



**Translation from Hebrew. The binding version is the Hebrew version.**

MARCH 30, 2008

**IMMEDIATE REPORT OF AN EXTRAORDINARY TRANSACTION**  
**WITH OFFICE HOLDERS**

(Article 37A(3) of the Securities (Periodic and Immediate Reports) Regulations, 5730-1970)

1. On 27.3.2008, the Board of Directors of Israel Chemicals Ltd. ("the Company" or "ICL") resolved to approve, pursuant to an extraordinary transaction procedure, a transaction of the Company with its Office Holders, and in accordance with Section 270(1) of the Companies Law, 5759-1999, following its approval by the Audit Committee of the Company on 24.3.2008.
2. The essence of the transaction: payment of a bonus for 2007, as described below.
3. Details of the Office Holders, their function and the reasons cited by the Audit Committee and the Board of Directors for approval of the transactions:

A process of determining the bonuses, including the internal procedure of the Company for manager assessment, background material on the financial results of the Company and all its segments, details of the performance of each of the Office Holders named below, his superior's assessment of his contribution to the Company, and comparative material on bonuses granted by the Company to those Office Holders in prior years – was presented to the Board of Directors and to the Audit Committee of the Company.

In 2007, the Company's sales turnover was USD 4.1 billion, an increase of about 26% compared with the prior year; gross profit was USD 1.52 billion, an increase of about 31% compared with the prior year; operating income was USD 715 million, an increase of about 33%, and net profit was USD 536 million, an increase of about 43%. Cash flow from operating activities, eliminating the effects of the securitization transaction, was USD 573, an increase of about 60% compared with the prior year. In the past year, the Company made a number of acquisitions and attained its strategic goals. The share's performance on the Tel Aviv Stock Exchange also reflects these results: in 2007, the ICL share rose about 100%, more than any other Maof company.

- a. A bonus of NIS 6,000,000 to Mr. Akiva Mozes, the CEO of the Company. The bonus for 2007 reflects the improved results of the Company as noted above. The Board of Directors and the Audit Committee are of the opinion that the bonus appropriately reflects the CEO's contribution to the Company's performance under his leadership. The annual bonus to Mr. Mozes is approximately 0.3% of the net profit of the Company in 2007.
- b. A bonus of NIS 1,800,000 to Mr. Yossi Shachar, CEO of the ICL Industrial Products segment. The bonus for 2007 reflects the improved results of ICL and the successful closing of the acquisition of Supresta during the year. The Board of Directors and the Audit Committee are of the opinion that the bonus appropriately reflects Mr. Shachar's contribution to the performance of the segment under his leadership and to the performance of the Company. The

annual bonus to Mr. Shachar is approximately 0.09% of the net profit of the Company in 2007.

- c. A bonus of NIS 2,000,000 to Mr. Asher Greenbaum, CEO of the ICL Fertilizers segment. The bonus for 2007 reflects the improved results of ICL as a whole and in particular the significant improvement in the results of ICL Fertilizers compared with the prior year. The Board of Directors and the Audit Committee are of the opinion that the bonus appropriately reflects Mr. Greenbaum's contribution to the performance of the segment under his leadership and to the performance of the Company. The annual bonus to Mr. Greenbaum is approximately 0.1% of the net profit of the Company in 2007.
  - d. A bonus of NIS 650,000 to Mr. Avi Doitchman, CFO. The bonus for 2007 reflects the improved results of ICL as noted above. The Board of Directors and the Audit Committee are of the opinion that the bonus appropriately reflects Mr. Doitchman's contribution to the Company's performance. The annual bonus to Mr. Doitchman is approximately 0.03% of the net profit of the Company in 2007.
4. The Board of Directors and the Audit Committee are of the opinion that the process and manner of determining the bonus, which is based on a set of managerial and financial considerations of the Company and is not a predetermined amount, is appropriate and serves the purposes of awarding bonuses which are, inter alia, to increase the Company's profits. The Board of Directors believes that the considerations for awarding bonuses are reasonable, rely on correct grounds, encompass a vision of all the Company's operations, its management methods, the character of its activities, its financial results and a comparison of the total monetary compensation to the Office Holders with other companies in the economy.
  5. None of the members of the Audit Committee or of the Board of Directors objected to the grant of the above bonuses.
  6. An attempt was made to gather comparative information about bonuses for Office Holders of similar status in industrial companies such as the Company, but due to the few companies with similar businesses of comparable volume to that of the Company, reliable information was not easily available. Nevertheless, as far as the total monetary compensation to Office Holders is concerned, the Company found it to be reasonable compared with similar companies.