

Immediate report on an extraordinary transaction with Officers

Article 37A(3) of the Securities (Periodic and immediate reports) Regulations, 5730-1970

1. On 7.4.2009, the Board of Directors of Israel Chemicals Ltd. ("the Company" or "ICL") resolved to approve a transaction of the Company with its Officers pursuant to Section 270(1) of the Companies Law, 5759-1999, following its approval by the Audit Committee of the Company on 2.4.2009 and the recommendations of the Human Resources Committee of the Board of Directors on the same date.
2. The nature of the transaction: Payment of a bonus in respect of 2008 to the following Officers:
 - a. Mr. Akiva Moses – CEO of the Company – an annual bonus of NIS 7,200,000 in respect of 2008.
 - b. Mr. Asher Greenbaum – Executive VP of the Company – an annual bonus of NIS 2,500,000 in respect of 2008.
 - c. Mr. Yossi Shachar – Executive VP of the Company – an annual bonus of NIS 2,250,000 in respect of 2008.
 - d. Mr. Danny Chen – CEO of ICL Fertilizers – an annual bonus of NIS 1,500,000 in respect of 2008.
 - e. Mr. Nissim Adar – CEO of ICL Industrial Products – an annual bonus of NIS 1,500,000 in respect of 2008.
 - f. Mr. Avi Doitchman – CFO (of the Company) – an annual bonus of NIS 1,100,000 in respect of 2008.
3. Manner of determining the award:

The award is based on the Company's internal procedure for assessment of managers, which was presented to and discussed by the Company's Board of Directors, its Human Resources Committee and its Audit Committee. Under this procedure, the award for the officers is determined taking into account the financial results of the Company, its business segments, details of the performance of each of the officers, the assessment of his superiors and his contribution to the Company, as well as a comparison with the bonuses awarded by the Company to those same officers in prior years.

In 2008, sales turnover of the Company was approximately USD 6.9 billion (about NIS 24.5 billion), about 68% more than in 2007. Gross profit was approximately USD 3.5 billion (NIS 12.2 billion), an increase of 122% compared with 2007. Operating profit was USD 2.3 billion (NIS 8.2 billion), an increase of about 214%. Net profit of the Company was approximately USD 2 billion (NIS 7.1 billion), an increase of 262%. Cash flow from ordinary operations was USD 1.9 billion (NIS 6.7

billion), an increase of 230%. The Company achieved record results in all parameters.

4. The reasons of the Audit Committee, the Human Resources Committee and the Board of Directors for approval of the transaction:

The directors are of the opinion that the process and manner of determining the award, which is based on a range of managerial and financial considerations of the Company together with a detailed and structured analysis for all the officers, and is not a predetermined amount, is appropriate to and serves the purposes of the grant of bonuses, which include rewarding and incentivizing officers to raise the profitability of the Company. The directors accepted the recommendation of the CEO of the Company with regard to the annual award of the Company's senior officers, and examined and considered the annual award of the CEO. The directors believe that the considerations for granting the bonuses are reasonable and are soundly based, considering the scope of the Company's operations, its management, the nature of its activities, its financial results, its financing needs and comparison of the total financial awards for the officers with the total award in other companies in Israel of comparable size and profitability.

5. Grant of the bonuses was unanimously approved by the Audit Committee and by the Board of Directors.
6. An attempt was made to gather comparative information about bonuses to officers of similar standing in industrial companies such as the Company, but due to the lack of similar Israeli entities with a type of business and scope of operations resembling those of the Company, such information cannot be relied upon to a significant extent. Nevertheless, in examination of the financial award to the officers, the Company found it to be reasonable in comparison with other companies of its kind.