



November 17, 2011

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

Israel Chemicals Ltd. (“the Company”)

Re: Allocation of a Time Period by the Audit Committee of the Company

In accordance with Regulation 37a of the Securities (Immediate and Periodic Reports) Regulations, 5730-1970, notice is hereby given that on 16 November 2011, the Audit Committee of the Company (hereinafter, “the Committee”) resolved, in accordance with section 275(1a)(2) of the Companies Law 5759-1999 (hereinafter, “the Companies Law”), regarding a transaction to which the Company is party and which is a transaction in which a Controlling Shareholder in the Company has a personal interest, as follows:

Notes of exemption and undertakings to indemnify that were issued to the Board of Directors of the Company who serve and will serve as officeholders in The Israel Corporation Ltd. (hereinafter, “the Israel Corporation”): In December 2007, the General Meeting of the Company approved issuing notes of exemption and undertakings to indemnify to officers of the Company (as amended with the approval of the General Meeting of the Company in August 2007 and October 2010), in which the Company undertook to exempt, in advance, officers in the Company from responsibility for damage caused and/or to be caused by a violation of the duty to exercise caution with regard to the Company (other than the duty to exercise caution with regard to distributions) and also issued an undertaking to indemnify the said officers for any action or omission they have taken and/or will take during their term of office in Company, as well as in subsidiary and related companies, whether directly or indirectly, as a result of their serving as officers in the Company (hereinafter, “note of exemption and undertaking to indemnify”). For details regarding the note of exemption and undertaking to indemnify issued by the Company, see note 24a(7) of the financial statements of the Company for 2010, which are included in the Period Report of the Company for 2010 that was published on 28 March 2011 (reference number 2011-01-094716) and also the Immediate Reports of the Company on 26 July 2007 and 15 September 2011 (reference numbers 2007-01-337132 and 2011-01-276198, respectively) regarding the summoning of the General Meeting at which the amendments to the text of the undertaking to indemnify, as stated above. The Audit Committee resolved to limit the period during which events are covered by the arrangements stated in the notes of exemption and undertakings to indemnify that have been issued and/or may be issued at some time, in accordance with the standing resolutions regarding Directors of the Company who are serving or may serve at some time as officers in the Israel Corporation, the controlling shareholder in the Company, and Directors who, as stated, might serve in the Company at some time, to a period of nine years from the date of the resolution (30 December 2020). The reasons of the Audit Committee for this were, *inter alia*, the importance of the existence of a suitable note of exemption and undertaking for ensuring that officers function properly and in order to make it possible for them to, on occasion, use their judgment when making decisions and the desire to equalize the conditions of the exemption from responsibility and indemnification to that of the other directors. The Audit Committee believes that the period allocated, as stated above, is reasonable considering the relevant circumstances.

Yours sincerely,

Israel Chemicals Ltd.