Immediate Report in accordance with the Securities Regulations (Immediate and Periodic Reports), 1970, (the "Report Regulations"), the Securities Regulations (Transaction between a Company and a Controlling Shareholder Therein), 2001 (the "Controlling Shareholder Regulations"), the Companies Regulations ("Notice and Newspaper Publication of a General Meeting and a Class Meeting in a Public Company"), 2000 and the Companies Law, 1999 (the "Companies Law") (the "Report"), concerning the convening of a special General Meeting of the shareholders of Israel Chemicals Ltd. (“the Company" and/or "ICL") (the "General Meeting") which shall convene on Thursday, May 8th, 2014, at 10:00, in the offices of the Company at 23 Aranha Street, Millennium Tower (23rd floor), Tel Aviv, and on the agenda of which are the resolutions specified below:

1. **Agenda of the General Meeting**

   1.1 Approval of the Company entering into a Registration Rights Agreement ("Registration Rights Agreement") with the controlling shareholder of the Company, Israel Corporation Ltd. (the "Israel Corporation") and with companies related to the Israel Corporation (collectively, the "Israel Corporation Group") for the provision of registration rights in connection with the shares of the Company held by the Israel Corporation Group, at the time of this Report, as well as shares of the Company which the Israel Corporation Group holds at a future time, directly or indirectly, in connection with the listing of the Company's shares on the New York Stock Exchange ("NYSE") in the United States or another foreign stock exchange as defined in section 1 of the Securities Law, 1968 (hereinafter, including NYSE, "Foreign Stock Exchange" and "Securities Law", respectively), if carried out, and in connection with the exercise of the registration rights by the Israel Corporation Group, to approve the Company's entering into an underwriting agreement with underwriters, together with the Israel Corporation Group. The Registration Rights Agreement shall come into force on the date of approval of the General Meeting. For additional details regarding the Company's entering into the Registration Rights Agreement, see Section 2 of the Report.

   1.2 The approval of the transition from a reporting format under the provisions of Chapter F of the Securities Law to a reporting format in accordance with Chapter E3 of the Securities Law, on the later date of the listing of the Company's shares on a Foreign Stock Exchange or October 31st, 2014. For additional details regarding the Company’s transition to a reporting format in accordance with Chapter E3 of the Securities Law, see section 3 of the Report.

   1.3 Approval of the purchasing of a liability insurance policy for directors and officers (the "New Insurance Policy"), under the conditions specified in Section

Translation from the Hebrew. The Hebrew version is the binding version.
4 of the Report, within a framework transaction for a period of 3 years from the date of listing of the Company's shares on the Foreign Stock Exchange, if carried out. For additional details regarding the framework transaction, see section 4 of the Report.

2. Summary of the transactions described in Sections 1.1 and 1.3 above, proposed for approval in accordance with Articles 270 (4) and 275 of the Companies Law and the principal terms thereof

2.1 The Company's entering into a Registration Rights Agreement. In November 2013, the Company's Board of Directors instructed the Company to prepare for the dual listing of the shares of the Company on a stock exchange in New York. Accordingly, the Company is taking action to list the Company's shares on NYSE (or another Foreign Stock Exchange). With respect to the listing of the Company’s shares on a Foreign Stock Exchange, it is proposed to grant the Israel Corporation Group, certain registration rights in connection with the shares of the Company that are owned by the Israel Corporation Group, at the time of this Report, as well as shares of the Company which the Israel Corporation Group owns at a future time, (directly or indirectly), pursuant to the Registration Rights Agreement to be signed between the Company and the Israel Corporation Group, and in connection with the exercise of the registration rights by the Israel Corporation Group, to approve for the Company to enter into, together with the Israel Corporation Group, an underwriting agreement with underwriters, and all as detailed in Section 2 of the Report. The Registration Rights Agreement shall enter into effect on the date of approval of the General Meeting.

As reported by the Israel Corporation and as provided in Section 2.3 Part A of the Periodic Report for 2013 published by the Company on March 19, 2014 (reference number: 2014-01-017478), the Board of Directors of the Israel Corporation instructed the management of the Israel Corporation to pursue the listing of the Company’s shares in New York as described below. The Board of Directors of the Israel Corporation also instructed the management of the Israel Corporation to examine possibilities with regard to the shares of the Company amounting to up to 7% of the share capital of the Company, held by the Israel Corporation (the "IC Transaction"): the possibility of the Israel Corporation entering into a financial transaction (in the form of a derivative) in connection with the said Company shares, in accordance with which the Israel Corporation shall receive financing, will lend the said Company shares to a financial institution, and the financial institution shall sell all or part of the said shares; and the possibility that the Israel Corporation shall sell the said Company shares, or a combination of both options. In the abovementioned report it was stated that the Board of Directors of the Israel Corporation has not yet decided upon entering
into the IC Transaction or its details, including the price of the shares in the IC Transaction, and that it is uncertain whether the Israel Corporation shall indeed enter into the IC Transaction or when and if this IC Transaction shall be completed.

2.2 The Company’s purchasing of a New Insurance Policy. Due to the process of the listing of the Company's shares on a Foreign Stock Exchange, it became necessary to update the terms of the liability insurance policy for directors and officers in accordance with the practice of companies registered for trading in the United States, including with respect to the limit of liability, the premium to be paid, and the apportioning of the insurance premium liability to be paid between the Company and the Israel Corporation Group. In light of the above, it is hereby proposed to approve the Company to undertake a liability insurance policy for directors and officers (the "New Insurance Policy") under the conditions specified in Section 4 of the Report with a framework transaction for a period of 3 years from the date of listing of the Company's shares on a Foreign Stock Exchange. If the listing of the Company’s shares on the Foreign Stock Exchange is not completed, the Company shall not undertake the New Insurance Policy, and the existing insurance policy shall remain in force. The Company’s purchasing of the New Insurance Policy shall be in the form of a joint tier with the Israel Corporation and in a separate tier, with the directors and officers in ICL as beneficiaries in both tiers.

3. Names of controlling shareholders that have a personal interest in the approval of the proposals in sections 1.1 and 1.3 above and the nature of their personal interest

To the best knowledge of the Company, as of the reporting date, the controlling shareholder of the Company, the meaning of the term “control” as defined in Section 268 of the Companies Law, is the Israel Corporation. For additional details, see section 2.2 of the Report.

The Israel Corporation has a personal interest in the resolution referred to in section 1.1 on the agenda due to it being a party to the Registration Rights Agreement and to an underwriting agreement, to the extent that such an agreement is signed, and the resolution referred to in section 1.3 on the agenda due to it being a party to the New Insurance Policy, and also due to the fact that certain directors of the Company and its subsidiaries also serve as officers or directors of the controlling shareholder whom are beneficiaries of the New Insurance Policy.

In addition, the following shareholders of the Company, who are officers thereof, have a personal interest in the approval of the resolution referred to in section 1.3 on the agenda since they are beneficiaries of the insurance coverage under the New Insurance

4. **Names of directors who have a personal interest in the approval of the proposals in sections 1.1 and 1.3, and the nature of their personal interest**

Messrs. Nir Gilad, Avisar Paz, and Eran Sarig, who serve as directors of the Company on behalf of the Israel Corporation and also as officers in the Israel Corporation, and Aviad Kaufman who serves as a director of the Company on behalf of the Israel Corporation and also as a director of the Israel Corporation, have a personal interest in entering into the agreement which is the subject of Section 1.1 on the agenda, due to the Israel Corporation being a party to the Registration Rights Agreement and the underwriters agreement, to the extent that such an agreement is signed.

All the directors serving in the Company have a personal interest in purchasing the New Insurance Policy which is the subject of section 1.3 on the agenda since they are beneficiaries of the insurance coverage under the New Insurance Policy.

5. **Location and date of the General Meeting; Quorum**

The General Meeting will convene on Thursday, May 8th, 2014, at 10:00, in the offices of the Company at 23 Aranha Street, Millennium Tower (23rd floor), Tel Aviv.

The General Meeting shall have a legal quorum with the presence of two (2) shareholders, in person or by proxy, who together hold more than 50% of the issued shares conferring voting rights in the Company, within half an hour from the time appointed for the meeting. If the said legal quorum is not present at the General Meeting within half an hour after the time appointed for the commencement of the meeting, the General Meeting shall be adjourned to the same day of the following week, at the same time and in the same location. The adjourned meeting shall have a legal quorum with the presence of at least two (2) shareholders, in person or by proxy, who together hold more than 50% of the issued shares conferring voting rights in the Company, within half an hour from the time appointed for the commencement of the meeting. If the said legal quorum is not present at the adjourned meeting within half an hour after the appointed time for the meeting, then two members, in person or by proxy, with voting rights, holding at least one-third of the issued share capital of the Company shall constitute a legal quorum and shall be entitled to discuss and decide on the matters for which the meeting was called.

6. **The majority required for the approval of proposals on the agenda of the General Meeting**

The required majority at a General Meeting to approve the resolutions proposed in sections 1.1 and 1.3 on the agenda of the General Meeting is a majority of the votes of the shareholders present at the General Meeting entitled to vote and that actually voted,
subject to compliance with one of the following: (a) the votes of the majority in the General Meeting includes the majority of the votes of shareholders participating in the vote who do not have a personal interest in the approval of the relevant transaction (in the total number of votes of the said shareholders, the abstaining votes shall not be taken into account); (b) the total opposing votes of the said shareholders mentioned in sub-paragraph (a) above does not exceed two percent (2%) of the total voting rights in the Company.

The required majority at the General Meeting to approve the proposals in section 1.2 on the agenda of the General Meeting is a regular majority of the shareholders participating in the vote, excluding the controlling shareholders in the Company.

7. Eligibility to vote; proof of ownership; Voting Slips

The determining date of the eligibility to attend and vote at the General Meeting pursuant to section 182 (b) of the Companies Law and Article 3 of the Companies Regulations (Written Votes and Statements of Position), 2005 ("Voting Slip Regulations"), is Tuesday, April 8th, 2014 ("the Determining Date"). Every shareholder of the Company on the Determining Date is entitled to vote at the General Meeting in person or by proxy. The document appointing a proxy to vote ("Letter of Appointment") shall be prepared in the manner specified in the Articles of Association of the Company and shall be signed by the appointer or by a proxy authorized thereto, and if the appointer is a corporation, the Letter of Appointment shall be prepared in writing in the manner specified in the Articles of Association of the Company and signed legally in a manner binding the corporation or by signature of its authorized proxy. The Letter of Appointment shall be deposited at the registered office of the Company, at least forty-eight (48) hours prior to the commencement of the meeting or the adjourned meeting, as applicable, in which the proxy intends to vote upon the basis of the Letter of Appointment.

In accordance with the Companies Regulations (Proof of Ownership of a Share for Voting at the General Meeting), 2000, a shareholder of the Company, that has a share registered in his name with a member of the TASE, and that share is registered in the register of shareholders in the name of the nominee company, shall be able to participate in the General Meeting, personally or by proxy, only if he provides the Company, prior to the date of the General Meeting, with an approval from the member of the TASE, with whom the share is registered in his name, with respect to the ownership of shares in the Company on the Determining Date (to be obtained from the member of the TASE), in accordance with the form in the addendum of the said regulations ("Certificate of Ownership"). A shareholder whose shares are registered with the TASE member is entitled to receive the Certificate of Ownership from the member of the TASE, through which he holds his shares, at the branch of the TASE member or by mail to his address for the sole cost of the postage, if he so requested.
Requests regarding this matter should be made in advance with regard to a specific securities account.

A shareholder is entitled to vote at the General Meeting on resolutions on the agenda using a voting slip. Written votes shall be made using the second part of the voting slip, attached to this Report ("Voting Slip"). The Voting Slip and statement of position, as defined in Section 88 of the Companies Law, if given, can be inspected on the dissemination website of the Israel Securities Authority at: www.magna.isa.gov.il (the "Dissemination Website") and the website of the Tel Aviv Stock Exchange Ltd. (the "TASE Website") at: http://maya.tase.co.il. Any shareholder may contact the Company directly to receive the wording of the Voting Slip and the statement of position (if given).

The member of the TASE shall send, no later than five days after the Determining Date, without charge, by email, a link to the form of the Voting Slip and the statement of position (if given) on the Dissemination Website to each shareholder of the Company that is not registered in the register of shareholders of the Company but whose shares are registered with a member of the TASE, if such shareholder notifies that he so wishes, provided that notice was given for a specific securities account and prior to the Determining Date.

The Voting Slip and the documents to be attached thereto as specified therein, must be delivered to the offices of the Company (by hand or by registered mail) together with a Certificate of Ownership (and with regard to a registered shareholder - together with a copy of the Identity Card, Passport or Certificate of Incorporation, as applicable) until Sunday, May 4th, 2014 at 10:00. In this regard "Delivery Date" is the date that the Voting Slip and the attached documents arrive at the Company's offices.

8. Inspection of documents

This Report and the documents mentioned therein, and the full text of the resolutions on the agenda can be inspected at the Company offices, 23 Aranha St. (Millennium Tower), 23rd floor, Tel- Aviv, by prior appointment with the Company Secretariat at Tel: 03-6844440, Sunday through Thursday, during regular working hours, until the day of the General Meeting and on the Company website at: http://www.icl-group.com. Furthermore, this Report, the Voting Slip and the statements of position, as defined in Section 88 of the Companies Law, as given, can be inspected on the Dissemination Website and the TASE Website as mentioned above.
April 1\textsuperscript{st}, 2014

To:       To:
Israel Securities Authority    Tel Aviv Stock Exchange Ltd.
22, Rehov Kanfei Nesharim    54, Rehov Ahad Ha’am
Jerusalem    Tel Aviv

Through the electronic full disclosure
system (Magna)    Through the electronic full disclosure
system (Magna)

Subject: Immediate Report on the Convening of a Special General Meeting of Israel
Chemicals Ltd. (the "Company"), pursuant to Article 36(b) of the Securities
Regulations (Immediate and Periodic Reports), 1970 (the "Report
Regulations"), the Securities Regulations (Transaction between a Company
and a Controlling Shareholder Therein), 2001 (the "Controlling Shareholder
Regulations"), the Companies Regulations (Notice and Announcement of
General Meeting and Class Meeting in a Public Company), 2000 and the
Companies Law, 1999 (the "Companies Law") (the "Report")

This Immediate Report is hereby presented on the convening of a special General Meeting
of the shareholders of the Company ("the General Meeting") which shall convene on
Thursday, May 8\textsuperscript{th}, 2014, at 10:00, in the offices of the Company at 23 Aranha Street,
Millennium Tower (23\textsuperscript{rd} floor), Tel - Aviv, and on the agenda of which are the issues
specified below:

1. The General Meeting agenda

1.1 To approve the Company’s entering into a Registration Rights Agreement with
the controlling shareholder

The approval of the Company’s entering into a Registration Rights Agreement
("Registration Rights Agreement") with the controlling shareholder of the
Company, the Israel Corporation Ltd. ("Israel Corporation") and companies
related to the Israel Corporation (collectively: "the Israel Corporation Group"), to
grant registration rights in connection with the Company's shares held by the Israel
Corporation Group as of this Report, as well as shares of the Company which the
Israel Corporation Group holds at a future time, directly or indirectly, and this in
connection with the listing of the Company's shares on the New York Stock
Exchange ("NYSE"), or a foreign stock exchange as defined in section 1 of the
Securities Law, 1968 (hereinafter, including NYSE, "Foreign Stock Exchange"
and "Securities Law", respectively) if carried out, and in connection with the
exercise by the Israel Corporation Group of the registration rights, to approve for
the Company to enter into, together with the Israel Corporation Group, an
underwriting agreement with underwriters. The Registration Rights Agreement shall
enter into effect on the date of approval of the General Meeting. For background and details on the Company’s entering into the Registration Rights Agreement, see section 2 of the Report.

Proposed resolution: "To approve the Company’s entering into a Registration Rights Agreement with the Israel Corporation Group to provide registration rights in connection with the Company's shares held by the Israel Corporation Group, as well as shares of the Company which the Israel Corporation Group holds at a future time, directly or indirectly, and in connection with the exercise by the Israel Corporation Group of the registration rights, to approve the Company's entering into, together with the Israel Corporation Group, an underwriting agreement with underwriters."

1.2 To approve the transition to a reporting format in accordance with the provisions of Chapter E3 of the Securities Law

To approve of a transition from a reporting format in accordance with Chapter F of the Securities Law, to a reporting format in accordance with Chapter E3 of the Securities Law, as of the later date of the listing of the Company's shares on a Foreign Stock Exchange or October 31st, 2014. For background and additional details regarding the transition of the Company to a reporting format in accordance with Chapter E3 of the Securities Law, see section 3 of the Report.

Proposed resolution: “To approve the transition of the Company to a reporting format in accordance with Chapter E3 of the Securities Law, at the later date of the listing of the Company's shares on a Foreign Stock Exchange or October 31st, 2014.”

1.3 To approve the Company’s purchasing of an insurance policy for officers and directors

It is hereby proposed to approve the Company’s purchasing of a liability insurance policy for directors and officers (the "New Insurance Policy") under the conditions specified in section 4 below, within a framework transaction for a period of 3 years from the date of the listing of the Company's shares on a Foreign Stock Exchange, if carried out. If the listing of the Company's shares on a Foreign Stock Exchange is not completed, the Company shall not undertake the New Insurance Policy and the existing insurance policy shall remain in force.

Proposed resolution: "To approve the Company’s purchasing of a liability insurance policy for directors and officers in accordance with the conditions specified in section 4 below, within a framework transaction for a period of 3 years from the
date of the listing of the Company's shares on a Foreign Stock Exchange, if carried out”.

2. The Company’s entering into a Registration Rights Agreement

2.1 Summary of the main details of the entering into the Registration Rights Agreement and its terms

On November 12, 2013, the Board of Directors of the Company instructed the management of the Company to prepare for the dual listing of the shares of the Company on a stock exchange in New York. Consequently, the Company is pursuing the listing of its shares on the NYSE (or another Foreign Stock Exchange).

With respect to the registration of the Company’s shares for trading on the NYSE or other Foreign Stock Exchange (as defined above), if carried out, it is proposed to grant the Israel Corporation Group, from the date of approval of the General Meeting, certain registration rights in connection with the shares of the Company held by the Israel Corporation Group, as well as shares of the Company which will be held by it from time to time, directly or indirectly, and in connection with the exercise by the Israel Corporation Group of the registration rights, to approve for the Company to enter into, together with the Israel Corporation Group, an underwriting agreement with underwriters, as follows:

2.1.1 Demand Registration: The Israel Corporation Group shall be entitled to demand that the Company, at any time, register the shares of the Company which the Israel Corporation Group holds for trading, according to a complete Registration/Prospectus Document. The Israel Corporation Group shall be entitled to exercise the aforementioned right only three times (at intervals of at least one year from each exercise of sale), provided that the shares it demands to register within the framework of each demand shall be at a market value which is no less than 50 million U.S. dollars. In certain cases, as specified in the agreement, the Company shall not be obliged to honor the said demand, and furthermore shall be entitled to delay the said demand for certain periods.

As stated in section 2.3 Part A of the Periodic Report for 2013 published by the Company on March 19, 2014 (reference number: 2014-01-017478 ) (the "Periodic Report for 2013 " ), the Israel Corporation announced that the Board of Directors of the Israel Corporation instructed its management to pursue the registration for trading in New York of the shares of the Company as described below. The Board of Directors of the Israel Corporation further instructed its management to examine possibilities, with respect to the shares of the Company amounting to up to 7% of the share capital of the Company, held by the Israel Corporation (the "IC
Transaction": the possibility that the Israel Corporation will enter into a financial transaction (in the form of a derivative) in connection with the said shares of the Company, in accordance with which the Israel Corporation will receive financing, will lend the said shares of the Company to a financial institution and the financial institution will sell all or a portion of the said shares; and the possibility that the Israel Corporation will sell the said shares of the Company, or a combination of both options (the "IC Transaction"). The report noted that the Board of Directors of the Israel Corporation has not yet decided whether to enter into the IC Transaction, its format, the number of shares of the Company within the range specified above for which the Israel Corporation will enter into the IC Transaction, or the terms of the IC Transaction, including the price of the shares of the Company in the IC Transaction, if and to the extent the Israel Corporation enters into the IC Transaction. It was further stated in the said report that there is no certainty that the Israel Corporation will indeed enter into the IC Transaction, and if, and to the extent that it enters into the IC Transaction, there is no assurance if and when the IC Transaction will be completed.

In the event that the Israel Corporation carries out the IC Transaction, the exercise of the right of the Israel Corporation to demand registration for resale of the shares of the Company held by the Israel Corporation shall be in accordance with the terms of the Registration Rights Agreement set forth in this Section 2.1. If the Israel Corporation Group and the Company enter into an underwriting agreement in connection with the IC Transaction, the underwriting agreement shall be upon terms customary for agreements of this type and will include an undertaking on the part of the Company to indemnify the underwriters.

2.1.2 Piggyback Registration: At any time in which the Company will register its shares for resale in accordance with the law of the United States, the Israel Corporation Group shall have the right to join and register the shares of the Company which it holds, for the sale of such shares. This right shall not apply in the case of grant of equity compensation awards to officers, directors and employees or in the case of the issuance of shares for a merger, an exchange offer or other similar transactions.

2.1.3 Shelf Registration Demand: The Israel Corporation Group shall be entitled to demand that the Company, at any time, register the shares of the Company which the Israel Corporation Group holds for resale, in accordance with a short-form registration statement, at any time in which the Company shall be entitled under the law to carry out the said short-form registration. The Israel Corporation Group shall be entitled to exercise its right as stated
from time to time, provided that the shares it demands to register pursuant to each demand are of a market value that is no less than 50 million U.S. dollars. In certain cases, as specified in the agreement, the Company shall have the right to delay the said demand of the Israel Corporation Group for certain periods. The Israel Corporation Group may make use, not more than once a year, of the short-form registration statement to carry out underwriting proposals. Notwithstanding the above, the Israel Corporation Group may make use of the short-form registration for additional proposals within a period of one year; however, in this case the Company shall not be obliged to participate in activities which assist the marketing of the offer to investors or in the preparation of the documents attached to the proposal.

2.1.4 Notwithstanding the foregoing, in the event that the registration of the shares of the Company which are owned by the Israel Corporation Group involves an underwritten offering, to the extent that the underwriters recommend limiting the number of shares to be registered in the offering, then, to the extent that the Israel Corporation shall join the Company's offering (piggyback registration), the number of shares that the Israel Corporation Group shall be entitled to register shall be limited, and to the extent that the said offering is performed pursuant to a demand by Israel Corporation (Demand Registration), the number of shares which the Company may register shall be limited (Underwriters Cutbacks), all in accordance with the priority specified in the Registration Rights Agreement.

2.1.5 The Company shall bear all expenses incurred in connection with the registration of the shares for resale under the Registration Rights Agreement and the expenses related to the registration statement relating to the listing on a Foreign Stock Exchange in connection with the IC Transaction, including registration and filing fees, printing expenses, legal advice (other than legal advisors representing the Israel Corporation Group and the underwriters (with regard to shares sold by the Israel Corporation Group), to the extent there are any), accounting services, etc., but excluding the underwriting commissions of the underwriters involved in the sale of the shares of the Israel Corporation Group, provided that if the Company is also selling shares in the offering, the Israel Corporation Group shall only bear the underwriting fees for its share of the offered shares.

2.1.6 The Company shall indemnify the Israel Corporation Group, and its agents, for any damage, loss or expense incurred as a result of erroneous information included in a registration statement or in other documents in connection therewith or as a result of the omission of material information or as a result of a violation by the Company in connection with the registration,
except if the aforementioned erroneous information is provided by the Israel Corporation Group for the purpose of inclusion in the aforementioned documents (for which the Israel Corporation Group will indemnify the Company). The indemnity amount charged to the Israel Corporation Group shall not exceed the net proceeds the Israel Corporation Group receives from the sale of the securities, within the framework of the relevant registration.

2.1.7 The registration rights described above shall apply to all of the shares of the Company that shall be held from time to time by the Israel Corporation Group, including any securities issued with respect to those shares, including the distribution of bonus shares, stock split, change in capital, capital consolidation and a merger etc.

2.1.8 The Israel Corporation Group shall be entitled to assign its rights under the Registration Rights Agreement to any transferee to which the Israel Corporation Group shall sell shares of the Company representing at least 10% of the issued capital of the Company. The rights of the Israel Corporation Group, according to the Registration Rights Agreement, shall be transferred, in a manner in which the number of registration demands that can be directed to the Company shall not increase.

2.1.9 The term of the Registration Rights Agreement shall be for 10 years from the date of the initial registration on the NYSE (or another Foreign Stock Exchange), provided the Israel Corporation Group is an Affiliate of the Company, as this term is defined under U.S. law (as a rule, as long as the Israel Corporation Group holds shares in the Company at a rate exceeding 10%).

2.2 **Names of controlling shareholders who have a personal interest in the Company’s entering into the Registration Rights Agreement and the nature of their personal interest**

2.2.1 To the best knowledge of the Company, at the reporting date, the controlling shareholder of the Company, the meaning of the term "control" as specified in Section 268 of the Companies Law, is the Israel Corporation which holds approximately 51.80% of the issued share capital of the Company and of the voting rights thereof (approximately 51.80% in full dilution).

The Israel Corporation has a personal interest in the said resolution due to it being a party to the Registration Rights Agreement and due to the fact that it will be a party to the underwriting agreement, to the extent such an agreement is entered into.
2.2.2 In accordance with the requirements of the controlling shareholder regulations, the following is a list of the material shareholders in the Israel Corporation, to the best knowledge of the Company and as of the date of this Report, in accordance with the Immediate Reports of the Israel Corporation:

<table>
<thead>
<tr>
<th>Material Shareholder</th>
<th>Name of the Security</th>
<th>Number of Securities</th>
<th>Rate of Equity Holdings</th>
<th>Rate of Voting Holdings</th>
<th>Rate of Equity Holdings (at full dilution)</th>
<th>Rate of Voting Holdings (at full dilution)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Leumi of Israel Ltd.</td>
<td>Ordinary shares of NIS 1 par value each</td>
<td>1,382,802</td>
<td>17.96%</td>
<td>18.13%</td>
<td>17.69%</td>
<td>17.69%</td>
</tr>
<tr>
<td>KIRBY ENTERPRISES INC</td>
<td></td>
<td>57,054</td>
<td>0.74%</td>
<td>0.75%</td>
<td>0.73%</td>
<td>0.73%</td>
</tr>
<tr>
<td>Idan Ofer</td>
<td></td>
<td>296,597</td>
<td>3.85%</td>
<td>3.89%</td>
<td>3.79%</td>
<td>3.79%</td>
</tr>
<tr>
<td>Millennium Investments Elad Ltd.</td>
<td></td>
<td>3,613,446</td>
<td>46.94%</td>
<td>47.38%</td>
<td>46.21%</td>
<td>46.21%</td>
</tr>
<tr>
<td>XT Holdings Ltd.</td>
<td></td>
<td>95,472</td>
<td>1.24%</td>
<td>1.25%</td>
<td>1.22%</td>
<td>1.22%</td>
</tr>
<tr>
<td>H. L. Management and Consulting (1986) Ltd.</td>
<td></td>
<td>72,322</td>
<td>0.94%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

2.3 Approvals required for the Company’s entering into the Registration Rights Agreement

In accordance with Section 275 of the Companies Law, the Company’s entering into the Registration Rights Agreement was approved by the Audit Committee and the Board of Directors of the Company on March 17, 2014 and March 18, 2014, respectively, and is subject to approval by the General Meeting, by a majority as noted in section 6.2.1 of the Report.

2.4 Details of transactions of the same type as the Registration Rights Agreement or similar transactions between the Company and the controlling shareholder during the past two years

To the best knowledge of the Company, in the two years prior to the approval of the entering into of the Registration Rights Agreement by the Board of Directors of the Company, no agreements of the aforementioned type or similar agreements were entered into between the Company and the Israel Corporation or in which the Israel Corporation had a personal interest.

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1 The Israel Corporation is a public company the securities of which are traded on the Tel Aviv Stock Exchange Ltd.
2.5 **The manner of determining the consideration in the Registration Rights Agreement**

The apportionment of the expenses as set forth in the Registration Rights Agreement was determined through negotiations and in accordance with accepted practices for these types of agreements. The Audit Committee has determined, as per section 117 (1B) of the Companies Law, that a competitive process is not relevant to the agreement due to its nature, and has authorized the Chairman of the Audit Committee, Mr. Yair Orgler, to accompany the negotiations of the management of the Company with regard to the entering into the Registration Rights Agreement.

2.6 **The Audit Committee and the Board of Director’s reasoning for approving the Company’s entering into the Registration Rights Agreement**

The Audit Committee and Board of Directors approved the Company's entering into the Registration Rights Agreement in accordance with the terms specified in Section 2.1 of the Report, inter alia, based on the following considerations:

2.6.1 In order for the Israel Corporation Group to be able to sell its shares on a Foreign Stock Exchange, if and when it elects to do so, it is in need of a registration statement that is filed by the Company.

2.6.2 The awarding of registration rights to a controlling shareholder and in connection therewith, the entering, together with the controlling shareholder, into an underwriting agreement with underwriters, to the extent such an agreement is signed, constitutes a transaction that is in the interests of the Company and is an accepted practice among companies traded in the United States, and it would increase the liquidity and marketability of its shares. The aforementioned liquidity and marketability shall improve the ability of the Company to raise capital in the future as well as the ability of the shareholders of the Company to invest in its shares. Creating a liquid market and the marketability of the shares of the Company is one of the purposes underlying the decision of the Company to register the shares of the Company for resale and to list them on a stock exchange in New York. However, the registration alone may not be sufficient to create the liquid market stated above, and the sale of the shares of the Company by the Israel Corporation Group, directly or through a financial institution, is another means of achieving this objective.

2.6.3 The Israel Corporation Group will indemnify the Company for any damage caused as a result of erroneous information contained in a registration statement or in any other related document that are provided by the Israel Corporation Group for the purpose of inclusion in the aforementioned
documents (the indemnity amount to be charged to the Israel Corporation Group shall not exceed the net proceeds received from the sale of the securities by the Israel Corporation Group during the relevant registration).

2.6.4 The Company shall bear all expenses incurred in connection with the registration of shares for resale under the Registration Rights Agreement and the expenses related to the registration statement relating to the listing on a Foreign Stock Exchange, in connection with the IC Transaction, except for expenses of the legal advisers that represented the Israel Corporation Group and the underwriters (with regard to shares to be sold by the Israel Corporation Group), except for underwriter fees (with regard to shares to be sold by the Israel Corporation Group), provided that if in connection with the offering the Company will offer its shares as well, the Israel Corporation Group shall only bear the underwriting fees for its share of the offered shares.

2.6.5 The Audit Committee has determined that the entering into the Registration Rights Agreement for a period of ten years (namely, more than three years) is reasonable under the circumstances in light of what is acceptable for agreements of this type, and because the Company has an interest to increase the liquidity and marketability of its shares over an extended period of time. The Audit Committee and the Board of Directors also determined that the Company’s entering into the Registration Rights Agreement does not constitute a "distribution" as defined in the Companies Law, and there is no concern that the agreement would prevent the Company from meeting its current and expected obligations, as they become due.

2.6.6 In light of the above, the members of the Audit Committee and the Board of Directors are of the opinion that the Company's entering into the Registration Rights Agreement, and in connection therewith, the entering into an underwriting agreement with underwriters, together with the Israel Corporation Group, in connection with the exercise by the Israel Corporation Group of the registration rights, are fair and reasonable and are in the interests of the Company.

2.7 Names of the directors with a personal interest in approving the Company’s entering into the Registration Rights Agreement and the nature of their personal interest

Messrs. Nir Gilad, Avisar Paz, Eran Sarig and Aviad Kaufman, who serve as directors of the Company on behalf of the Israel Corporation, and also serve as officers or directors in the Israel Corporation, have a personal interest in the
Company’s entering into the Registration Rights Agreement, by virtue of the fact that the Israel Corporation is a party to the Registration Rights Agreement and to the underwriting agreement, if signed.

2.8 **Names of the directors who participated in the discussions of the Audit Committee and the Board of Directors with respect to the Registration Rights Agreement**

The meeting of the Audit Committee held on March 12, 2014, during which the Audit Committee determined the process by which the entering into the Registration Rights Agreement would take place for the purposes of Section 117 (1B) of the Companies Law, was attended by: Professor Yair Orgler, Dr. Miriam Haran, Victor Medina and Yaacov Dior. The Audit Committee meeting held on March 17, 2014, during which the Company's entering into the Registration Rights Agreement was approved, was attended by: Professor Yair Orgler, Dr. Miriam Haran, Victor Medina, Yaacov Dior and Avram (Baiga) Shochat.

The meeting of the Board of Directors held on March 18, 2014, during which the approval of the Company’s entering into the Registration Rights Agreement was discussed, was attended by: Professor Yair Orgler, Dr. Miriam Haran, Victor Medina, Yaacov Dior, Ovadia Eli, Avraham (Baiga) Shochat and Haim Erez.

3. **Transition to a reporting format in accordance with Chapter E3 of the Securities Law**

Further to that stated in Section 2.1 above regarding the process of the listing of the securities of the Company on a Foreign Stock Exchange, it is proposed to approve the transition of the Company’s reporting format, in accordance with section 35(32) of the Securities Law and subject to the listing of the shares of the Company on the NYSE (or any other Foreign Stock Exchange as defined above), from the Transition Date (as defined below), from a reporting format in accordance with Chapter F of the Securities Law to a reporting format according to Chapter E3 of the Securities Law, for the reasons described below:

3.1 In accordance with section 35(32) (a) of the Securities Law, a corporation whose shares are registered for trading on the Tel Aviv Stock Exchange Ltd. ("TASE"), and that are also registered for trading on Foreign Stock Exchanges, and that is reporting in accordance with Chapter F of the Securities Law is permitted to transition to reporting according to the provisions of Chapter E3 of the Securities Law, provided that its said securities are registered for trading on the Foreign Stock Exchange. The NYSE is a Foreign Stock Exchange in accordance with the definition of the term in section 1 of the Securities Law.
3.2 The only series' of debentures of ICL traded on the TASE, Series A and Series D, are due to expire on April 30, 2014 and October 31, 2014, respectively ("Expiration Dates of the Debentures"). Due to the near expiration date of the said series' of debentures, the Board of Directors of the Company decided that the date of transition to a reporting format in accordance with Chapter E3 of the Securities Law will be the later date of the listing of the Company's shares on a Foreign Stock Exchange or the date of expiration of the Series D Debentures, i.e., October 31, 2014 ("the Transition Date").

3.3 In the period between the date of listing on the NYSE (or another Foreign Stock Exchange) and the Transition Date, the Company shall report both under the provisions of Chapter F of the Securities Law as well as under the provisions of the law in the United States and the provisions of the NYSE (or the provisions of another Foreign Stock Exchange on which the Company's share are listed).

3.4 Subject to the approval of the General Meeting by the majority prescribed in section 6.2.2 of the Report, immediately following the Transition Date the Company shall report its published reports to the U.S. Securities and Exchange Commission ("the SEC"), parallel to the Electronic Full Disclosure System (Magna).

3.5 The contents and dates of the reporting requirements that will apply to the Company under U.S. law and the provisions of the NYSE (or another Foreign Stock Exchange, as applicable) are different from those which currently apply to the Company under Chapter F of the Securities Law. For example, according to U.S. law the Company is not required to submit quarterly financial statements and is not required to provide disclosure in relation to the remuneration of officers and directors on an individual basis. However, the Company undertakes that, subject to the approval of the General Meeting, even following the transition to the reporting requirements in accordance with Chapter E3 of the Securities Law it will continue: (1) to file quarterly financial statements (including attachment of their discussion and analysis) and (2) to provide disclosure in relation to the remuneration given to the directors and to the five officers with the highest remuneration among all the officers in the Company. Furthermore, the Company has undertaken towards the Israel Corporation, that even following the transition to the reporting method in accordance with Chapter E3 of the Securities Law, and for as long as the Israel Corporation shall be a reporting company (as defined in section 1 of the Securities Law), it will continue to report in Israel and the United States regarding an event or matter that is outside the Company’s ordinary course of business, as stipulated in Article 36 of the Report Regulations. Additionally, the Company has undertaken towards the Israel Corporation, that for as long as the Israel Corporation will be a reporting company (as defined in section 1 of the Securities Law), the Company will provide the Israel Corporation with all information required by the Israel...
Corporation to fulfill its reporting obligations in accordance with the requirements of the law, as shall be from time to time, at the time requested by the Israel Corporation. It is to be noted that there are many differences between the two reporting regimes, in accordance with the Israeli law and in accordance with the U.S. law, and the above does not purport to be a comprehensive and exhaustive comparison between the two. In general, the Company will comply with all reporting requirements under the provisions of the U.S. law, the provisions of the NYSE (or a different Foreign Stock Exchange, as applicable), the provisions of Chapter E3 of the Securities Law and the provisions of the TASE applicable to Israeli companies with dual listings on stock exchanges in Israel and in the United States. Furthermore, even following the move of the Company to a reporting format in accordance with Chapter E3 of the Securities Law, it will continue to be subject to the provisions of the Companies Law, and the regulations promulgated thereunder, subject to certain exemptions to which companies with the aforementioned dual listings are entitled.

3.6 The Board of Directors is of the opinion that the continued reporting in accordance with Chapter F of the Securities Law while simultaneously reporting according to the U.S. law shall constitute a heavy burden on the Company, will entail significant costs and will cause unnecessary information duplication.

4. **Details of the Company’s purchasing of an insurance policy for the directors and officers**

4.1 **Description of the main details in the Company’s purchasing of an insurance policy of directors and officers**

4.1.1 According to the decision of the General Meeting of the Company in August 2012, the Company purchased a liability insurance policy for directors and officers of the Company (including officers or directors in which the controlling shareholder of the Company may be considered to have a personal interest in their inclusion in the insurance policy) for directors and officers serving in the Company at the time and as shall serve in the Company from time to time (the "Existing Insurance Policy").

4.1.2 The Existing Insurance Policy consisted of two tiers - a joint tier shared with the controlling shareholder in the Company, the Israel Corporation, and a separate tier for officers and directors in the ICL Group, with the directors and officers of ICL as beneficiaries in both tiers. For additional details regarding the Existing Insurance Policy, see the Immediate Report published by the Company on July 22, 2012 (Ref. No. 2012-01-190464) ("Existing Insurance Policy Confirmation Report").
4.1.3 Due to the process of registration of the shares of the Company on the NYSE (or any other Foreign Stock Exchange), it became necessary to update the conditions of the insurance policy for officers and directors in accordance with what is common for companies registered for trading in the United States of America, including with respect to the limit of liability and the premium to be paid, and in connection with the apportionment of the liability for the insurance premium to be paid between the Company and the Israel Corporation Group. In light of the above, it is hereby proposed to approve the Company’s purchasing of a liability insurance policy for directors and officers (the "New Insurance Policy") under the conditions set out below, as a framework transaction for a period of 3 years starting from the date of the Company's listing on the NYSE (or any other Foreign Stock Exchange, as defined above), if carried out.

4.1.4 It is to be noted that if the listing of the shares of the Company on a Foreign Stock Exchange is not completed, the Company shall not undertake the New Insurance Policy, and the Existing Insurance Policy shall remain in effect.

4.1.5 The Company’s purchasing of the New Insurance Policy (to the extent undertaken) shall be carried out in two tiers as described below, with the directors and officers of ICL as beneficiaries in both tiers:

4.1.5.1 **The Joint Tier** – The New Insurance Policy shall insure the liability of the officers and directors in the ICL Group, with respect to such officers and directors who shall serve from time to time, and their responsibility during their tenure in certain companies in which they were or will be appointed by or on behalf of the ICL Group, and in addition, the liability of the officers and directors serving in the Israel Corporation and in companies under its control as well as their liability due to their tenure in certain companies to which they were appointed by or on behalf of the Israel Corporation except for the ICL Group (in this section below, collectively referred to as "the Israel Corporation Group"), with respect to such officers and directors who shall serve from time to time. The insurance coverage of the joint tier shall have a liability of up to 20 million U.S. dollars, per event and for the period.

4.1.5.2 **The Separate Tier** - The New Insurance Policy shall insure the liability of officers and directors in the ICL Group, with respect to such officers and directors who shall serve from time to time (including their responsibility during their tenure in certain companies to which they were appointed by or on behalf of the ICL Group) according to the accepted terms of coverage for this type of
insurance. The insurance coverage of the separate layer shall have a liability of up to 350 million U.S. dollars, per event and for the period.

4.1.6 The deductible amounts that shall be determined for both the joint tier and the separate tier shall not exceed the accepted amounts in the insurance market for transactions of this type and scope at the date of the agreement. The maximum aggregate coverage and premiums paid for the said New Insurance Policy shall not exceed the amount determined in the Remuneration Policy of the Company (with respect to both tiers together).

4.1.7 The apportionment of the liability for payment of the insurance premiums between the Company and the Israel Corporation Group for the joint tier shall be as follows: the Company - sixty per cent (60%); the Israel Corporation - 40 per cent (40%). This is based on the assessment of the insurance consultants of the Company and the assessment of the insurers, at this date. The Remuneration Committee and the Board of Directors shall have the authority to approve amendments, from time to time, in connection with the apportionment of the premium amount between the ICL Group and the Israel Corporation Group with respect to the joint tier, provided that the change does not deviate by more than twenty five per cent (25%) above the apportionment described above.

4.1.8 The decision to approve the Company's purchasing of the aforementioned New Insurance Policy, including the decision on the apportionment of the liability for the insurance premiums to be paid by the Company and the Israel Corporation, shall serve as a "framework transaction" as per the meaning specified in Article 1 (3) of the Companies Regulations (Relief in Transactions with Interested Parties), 2000 (the "Interested Party Relief Regulations") which allows the Company, during the three years from the date of approval of the General Meeting, to undertake the New Insurance Policy, and to renew such policy every insurance year (or at other times that will be decided in accordance with the needs of the Company), for the directors and officers, as mentioned above, from any insurance company in Israel and/or abroad, selected by the Board of Directors of the Company, provided that the Remuneration Committee and the Board of Directors of the Company shall approve in respect of the purchase of the insurance and its renewal from time to time (if required), that the terms of the policy are consistent with the framework transaction. The Remuneration Committee and the Board of Directors shall have the authority to amend, from time to time, the amount of coverage, the premium amounts and apportionment ratio of the premium between the ICL Group and the Israel Corporation Group,
subject to the conditions specified above and subject to the terms of the Remuneration Policy of the Company, as amended from time to time.

4.2 **The names of the controlling shareholders who have a personal interest in approving the Company's purchasing of the New Insurance Policy**

4.2.1 To the best knowledge of the Company, at the reporting date, the controlling shareholder of the Company, as the term "control" is specified in Section 268 of the Companies Law, is the Israel Corporation. For additional details, see section 2.2 of the Report. The Israel Corporation has a personal interest in the Company’s purchasing of the New Insurance Policy since it is a party to the New Insurance Policy and also since certain directors of the Company and its subsidiaries also serve as directors or officers of the controlling shareholder, and are beneficiaries of the New Insurance Policy.

4.2.2 In addition, the following shareholders of the Company, who are also officers or directors of the Company, have a personal interest in the approval of the Company purchasing of the New Insurance Policy since they are beneficiaries of the insurance coverage: Messrs. Yair Orgler, Avraham (Baiga) Shochat, Dani Chen, Avi Deutschman, Eli Amit, Herzl Bar Niv, Michael Hazan and Ofer Lifshitz.

4.3 **Approvals required to approve the purchasing of the New Insurance Policy**

The Company’s purchasing of the New Insurance Policy was approved by the Remuneration Committee and by the Board of Directors of the Company on March 17, 2014 and March 18, 2014, respectively, in accordance with section 275 of the Companies Law, and requires the approval of the summoned General Meeting according to this Report with a majority as specified in section 6.2 of the Report.

For the purposes of section 117 (1B) of the Companies Law, the Audit Committee determined that a competitive process is not relevant to the Company's purchasing of the New Insurance Policy due to its nature, especially given the fact that the apportionment of the maximum liability for payment of the insurance premium between the Company and the Israel Corporation was determined based on the assessment of the insurance consultants who based their assessment on the assessment of the insurers. The Chairman of the Audit Committee, Mr. Yair Orgler, is accompanying the purchase of the New Insurance Policy.

4.4 **Details of transactions of the same type as the approval of the purchase of the New Insurance Policy or similar transactions between the Company and the controlling shareholder during the past two years**
As stated above, as decided by the General Meeting of the Company dated August 29, 2012, the Company purchased the Existing Insurance Policy. For additional details, see the approval report for the Existing Insurance Policy.

4.5 The manner in which the consideration in the New Insurance Policy was determined

The framework conditions for the Company’s purchasing of the New Insurance Policy were determined in accordance with the accepted practice in the insurance market for this type and scope of transaction and in accordance with the Remuneration Policy of the Company. Apportionment of the maximum liability for the payment of the insurance premium between the Company and the Israel Corporation Group is based was determined based on the assessment of the insurance consultants who based their assessment on that of the insurers, as at this date.

4.6 The Remuneration Committee and the Board of Directors reasons for the approval of the Company’s purchasing of the New Insurance Policy

The Remuneration Committee and Board of Directors of the Company approved the Company’s purchasing of the New Insurance Policy, in accordance with the terms set forth in this Section 4, based on the following considerations:

4.6.1 The provision of insurance coverage for officers and directors is in the interests of the Company, as it allows the officers and directors of the Company to fulfill their duties appropriately and for the benefit of the Company, given the risks involved in the Company’s activities and the personal responsibility imposed, by law, on officers of the Company, and directors in particular, due to their activities as directors and officers in the Company;

4.6.2 The purchasing of liability insurance policies for directors and officers is a customary practice in public companies in Israel;

4.6.3 The terms and the arrangement of the insurance framework in question, including the scope of the insurance coverage and the premium amount, were determined in accordance with the evaluation of the Company, after consultation with the Company's insurance consultants and based on the assessment of the insurers, in accordance with the risks that will exist after the registration of the shares of the Company for trading on a Foreign Stock Exchange, and according to acceptable insurance market conditions, at the reporting date, for the purchase of liability insurance for directors and officers of the type and scope in question, all in accordance with the Remuneration Policy of the Company and taking into consideration the
requirements of the Company and its operations and considering that the insurance market is characterized by volatility and operates as a sophisticated market of supply and demand;

4.6.4 Purchasing insurance jointly with the Israel Corporation, the controlling shareholder of the Company, is aimed at the efficient and proper utilization of the size of the Group and reduces the cost of the insurance premium. The joint tier of insurance between the Company and the Israel Corporation is intended to ensure that a claim filed against the two companies together will be handled by the insurance companies in a uniform and coordinated manner. The apportionment ratio of the maximum liability for the insurance premium between the ICL Group and the Israel Corporation Group in connection with the joint tier was determined based on an evaluation by the insurance consultants of the Company and based on the assessment of the insurers;

4.6.5 The framework conditions of the New Insurance Policy are reasonable given the nature of the Company and scope of its operations, as well as the insurance risk that will exist after the listing on a Foreign Stock Exchange, and are identical for all officers and directors of the Company. In addition, the conditions of the New Insurance Policy are within the parameters set forth in the Remuneration Policy;

4.6.6 The Audit Committee and the Board of Directors determined that the purchase of the New Insurance Policy for officers and directors of the Company does not constitute a "distribution", as defined in the Companies Law, and there is no concern that the purchase would prevent the Company from meeting its current and expected obligations, as they become due;

4.6.7 In light of the above, the members of the Remuneration Committee and the Board of Directors of the Company are of the opinion that the Company's purchasing of the New Insurance Policy is fair and reasonable and is in the interests of the Company.

4.7 **The names of the directors who have a personal interest in the Company’s purchasing of the New Insurance Policy and the nature of their personal interest**

All the directors serving in the Company have a personal interest in the approval of the Company’s purchase of the New Insurance Policy since they are beneficiaries of the insurance coverage.
4.8 The names of the directors who participated in the discussions of the Remuneration Committee and the Board of Directors regarding the approval of the purchasing of the New Insurance Policy

4.8.1 The Audit Committee meeting held on March 12, 2014, in which the Audit Committee determined the process according to which the purchasing of the New Insurance Policy would be carried out, for the purposes of section 117 (1B) of the Companies Law, was attended by: Professor Yair Orgler, Dr. Miriam Haran, Victor Medina and Yaacov Dior.

4.8.2 The Remuneration Committee meeting held on March 17, 2014, in which the Company's purchasing of the New Insurance Policy was approved, was attended by: Professor Yair Orgler, Dr. Miriam Haran, and Yaacov Dior.

The Board of Directors meeting held on March 18, 2014, in which the Company's purchasing of the New Insurance Policy was approved, was attended by: Nir Gilad, Avisar Paz, Eran Sarig, Aviad Kaufman, Professor Yair Orgler, Dr. Miriam Haran, Victor Medina, Yaacov Dior, Ovadia Eli, Avraham (Baiga) Shochat and Haim Erez.

5. Convening of a General Meeting

5.1 Date and location of the General Meeting; legal quorum

The General Meeting will convene on Thursday, May 8th, 2014 at 10:00, in the Company’s offices at 23 Aranha Street, Millennium Tower (23rd floor), Tel Aviv.

The legal quorum for holding the special General Meeting will be constituted upon the presence, in person or by a proxy, of two (2) shareholders who together hold more than 50% of the issued shares that grant voting rights in the Company, within half an hour from the time scheduled for the start of the General Meeting. If within half an hour from the time scheduled for the General Meeting, a quorum is not present, the General Meeting shall be adjourned to the same day in the next week, at the same time and location. At the adjourned meeting a legal quorum will be constituted upon the presence, in person or by a proxy, of two (2) shareholders who together hold more than 50% of the issued shares that grant voting rights in the Company, within half an hour from the time scheduled for the start of the General Meeting. If a legal quorum is not present within half an hour from the time scheduled for the adjourned meeting, then two members with voting rights, who hold at least one-third of the Company’s issued share capital, who are present, in person or by proxy, shall be a legal quorum and be permitted to discuss and decide on the issues for which the General Meeting was convened.
5.2 The majority required to pass resolutions in the General Meeting

5.2.1 The majority required for approval of the proposed resolutions in sections 1.1 and 1.3 on the agenda of the General Meeting, is an ordinary majority of the shareholders attending the General Meeting, who are eligible to vote and voted at the meeting, provided one of the following conditions is met: (a) the majority of the votes counted at the General Meeting includes a majority of the votes of shareholders who do not have a personal interest in the approval of the relevant transaction, who participate in the vote (the total votes of the said shareholders shall not include the abstaining votes); (b) The total votes of opposing shareholders among those referred to in sub-section (a) above does not exceed two percent (2%) of the total voting rights in the Company.

5.2.2 The majority required for the General Meeting to approve the resolution specified in paragraphs 1.2 of the agenda of the General Meeting, is an ordinary majority of the shareholders who are participating in the vote, except for the controlling shareholders of the Company.

5.3 Date to determine eligibility to vote

Pursuant to section 182(b) of the Companies Law and Regulation 3 of the Companies Regulations (Voting Slips and Statements of Position) 2005, the effective date for determining eligibility to participate and vote in the General Meeting is Thursday, April 8th, 2014 (the "Effective Date").

Each shareholder of the Company as of the Effective Date is eligible to vote at the General Meeting, in person or by proxy, who may participate in the General Meeting and vote on his behalf. The document authorizing a proxy to vote (hereinafter – “the Proxy Form”) shall be drawn up in accordance with the Company’s Articles of Association and signed by the appointing shareholder or by his proxy who has the authorization to do so, and if the shareholder is a corporation, the Proxy Form shall be drawn up in writing as specified in the Company’s Articles of Association and duly signed in a manner that obligates the corporation or by an authorized proxy. The Proxy Form shall be deposited in the Company’s offices of record at least forty-eight (48) hours prior to the time of convening the General Meeting or the adjourned meeting, as applicable, at which the proxy intends to vote, based on the Proxy Form.

Pursuant to the Companies Regulations (Proof of Ownership of a Share for Voting at a General Meeting) Regulations, 2000, a shareholder in whose name a share is registered with a member of the TASE and that share is included among the shares registered in the Shareholders Register in the name of the registering company, can participate in the General Meeting, in person or by proxy, only if he submits to the Company prior to the date of the General Meeting, confirmation from the member of the TASE, with which his right to the share is registered, of his ownership of the
shares on the Effective Date (which is obtained from said member of the TASE), in accordance with the form appended to the aforementioned Regulations (the “Confirmation of Ownership”).

A shareholder whose shares are registered with a member of the TASE is entitled to receive the Confirmation of Ownership from the member of the exchange through which he holds the shares, at a branch of the TASE member, or by mail to his address, for a postage price only, if he so requests. A request in this regard should be made in advance for a particular securities account.

5.4 Voting slips and statements of position

Shareholders are entitled to vote on the resolutions on the agenda, using a voting slip. Votes will be cast using the second part of the voting slip, which is appended to this Report (hereinafter –the "Voting Slip").

It is possible to view the Voting Slips and statements of position, as defined in section 88 of the Companies Law, if any, at the dissemination website of the Israel Securities Authority at www.magna.isa.gov.il (“the Dissemination Website”) and on the Internet site of the Tel Aviv Stock Exchange at http://maya.tase.co.il (the "TASE Website").

Any shareholder may contact the Company directly and receive the form of the Voting Slip and statements of position (if any).

A member of the TASE shall send by email, free of charge, not later than five days after the Effective Date, a link to the Voting Slip and statements of position (if any) at the Dissemination Website, to any shareholder of the Company who is not registered in the shareholder ledger of the Company and whose shares are registered with a member of the TASE, if the shareholder gives notice of his interest, provided that the notice is given regarding a specific securities account prior to the Effective Date.

The Voting Slip and documents attached thereto, as specified on the Voting Slip, shall be submitted to the Company’s offices (delivered by hand or by registered mail) together with the confirmation of ownership (and for a registered shareholder – with a copy of his ID card, passport or certificate of incorporation, as applicable) until Sunday, May 4th, 2014 at 10:00. In this regard, the “Submission Date” is the date on which the Voting Slip and the attached documents, reach the Company’s offices.

The last date on which shareholders may submit a statement of position to the Company is ten days after the Effective Date, i.e. by Friday, April 18th, 2014. The last date for submitting a response from the Board of Directors to the statements of position, if and to the extent statements of position are submitted by the shareholders and the Board of Directors chooses to file a response to the statement of position is: Friday, April 25th, 2014.
One or more shareholders who hold shares that represent five percent (5%) or more of the voting rights in the Company, and anyone who holds such percentage of the voting rights which are not held by the controlling shareholder of the Company, as the term is defined in section 268 of the Companies Law, is entitled after the General Meeting has been convened, to review the Voting Slips received by the Company, as specified in Article 10 of the Voting Slip Regulations, at the Company's registered office from Sunday to Thursday, during regular working hours, by appointment with the Company.

As of the date of the Report, the number of shares that constitute 5% of the total voting rights in the Company is: 63,521,277 ordinary shares of NIS 1 par value each of the Company.

The number of shares that constitute 5% of the total voting rights in the Company which are not held by a controlling shareholder of the Company (as defined in section 268 of the Companies Law) is, with regard to the resolution in section 1.1 of the Report – 30,228,100 ordinary shares of NIS 1 par value each of the Company, with regard to resolution, with regard to the resolution in section 1.3 of the Report – 30,221,398 ordinary shares of NIS 1 par value each of the Company.

6. **Powers of the Securities Authority**

In accordance with the Controlling Shareholders Regulations, within twenty one (21) days of the date of submitting the Report, the Securities Authority or employees that it authorized (“the ISA”) may instruct the Company to provide, by a designated date, explanations, details, information and documents regarding the resolutions specified in sections 1.1 and 1.3 of the Report, as well as to instruct the Company to amend the Report in such manner and on such date as the ISA shall determine. If an instruction to amend the Report is given, the ISA may give an instruction to postpone the convening of the General Meeting as stipulated in the Controlling Shareholders Regulations. The Company shall submit an amendment pursuant to such instruction in the manner specified in the Controlling Shareholders Regulations, except if the ISA has instructed otherwise.

7. **Details of the Company’s representative concerning the immediate report**

The Company’s representative for the matter of this immediate report is the Company’s legal counsel and Company secretary, attorney Liza Chaimovitch, from 23 Aranha Street, Millennium Tower (23rd floor), Tel Aviv; Telephone: 03-6844412, fax: 03-6844435.

8. **Review of documents**

This Report, the documents referred to therein, and the full text of the resolutions on the agenda of the General Meeting are available for review at the Company’s offices
at 23 Aranha Street (Millennium Tower), 23rd floor, Tel Aviv, after making an appointment with the Company Secretary, Telephone: 03-6844440, from Sunday to Thursday during normal working hours, until the date of the General Meeting as well as on the Company’s Internet site at http://www.icl-group.com. In addition, this Report, the Voting Slip and the statements of position, as defined in Section 88 of the Companies Law, if any, can also be reviewed on the Dissemination Website and the TASE Website, as aforementioned.

Sincerely,

Israel Chemicals Ltd.

Names and positions of the undersigned: Liza Chaimovitch, VP, Legal Counsel and Company Secretary

Date of signing: April 1st, 2014