

January 13, 2016

ISRAEL CHEMICALS LTD (the “Company”)

Tax withholding on dividends paid on shares traded on the New York Stock Exchange (“NYSE”)

The Company wishes to inform that it has obtained from the Israel Tax Authority (“ITA”) a ruling regarding procedure that may enable non-Israeli shareholders who are entitled for reduced withholding tax rate to get refunds of Israeli tax withheld in excess from dividends paid to shareholders (“NYSE Shareholders”) with respect to shares traded on the NYSE (“NYSE Dividends”). Below is a summary of the tax ruling, which shall apply as of January 2016:

1. The Company has appointed I.B.I. Trusts Ltd., an Israeli company, as nominee for tax purposes (the “Nominee”).
2. The Company will withhold Israeli tax from any NYSE Dividend at the full rate prescribed by Israeli tax law.
3. The balance of the NYSE Dividend will be paid to American Stock Transfer & Trust Company, LLC (the “Stock Registrar”) that will make payment, via the brokers, to NYSE Shareholders.
4. The Company shall transfer the amount of tax withheld from the NYSE Dividend to the Nominee.
5. A NYSE Shareholder who is a resident of a reciprocating country specified in Appendix A (each, a “Treaty Country”) or a NYSE shareholder who is entitled to a reduced withholding tax rate in accordance with the Capital Investment Encouragement Law – 1959 may be entitled to claim a refund of the Israeli taxes withheld in excess by submitting an application for a refund to the Nominee until the 15th of the following month from the dividend payment date.
6. The NYSE Shareholder should attach the following documents to the refund application:
 - 6.1 A bank account statement or broker account statement for the account into which the dividend is paid, as of the record date which includes the following details: bank details, branch name and details, account number, account holder’s name and the number of shares traded on NYSE held in the account;
 - 6.2 A bank account statement or broker account statement as provided in Section 6.1, as of the dividend payment date, which includes the following details: bank details, branch name and details, account number, account holder’s name and the amount of the dividend received;
 - 6.3 Copy of one of the following documents:
 - 6.3.1 In the case of a natural person, a passport or identity card of the relevant Treaty Country.
 - 6.3.2 In the case of a Company, a certificate of incorporation in the relevant Treaty Country.
 - 6.4 Certification that the NYSE Shareholder is a resident of the Treaty Country for purposes of the relevant treaty, signed by the tax authorities of the relevant Treaty Country.
 - 6.5 The following statements on the form attached as Appendix B:

- 6.5.1 Declaration that the NYSE Shareholder is a foreign resident.
 - 6.5.2 That the NYSE Shareholder is the beneficial owner of the dividend and is entitled to all income from the shares.
 - 6.5.3 That the NYSE Shareholder's investment in shares is not made via a permanent establishment in Israel.
- 6.6 A NYSE Shareholder resident in a Treaty Country shall attach its shareholders' register as of the record date and attach statements that 75% of its direct or indirect shareholders, to the effect that they are individuals resident in such Treaty Country.
- 7. The Nominee will pay the amount of any Israeli taxes withheld in excess of an applicable treaty rate to the bank account or broker account into which the dividend was paid.
 - 8. It is noted that an ICL shareholder may always file an application to the ITA for a refund, following the distribution of a dividend in accordance with the Israeli tax laws.

Appendix A – Dividend Tax Rates for Residents of Treaty Countries

Country	Tax rate
Austria	25%
Uzbekistan	10%
Ukraine	15%
Italy	15%
Ireland	10%
Estonia	5%
U.S.A.	25%
Ethiopia	15%
Bulgaria	12.5%/10% ¹
Belgium	15%
Belarus	10%
Brazil	15%
U.K.	15%
Georgia	5%
Jamaica	22.5%
South Africa	25%
India	10%
Holland	15%
Hungary	15%
Vietnam	10%
Turkey	10%
Taiwan	10%
Greece	25%
Japan	15%

Country	Tax rate
Luxemburg	15%
Latvia	15%
Lithuania	15%
Moldova	10%
Mexico	10%
China	10%
Singapore	10%
Slovenia	15%
Slovakia	10%
Spain	10%
Poland	10%
Portugal	15%
Philippines	15%
Finland	15%
Czech Republic	15%
France	15%
South Korea	15%
Canada	15%
Croatia	15%
Romania	15%
Russia	10%
Switzerland	15%
Thailand	15%

¹ 10% of the gross dividend amount, if the dividends are paid by a company residing in Israel, out of profits that due to the Encouragement of Capital Investments Law enjoy a tax relief or lower tax rates in relation to other companies that reside in Israel.



Appendix B
Claim For Reduced Rate Of Withholding Tax In Israel On Dividend Payments To A Non-Israeli Tax Resident



החטיבה המקצועית

נספח ג'

Israel Chemicals Ltd dividends distribution

CLAIM FOR REDUCED RATE OF WITHHOLDING TAX

IN ISRAEL ON DIVIDEND PAYMENTS TO A NON ISRAELI TAX RESIDENT

You are receiving this form "Declaration of Status For Israeli Income Tax Purposes" as a holder of shares of common stock, par value (XXX) per share (the "Shares") of Israel Chemicals Ltd ("ICL"), in connection with the payment of dividends to the shareholders of ICL in (XX.XX.XXXX)

By completing this form in a manner that would substantiate your eligibility for a reduced rate of Israeli withholding tax with respect to this dividend distribution, you will allow ICL and its Israeli tax agent, to withhold tax in Israel from the dividend distribution made to you at a reduced tax rate.

This form shall be completed and signed by the recipient of the dividend or by an authorized officer or representative of the recipient.

This claim is made pursuant to the Double Tax Convention between Israel and the country of residence of the recipient of the dividend.

PART A: RECIPIENT DECLARATION

RECIPIENT INFORMATION

Full name of the recipient:	For Individuals: Identity Number, Social Security No., or Passport No./ For Legal Entities: Registration No. /Corporation No.	Type of Investor: Legal Entity <input type="checkbox"/> Individual <input type="checkbox"/> Trust Beneficiary <input type="checkbox"/>
With respect to an individual		With respect to a legal entity
Date of birth:		The country in which it was incorporated:
Country of residence:		The country in which control and management are conducted:
Country of citizenship:		
Country issuing passport:		
Income Tax File number of recipient in place of residence: _____		
Address of local income tax assessing office in recipient's place of residence: _____		



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The recipient is a fiscal resident of (insert country) _____ since (insert date). _____ .	
Permanent Address (country, city, street, house or apartment number):	
Mailing Address:	Investor's Telephone number:
	Telephone number of authorized signatory:

With regard to an Individual:

I declare that I am not an Israeli resident because (please mark all applicable boxes):

<input type="checkbox"/>	1.	The State of Israel is not my permanent place of residence.
<input type="checkbox"/>	2.	The State of Israel is neither my place of residence nor my family's place of residence.
<input type="checkbox"/>	3.	My ordinary or permanent place of activity is not within the State of Israel, and I do not have a permanent establishment in the State of Israel.
<input type="checkbox"/>	4.	I do not engage in any occupation within the State of Israel.
<input type="checkbox"/>	5.	I do not own a business or part of a business within the State of Israel.
<input type="checkbox"/>	6.	This year, I did not stay and I do not intend to stay in Israel for 183 days or more.
<input type="checkbox"/>	7.	This year, I did not stay in Israel and I also do not intend to stay in Israel for 30 days or more and my total stay in Israel this year and in the two preceding years will not reach 425 days.
<input type="checkbox"/>	8.	I am not insured with the National Insurance Institute in the State of Israel.
<input type="checkbox"/>	9.	I am the sole beneficial owner of the dividend income.

With regard to a Legal Entity:

I declare that the Legal Entity is a non - Israeli resident because (please mark all applicable boxes):

<input type="checkbox"/>	1.	Over 75% of the shareholders are individuals with the same residency as the Legal Entity (attached declaration of shareholders)
<input type="checkbox"/>	2.	It is not registered /incorporated with the Registrar of Companies in Israel.
<input type="checkbox"/>	3.	It is not registered with the Registrar of non profit organizations in Israel. (Amutot)
<input type="checkbox"/>	4.	The control of the legal entity is not in Israel.
<input type="checkbox"/>	5.	The management of the legal entity is not in Israel.
<input type="checkbox"/>	6.	The legal entity does not have a permanent enterprise in Israel and the entity does not have a permanent establishment in the State of Israel
<input type="checkbox"/>	7.	No Israeli resident holds, directly or indirectly via shares or through a trust or in any other manner, alone or with another who is an Israeli resident, one or more of the means of control of the legal entity, as specified below, at a rate exceeding 25%. The term "means of control" refers to the following: (a) the right to participate in profits;



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		(b) the right to appoint a director; (c) the right to vote; (d) the right to share in the assets of the entity at the time of its liquidation; (e) the right to direct the manner of exercising one of the rights specified above.
<input type="checkbox"/>	8.	The legal entity is the sole beneficial owner of the dividend income.

DETAILS OF INCOME RECEIVED

Place of receipt (country, city, bank account number, Amount)

Country	City	Bank name and account number	Amount

The recipient declares that all the information provided above is accurate and complete.

Date of Signature

Signature of Recipient

PART B: CERTIFICATION OF FOREIGN INCOME TAX AUTHORITY

This part shall be completed and signed by the income tax authorities of the recipient's place of residence

1. I certify that:

- a. the recipient of the income is a fiscal resident of (insert country) _____;
- b. the recipient regularly reports his income as required, the most recent income tax return filed being for the year _____;
- c. the income concerned is/ is not subject to tax in (insert the recipient's country of residence) _____.

Date of Signature

Signature

Official Stamp

2. Address of certifying official: _____



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3. Position or Title of certifying official: _____

4. Name of Income Tax Authority official making this certification: _____

PART C: DOCUMENTATION

With regard to an Individual - List all documents attached –:

1. Copy of passport or identity card issued by the country of tax residency of shareholder
2. Bank statement from the date of entitlement to the dividend including bank account details of the account holder, bank name and account number and the number of listed shares held by the shareholder.
3. Bank statement from the date of payment of the dividend, including bank account details of the account holder, bank account number and the amount of the dividend received.

With regard to a Legal Entity - List all documents attached:

1. Copy of Certificate of Incorporation issued by the country of tax residency of shareholder
2. List of shareholders of the Legal Entity and declarations regarding their state of residency for tax purposes.
3. Bank statement from the date of entitlement to the dividend including bank account details of the account holder, bank name and account number and the number of listed shares held by the shareholder.
4. Bank statement from the date of payment of the dividend, including bank account details of the account holder, bank account number and the amount of the dividend received.