



December 3, 2018

Filing of Law Suit against IBM Israel due to the Failure of ICL's IT Project

Further to the Company's immediate report dated September 29, 2016 (Ref. No. 2016-02-057429) and to the Company's 2017 Annual Report (20-F), regarding ICL's board of Director's decision to discontinue the Harmonization Project, aimed at developing and establishing an updated global ERP system, as well as to the Company's disclosure regarding the mediation proceeding conducted between the Company and the lead supplier in the Project (IBM Israel) for settlement of mutual monetary disputes that arose upon discontinuation of the Project, the Company reports, that following exhaustion of the mediation proceeding, it has filed today a law suit in the Tel Aviv District Court, against IBM Israel, in the amount of \$300 million (approx. ILS 1,113,000,000), for compensation of the damages incurred to the Company due to IBM's failure to meet its undertakings within the Project, which led to the failure of the Project and the write-off of the investment made therein from the Company's books.

Name of the authorized signatory on the report and name of authorized electronic reporter:
Lisa Haimovitz

Position: SVP, Global General Counsel

Signature Date: December 3, 2018

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