previous names of the reporting entity: The Israel Corporation Ltd.

Name of electronic reporter: Maya Alcheh-Kaplan

His *[sic]* position: Vice President, General Counsel & Company Secretary, Name of Employer Company:

23 Aranha St., Tel Aviv, 61204, Tel: 03 – 6844517, Fax: 03 – 6844587, E-mail: mayaak@israelcorp.com

March 27, 2024

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange Ltd.

www.tase.co.il

Dear Sir/Madam,

Subject: **Immediate Report - Resolutions and Recommendations of the Directors in connection with the Distribution of Dividend**

(1) On January 9, 2023 the Company's board of directors adopted a distribution policy to Company's shareholders, which according to its principles, it is in the Company's intention to distribute dividend to its Shareholders, for each calendar year starting at 2023, amounting to 45% out of the amount received from: the total net dividend cash flow actually received by the Company from its held companies for that calendar year, deducting an annual amount of 75 million USD (from the amount of said cash flow), provided that the cash flow of dividends from held companies exceeds 75 million USD in that year, and the examination of the dividend amount distributed will be executed on the date of approval of the consolidated (audited) annual reports of the calendar year to which the financial reports refer, starting from the financial reports of 2023, all subject to the Board of Directors' resolution regarding each distribution, and subject to the provisions of the law, including the distribution examinations set forth in the Israeli Companies Law, 5599-1999, (the "Companies Law") and to the terms of the distribution policy (the "**Distribution Policy**"). For further details regarding the Distribution Policy see immediate report dated January 9, 2023, reference number: 2023-01-005202.

(2) On March 27, 2024 the board of directors approved, according to the Distribution Policy, and based on the Company's consolidated (audited) financial statements for December 31, 2023 (the "**Financial Statements**"), to distribute to the Company's shareholders a cash dividend based on the principles of the Distribution Policy, in total amount (gross) of USD 37 million (the "**Dividend**" and the "**Distribution**")

(3) the board of directors approved the Distribution after examination and confirmation of the compliance of the Distribution with *the profit criterion* and *the ability to meet liabilities criterion*, set forth in section 302 of the Companies Law (the "**Distribution Examinations**"). Below are details regarding the examination conducted by the company's board of directors, in connection with the resolution of the Distribution of Dividend as stated above.

As part of its decision, the board of directors held discussions, based on the Financial Statements and additional information (including as detailed below) presented and on the management's review, and after examination confirmed the company's compliance with the Distribution Examinations as mentioned.

Regarding compliance with the "profit criterion", the board examined the balance of the company's distributable profits according to the Financial Statements for December 31, 2023, which amounts to approximately 2,027 Million USD, which significantly exceeds the Dividend amount. After the Distribution of the Dividend, the balance of the company's distributable profits will amount to approximately 1,990 million USD (based on the Financial Statements for December 31, 2023). Therefore, the board of directors approved the Distribution based on the balance of the company's distributable profits as mentioned above, which exceeds the Distribution amount.

As for compliance with the "the ability to meet liabilities criterion", the board examined, among other things, the following parameters while taking prudence factors, analyzing different market scenarios and in consideration of the following considerations: the Dividend amount, data regarding the Company's financial status; data regarding the liquidity status and cash balances of the Company and the expected future cash flows of the Company, including data regarding the status of company's liabilities, cash values and investments, as well as the sources that the company estimates that are available for the purpose of paying its existing and expected liabilities when they come due, including receiving dividends from subsidiaries, refinance (and assessments regarding the possibility of refinancing of existing loans), assessment regarding fund-raising options, including in conservative scenarios, as well as assessments in connection with finance costs and changes therein; In addition, cash flow scenarios in relation to the Company were analyzed, while performing strict sensitivity analyzes and risk factors for an adverse scenarios in the Company's business and in ICL Group Ltd. ("**ICL**").

In addition, the Board examined the impact of the Distribution on the Company's capital structure; the financial leverage of the Company and the impact of the Distribution on its rate and on its coverage ratio; the level and balance of the company's liquidity after the expected Distribution; The Company's debt balances and its net debt balances; the credit facilities available to the Company and its expected credit requirements; Additionally considered is the effect of the Distribution on Company's activities and its investments in existing or expected portfolio companies, bearing in mind that the Company is expected to execute new investments, in the scopes as stated according to its strategic plan (see sections 1.5 and 1.6 in Chapter A to the Company's annual report for 2022, dated March 16, 2022, reference: 2022-01-028104); the Company's business forecasts and its business environment; its budget, including compliance with debt targets and cash balances; The risk factors to which the Company is exposed; The absence of an adverse effect on Company's rating (noting the upgrade in the Company's rating from July 2023, pursuant to the improvement in financial covenants, as part of which, among others, the principles of the Distribution Policy where taken into account - see immediate report dated July 4, 2023, reference: 2023-01-062575); Also, data was presented regarding distribution limitations and financial covenants applicable to the Company, including in connection with the limitations specified in the trust deeds of the Company's bonds series and compliance with their conditions.

Estimations were also presented regarding the amounts of dividends the Company is expected to receive from ICL, including in adverse scenarios. Also, other "safety cushions" available to the company were reviewed such as: withdrawing credit facilities and/or exercising investments according to investment strategy and changing the Distribution Policy.

(4) In light of the examination of the issues and data above, based on the data and estimations known to the Company as of the date hereof, after examination, the board approved that there is no reasonable suspicion that the Distribution of the Dividend might deprive the Company of its ability to meet its existing and anticipated liabilities, when they come due, or might derogate its ability to meet existing financial covenants and requirements, or might have a material adverse effect on the Company's financial status, including its capital structure, its level of leverage, its liquidity status, its ability to continue operating in its existing activity format, and on its strategic plan, including the Company's investment plans.

The Company's above estimations, and in particular its estimations regarding the forecasted cash flow and the expected liabilities of the Company, are based on forward-looking information, as defined in the Israeli Securities Law 1968-5778, and based, among other things, on facts and data as known to the Company as of the approval date of the Distribution, on the data of the Company's subsidiaries and Company's assessments regarding their performance, and on the Company's investments. These estimations may not materialize, in all or in part, or may materialize in a substantially different manner than expected, among other things, due to external factors, over which the Company has no ability to control or on which its control is limited, including pursuant to a change in the scope of the Company's activity and the scope of the Company's subsidiaries activity, a change in the Company's revenues, its profits and its subsidiaries' profits, trends and macro-economic changes or a change or materialization of one or more of the company's risk factors or its subsidiaries' risk factors, as detailed in the Company's periodic report for 2023, etc.

Sincerely,

Israel Corporation Ltd.

The name of the authorized signatory to the report and the name of the authorized electronic signatory:

Maya Alcheh-Kaplan

Position: Vice President, General Counsel & Company Secretary

Date of signature: March 27, 2024.