

Convenience translation
In any case of inconsistency, the immediate report in Hebrew shall prevail

Discount Investment Corporation Ltd,

Immediate report dated March 17, 2020 - reference number: 2020-01-025617

Subject: Termination of the CEO's Term of Employment - Outgoing CEO's Letter

Following the March 15, 2020 Immediate Report of Discount Investment Corporation Ltd. (the "**Company**"), regarding the termination of employment of Mr. Eran Saar ("**outgoing CEO**") as the Company's CEO, the Company updates that on March 16, 2020, it received a letter from the outgoing CEO, which was addressed to members of the Company's Board of Directors (the "**letter**"). A copy of said letter is attached to this Immediate Report.

It should be noted that the termination of the outgoing CEO was brought for discussion by and approval of the Company's Board of Directors, which considered the decision in the light of the following considerations: (1) A disagreement between the outgoing CEO and the Chairman of the Board of Directors, which embodied a lack of trust; (2) At this time, a separation is required between the position of CEO of the Company, and the position of CEO of IDB Development Corporation Ltd., a company controlled by the controlling shareholder of the Company; (3) the Board of Directors was presented with a worthy candidate for the position of CEO of the Company, who agreed to take up the position immediately, to ensure continued management of the Company.

The Company rejects all claims made by the outgoing CEO, as detailed in the letter, including the claim that the termination of employment involves circumstances in which the public has an interest.

The Company regrets that the main points of the letter were published in the press before being received by the Company.

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Date: March 16, 2020

For the attention of

The members of the Board of Directors of Discount Investment Corporation Ltd.

By e-mail

Yesterday (March 16, 2020) at about 22:00, I was astonished to discover, when looking at the Maya website, that my period of office as CEO of DIC had ended, that the end of my period of office does not involve circumstances that contain a matter of public interest and that a new CEO had been appointed in my place.

About one hour later, I received an e-mail from the Chairman of the Board of Directors in which it was written that the Company's Board of Directors, which had been held earlier (in the evening on March 15, 2020), had decided to dismiss me from my position of CEO with immediate effect.

The decision to dismiss me was not preceded by any process, as is required under the law. This includes that the grounds for my dismissal were not presented to me and more serious than that, I was not given my legal right to be heard before the members of the Board of Directors before the decision was made to dismiss me in contravention of the law.

This letter of mine is addressed to you, the members of DIC's Board of Directors, who are bound by duties of care and trust vis-à-vis the Company.

Over the course of the last three months, I have worked night and day in my role as DIC's CEO, in order to bring about its growth and to ensure its operations both for the benefit of the Company and also for all of its shareholders. In this period, I was forced, regrettably, to reject proposals for transactions and activities, which in my humble opinion did not accord with what would be for the benefit of the Company.

Exceptional pressures have been exercised upon me in recent days by Mr. Elsztain to execute an immediate distribution of a dividend amounting to tens of millions of Shekels. In my conversations with Mr. Elsztain, I made it clear to him forcefully that in my opinion, in light of the dramatic changes that have occurred in the markets in recent weeks, which have taken the yield on the Company's debentures to a level of approximately 15% and the Company's gearing rate to reach a level of more than 90%, and has created a significant lack of certainty regarding the ability to recycle the Company's liabilities, and that consequently such a distribution at the present time is a dangerous financial move that shows a lack of responsibility, and from my perspective it does not meet the settlement capacity tests that are denoted in the law.

In the middle of the day, yesterday (March 15, 2020), Mr. Elsztain suggested to me that I resign from my position as DIC's CEO, purportedly on the claim that there is tension between my role as CEO of DIC and my role as CEO of IDB, where in practice there is no doubt and nor can there be, that the suggestion that the resignation was intended to pave the way for the execution of the distribution of a dividend or maybe to progress some other transaction where there is concern whether it is in the Company's best interest. I informed Mr. Elsztain that I had no intention of resigning from my position but rather that I would continue to serve the

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Company's interest and that all of its shareholders and no less important from that, the interests of its creditors. In my conversations, I repeated my position that the distribution of a dividend should not be executed by the Company at the present time, a position, which in and of itself negates any tension or fear of the existence of a conflict of interests between my role as CEO of DIC and my role as CEO of IDB.

A few hours after that insistent conversation I discovered as I mentioned above, a report that my period of office as the Company's CEO had been terminated.

The disclosure that was submitted to the Authority does not accord with the reality, as set forth above, neither regarding the circumstances surrounding the termination of my period of office and nor in connection with the Company's announcement that the circumstances surrounding the termination of the period of office are of no interest to the public.

There is nothing in what is stated in this letter of mine nor in what is not stated in it that constitutes a waiver of any of my rights or my claims.

Yours sincerely

Eran Saar