



February 15, 2017

Q4 Dividend Distribution

The Company hereby reports that its Board of Directors, at its meeting held on February 14, 2017, resolved to declare a cash dividend out of the Company's earnings from the fourth quarter of 2016, in the amount of about US\$ 57 million or US\$ 0.04400 per share.

Some shareholders will receive the dividend payment in New Israeli Shekels (NIS) and need to take into account the following: the amount of the dividend per share is not final and is subject to changes due to the need to convert the amount from US dollars to NIS, according to Bank of Israel's representative exchange rate on March 21, 2017.

The dividend will be paid only to registered shareholders entitled to receive US\$2 or more.

The record date is March 22, 2017 and the payment date is April 4, 2017. From the current dividend payment, Israeli tax will be withheld at the following rates: (1) with respect to 87% of the dividend, an Israeli-resident company is exempt from payment of tax; an Israeli-resident individual of Israel will be charged for tax at the rate of 25%; and foreign residents (individuals and companies) will be charged for tax at the rate of 25% or in accordance with the applicable international tax treaties – whichever is lower; (2) regarding 13% of the dividend, an Israeli-resident company will be charged for tax at the rate of 15%, an Israeli-resident individual will be charged for tax at the rate of 15%, and foreign residents (individuals and companies) will be charged for tax at the rate of 4%, or in accordance with the applicable international tax treaties – whichever is lower.

For additional information as to a possible refund procedure for excess taxes withheld from non-Israeli shareholders with respect to shares traded on the NYSE, please visit the Company's webpage, by clicking on this [link](#).

Sincerely,

Israel Chemicals Ltd.

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

Position: SVP, Global General Counsel and Company Secretary

Signature Date: February 15, 2017