

## ISRAEL CORPORATION LIMITED

5<sup>th</sup> September, 2006

To:  
Securities Authority  
22 Kanfei Neshirim Street  
Jerusalem, 95464

To:  
Tel-Aviv Stock Exchange Ltd.  
54 Ahad Haam Street  
Tel-Aviv, 65202

Dears Sir/Madam,

### Notice as to Convention of Special General Meeting of the Shareholders of the Company

Notice is hereby given that on Tues, 24<sup>th</sup> October 2006, at 11:00 a.m., a Special General Meeting of the shareholders of the Company will be held at the offices of the Company at 23 Arania Street, Millennium Tower, Tel Aviv.

#### On the Agenda: -

1. **Approval of bonus for Mr. Idan Ofer:**

**Proposed Resolution:** To approve the payment of a non-recurrent bonus to Mr. Idan Ofer, active Chairman of the Board of Directors of the Company, in the amount of NIS 1,260,000 in respect of the year 2005.

2. **Extension of the period of office of Mr. Yair Sarussi as an external director:**

**Proposed Resolution:** To extend the period of office of Mr. Yair Sarussi as an external director of the Company for an additional three years commencing on 22<sup>nd</sup> November 2006.

A shareholder is entitled to appoint a proxy to participate and vote on his behalf at the meeting in accordance with the provisions of the Byelaws of the Company. Proxy appointments must be deposited at the registered office of the Company at least 48 hours before the time fixed for the meeting or the adjourned meeting.

A shareholder wishing to vote by means of a Voting Statement, instead of by personal participation at the meeting, is entitled to do so, in which case the shareholder's vote by means of a Voting Statement will be regarded as a vote by a shareholder present and voting at the meeting. The Voting Statement must be deposited at the registered office of the Company at least 72 hours before the time fixed for the meeting. The Voting Statement may be obtained at the offices of the Company at 23 Aranha Street, Tel Aviv, on Sundays through Thursdays during the hours 09:00 to 16:00.

The majority required in order to carry all of the resolutions on the Agenda, is a majority of the votes of the shareholders present, in person or by proxy, who are entitled to vote, subject to one of the following: (a) the votes in favor include at least one third of the votes of

shareholders who do not have a personal interest in the bonus or who are not owners of control of the Company (with regard to the respective items on the agenda, as the case may be); (b) the total votes against do not exceed 1% of the total voting rights in the Company.

The Record Date for entitlement of a shareholder to vote at the meeting, in accordance with section 182 of The Companies Law, 1999, is September 25, 2006 (“**The Record Date**”).

In accordance with The Companies (Proof of Ownership of Shares for the Purpose of General Meeting Voting) Regulations, 2000 (“The Regulations”), a shareholder to whose credit a share is registered with a Member of The Tel Aviv Stock Exchange Ltd., which share is included in the Shareholders Register of the Company in the name of a Nominee Company, who wishes to vote at the General Meeting, is required to furnish the Company with a Certificate of the Stock Exchange Member with whom the share is registered to his credit, certifying his ownership of the share at the Record Date, in accordance with Form 1 in the Appendix to the Regulations.

A quorum shall be constituted by the presence in person or by proxy of at least 5 shareholders who together hold at least 25% of the voting rights. If no quorum is present half an hour after the time fixed for the meeting, the meeting shall be adjourned to Tuesday 31<sup>st</sup> October 2006, at the same time and at the same place. If no quorum is present at the adjourned meeting after half an hour of the time fixed for the meeting – the shareholders present shall constitute a legal quorum.

Yours faithfully,

Noga Yatziv