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**Israel Corporation Ltd.**

Registrar Number: 520028010

**Form 121  
Public**

Securities of the Corporation are listed in the Tel Aviv Stock Exchange

Sort name: Israel Corporation

Address: P.O.B. 20456, Tel Aviv 61204

Tel: 03-6844517, 03-6844500, Fax: 03-6844587

Email: MAYAAK@ISRAELCORP.COM

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To:

The Securities Authority

[www.isa.gov.il](http://www.isa.gov.il)

To:

The Tel Aviv Stock Exchange

[www.tase.co.il](http://www.tase.co.il)

**Immediate Report**

The Event: ICL – Draft of the Sheshinski Committee conclusions

Attached herewith is an immediate report of Israel Chemicals Ltd.

The date when the event first became known to the corporation: May 18, 2014

Time: 19:12

The name of the authorized signatory to the report and the name of the authorized electronic signatory: Maya Alcheh-Kaplan

Position: Vice President, General Counsel and Company Secretary

Date of signing: May 18, 2014

May 18, 2014

**Immediate Report Regarding the Sheshinski Committee Draft Conclusions (to examine the taxation of natural resources)**

Further to Note 23 to the Financial Reports of the Company for 2013 and the Immediate Reports dated March 19, 2014 (reference number: 2014-01-017571), March 27, 2014 (reference number: 2014-01-027654) and April 30, 2014 (reference number: 2014-01-053952), the Company hereby reports that the Sheshinski Committee released today its draft recommendations for the comments of the public ("interim recommendation draft").

The principal interim recommendations draft are as follows:

1. Government take on natural resources will include royalties, tax on natural resources and regular corporate tax.
2. The royalty level for natural resources in Israel will be 5% (currently phosphate royalties are at 2% and potash royalties are 5% on sales for the first 1.5 Mio and 10% for any additional quantity). The calculation basis of the royalties (which is not the same for every product) shall be determined by the State.
3. A new "natural resource tax" on the operational profit of each subsidiary that exploits natural resources (according to the adjusted accounting P&L statement) is suggested at the level of 42%; it will be fixed after deduction of 11% return on depreciated assets.
4. The changes with respect to Dead Sea Works require legislation, which will come into effect not prior to January 1, 2017.

The Company, with its economic and legal advisors, is reviewing the recommendations. The Company is putting on hold all new investment projects in Israel (total of more than USD 1 Bio) and will evaluate additional cost cutting measures until complete clarification will be made as to the final recommendations and their impact on the Company.

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 18, 2014.