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

Israel Corporation Ltd.

Registrar's Number: 520028010

Form T121
(Public)

Transmission via Magna: January 9, 2023

Reference: 2023-01-005202

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

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

Immediate Report of General Material Information

Clarification: This form should not be used when there is a form adapted for the reported event.

Nature of the Event: *Adoption of a new policy for dividend distribution to the shareholders of the Company*.

The reference numbers of previous documents in the matter: ________, _____________, _____________.

Attached an immediate report – Approval of a new dividend policy for distribution to the shareholders of the Company.

Attached file _____________

The company is *NOT* a shell company, as this term is defined in the rules and regulations of the Stock Exchange.

The date and time at which the corporation first notified of the event or matter:
January 9, 2023, at *13:00* p.m.

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***.

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 January 9, 2023.

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

Date of update of form structure: December 29, 2022

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

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Short name: Israel Corporation
Address: P.O.B. 20456, Tel Aviv 61204 Tel: 03-6844517, 03-6844500, Fax: 03-6844587
Email: MAYAAK@ISRAELCORP.COM

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

Name of electronic reporter: Maya Alcheh-Kaplan
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

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January 9, 2023

To:	To:
The Securities Authority	The Tel Aviv Stock Exchange Ltd.
www.isa.gov.il	www.tase.co.il

Dear Sir/Madam,

Re: **Immediate Report**

The Company hereby reports that on January 9, 2023 the Board of Directors has approved the adoption of a dividend distribution policy for distribution to the shareholders of the Company, as follows:

1. 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.

   The examination of the dividend amount distributed, as stated above, 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.

2. The aforementioned Board's resolution was made following discussions regarding Company's work plans for 2023, considering, among others, the Company's investing plan from November 2019[1], the status of Company's business, the Company's debt management policy and its capital structure, and considering its significantly positive cash flow in 2022.

3. The actual distribution of dividend in accordance to this policy will be subject to the Board of Directors' resolution regarding each distribution, and subject to the provisions of any applicable law, including the distribution examinations set forth in the Israeli Companies Law, 5599-1999, while bearing in mind Company's Strategic Plan, and considering the Company's needs, its liabilities and applicable financial conditions and covenants, its liquidity, its debt management policy, as well as its business environment

[1] For further details regarding Company's strategic plan and the investment activity, please see sections 1.5 and 1.6 of the Company's annual report for 2021 (Reference no. 2022-01-034903), as well as an update at the beginning of the Company's board of directors report for June 30, 2022 (Reference no. 2022-01-104200), incorporated herein by reference (hereinafter: the "**Strategic Plan**").

and other considerations and business needs, as applicable from time to time, all as will be examined subject to the sole discretion Company's Board of Directors.

It is clarified that nothing in the abovementioned dividend policy will impose any obligation towards the shareholders of the Company and/or any third party, to execute any dividend distribution, including regarding the dividend payment dates and/or dividend amount, and each distribution will be examined separately as stated above. Additionally, it is clarified that nothing in the dividend distribution policy will detract from Company's board of directors discretion to examine and change, at any time, the Company's dividend policy or to cancel it and/or to decide on additional distributions and/or to decide not to distribute any dividend, considering, inter alia, the applicable law and the considerations mentioned above, as the Board of Directors deems appropriate.

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: January 9, 2023.