

August 31, 2016

### Renewal of Officers' Insurance Policy

The Company hereby announces, in accordance with the Companies Regulations (Mitigations in Transactions with Interested Parties), 5760-2000 (the "**Mitigations Regulations**"), as follows:

1. On May 8, 2014, the Company's shareholders approved the directors and officers insurance policy as a three years framework resolution,<sup>1</sup> commencing on the date of listing of the Company's shares on the NYSE, under the conditions specified in Section 4 of the proxy statement published by the Company on April 1, 2014 (reference number: 2014-01-035505) (the "**Proxy Statement**").
2. On August 8 and 9, 2016, respectively, the Company's Audit & Accounting Committee and the Board of Directors, approved the renewal of the insurance policy for officers currently serving or who will serve in the Company from time to time, as well as their liability in their capacity as officers of certain companies to which they have been or will be appointed by the ICL Group or on its behalf, for a period of an additional year, commencing as of September 1, 2016, until August 31, 2017.
3. The insurance policy includes a joint tier with Israel Corporation Ltd. Group ("**Israel Corporation**") with a joint liability limit of up to \$20 million per occurrence and in the aggregate, and a separate tier that covers the ICL Group alone for up to \$200 million per occurrence and in the aggregate (total policy amount of \$220 million). Pursuant to the policy, the division of the premium amount in the joint tier is as follows: 70% will be paid by the Company and 30% by the Israel Corporation, in accordance with the framework resolution and as further detailed in the Proxy Statement. According to the framework resolution, the officers of the ICL group are beneficiaries of both tiers. The cost of the annual premium is about \$800,000 for both layers. The terms of the policy adhere to the terms of the framework resolution and of the Company's Compensation Policy.
4. In accordance with regulation 1C of the Mitigations Regulations: (a) relief pursuant to regulation 1 of the Mitigations Regulations shall not apply to the Company if one or more shareholders holding more than at least one percent of the issued capital or the voting rights of the Company, objects to the said mitigation, provided that such objection was delivered to the Company in writing no later than 14 from the date this announcement was filed; (b) in case an objection as aforesaid in subsection (a) above was submitted, the engagement in question shall be subject to approval in accordance with the provisions of section 273 or 275 of the Companies Law, 5759-1999, as the case may be.

Name of the authorized signatory on the report and the name of the authorized electronic signatory:

Lisa Haimovitz

Position: Senior Vice President, Global General Counsel and Corporate Secretary

Date of Signature: August 31, 2016

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<sup>1</sup> As defined in Article 1(3) of the Companies Regulations (Transactions with Interested Parties), 5760-2000.