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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

Date of Transmission: December 25, 2018

Reference: 2018-01- 126339

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ICL – Agreements with the State of Israel Concerning the Royalties Arbitration

Attached is an immediate report of Israel Chemicals Ltd.

The Company is not a shell company as defined in the Stock Exchange Regulations

The date when the event first became known to the corporation: December 25, 2018

Time: 09:15

Name of report authorized signatory and name of authorized signatory electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company's Secretary

Signing Date: December 25, 2018

Name of Electronic Reporter: Maya Alcheh-Kaplan. Position: Vice President, General Counsel and Company's Secretary. Address: Aranha 23, Millennium Tower. Tel Aviv 61204. Phone – 03-6844517 Fax: 03-6844587.

E-mail: mayaak@israelcorp.com.



December 25, 2018

Notice of Agreements Reached with the State of Israel Concerning the Royalties' Arbitration

Further to Note 6 of the Company's financial report for the third quarter of 2018, the Company hereby updates that, pursuant to the royalties' arbitration between the State of Israel and Dead Sea Works (DSW) and in accordance with the arbitrators' instructions, discussions were held between the State and DSW, which led to an agreement regarding a series of disputes that constitute the majority of disputes that have been heretofore unresolved. A joint notice regarding the said agreements was submitted to the arbitrators, and they have yet to render a decision in the matter. As part of the aforesaid agreements, DSW will pay the amounts specified in the agreements' document as well as the amounts deriving from the arbitrators' ruling dated October 10, 2018, by December 25, 2018. Accordingly, the Company will recognize an expense in its financial reports for the fourth quarter of 2018 at the amount of \$27 million, including interest and linkage, for the past periods (2000-2017).

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

Lisa Haimovitz

Position: SVP, Global General Counsel

Signature Date: December 25, 2018

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