

May 29, 2015

Agreement to end the strike and implement an efficiency plan in Dead Sea Works and Bromine Compounds

Pursuant to the Company's financial statements for the first quarter of 2015, the Company wishes to report that on May 28, 2015 an agreement was signed between the subsidiary companies Dead Sea Works Ltd. and Bromine Compounds Ltd. and between the General Workers Council (Histadrut), the Dead Sea Works Ltd. Workers Council and the Bromine Compounds Ltd. Workers Council, ending the employment disputes and the legal proceedings pending between the parties, and allowing for the immediate return of the employees to full employment (hereinafter: the "**Agreement**").

The key points of the Agreement are as follows:

1. 210 employees shall voluntarily retire in the early retirement route.
2. 38 employees shall end their employment until December 31, 2015 in the severance pay route, and shall be entitled to special severance pay beyond that prescribed by law. The aforesaid employees shall be entitled to elect the voluntary retirement route, which would entitle them to financial bonuses in addition to the increased severance pay to which they were entitled under the severance pay route.
3. The parties consent to the implementation of the efficiency plans in Dead Sea Works Ltd. and Bromine Compounds Ltd. and to the implementation of the plan to establish the regional shared services center (under ICL Israel) according to the accords and to a memorandum of understanding whose terms were also agreed upon between the parties.
4. During the period beginning on signing of the Agreement and until completion of the efficiency plans or until December 31, 2018, according to the earliest (the "**Efficiency Period**"), no collective dismissal, including early retirement which is not voluntary, shall take place in Dead Sea Works Ltd. and in Bromine Compounds Ltd.
Despite the aforesaid, until July 1, 2017 the management of Bromine Compounds Ltd. may execute an early retirement plan which is not voluntary retirement, wherein up to 45 employees, included in a list agreed upon with the employees' representatives, shall retire subject to certain terms specified in the Agreement.
5. For the purpose of implementing the efficiency plans, during the Efficiency Period, certain provisions were set in the Agreement. Among other things it was determined that the management may transfer employees subject to the terms provided in the Agreement, that the management may adjust the number of positions in the companies, perform structural and organizational changes, establish and operate new installations and projects.

6. The management may transfer employees in accordance with the existing employment agreements, in addition to the transfer provisions mentioned in section 5.

The Company, together with its financial and legal advisors, is reviewing the effects of the strike, the strike's end, the return of the plants to regular operation and the final amount of the provisions in connection with the Agreement's provisions pertaining early retirement and termination of employment of employees, on the financial results for the first half of 2015. At the time of publication of the financial statements for the first quarter, the Company estimated that if the strike continued on June 30, 2015, the impact on the results of the first half of 2015 would be about \$250 million. In light of the early termination of the strike, the provisions of the final Agreement and the costs of reactivating the plants, the financial effects may differ from the aforesaid Company's estimations.

Name of the authorized signatory on the report and name of authorized electronic reporter: Lisa Haimovitz
Position: VP General Counsel and Company Secretary
Signature Date: May 29, 2015