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Israel Corporation Ltd.

Registrar Number: 520028010

**Form 121
Public**

Date of Transmission: March 4, 2019

Reference: 2019-01- 018736

To:

The Securities Authority

www.isa.gov.il

To:

The Tel Aviv Stock Exchange

www.tase.co.il

Immediate Report

The Event: ICL – IBM files a Counterclaim against ICL

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: March 4, 2019

Time: 09:10

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: March 4, 2019

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.

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IBM files a Counterclaim against ICL following ICL's Lawsuit due to the Failure of ICL's IT Project

Further to the Company's immediate report dated December 3, 2018 (Ref. No. 2019-02-117660) and to the Company's 2018 Annual Report on form 20-F, regarding ICL's lawsuit against IBM Israel for compensation of the damages incurred by the Company due to IBM's failure to meet its undertakings within ICL's IT (Harmonization) project which led to the failure of the Project, the Company reports that today IBM filed its statement of defense, together with a counterclaim against the Company.

According to the counterclaim, IBM claims that ICL refrained from making certain payments, conducted negotiations in bad faith, and terminated the project unilaterally, in a way that harmed IBM's reputation and goodwill and therefore claims an amount of about NIS 186 million (about \$51 million), including VAT and interest.

The Company rejects the contents of the counterclaim in their entirety and stands behind its claims against IBM.

Name of the authorized signatory on the report and name of authorized electronic reporter:
Aya Landman, Adv.

Position: Global Company Secretary

Signature Date: March 4, 2019

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