



Code of Ethics for Israel Chemicals Ltd. and its Employees

A. Introduction

What is a Code of Ethics?

Ethics is another word for morals, or those principles that direct a person when he asks himself what ought to be the appropriate and correct way for him to act. The Code of Ethics of a company is a document that establishes ethical and appropriate rules of conduct for employees of the company, from senior management to the each and every employee.

The Code of Ethics is based in essence on the ancient Jewish principle “Do not do to others what is hateful to you”.

Every day, each of us is required to make decisions that have ethical implications. For example, decisions about the way we relate to other people during the course of work, handle company property, manage the finances of the company or observe the safety policies of the company – all are decisions that put our ethical principles to the test. Below, are the policies we have set for Israel Chemicals Ltd. (the “Company” or “ICL”).

All employees, members of management and members of the Board of Directors of the Company, are obligated to act in accordance with the Company’s Code of Ethics with respect to every decision made by them concerning the Company. *Any action not in accordance with the Company’s Code of Ethics is likely to be considered a breach of discipline.*

B. The Basic Principles

How Should the Code of Ethics be Used?

In the various areas of the Company’s activities, statutes, regulations and legal standards bind the actions of companies, employees and management. The Company also maintains internal guidelines, procedures and compliance programs related to various areas of its activity which



include many rules of behavior that instruct employees how to act in situations they may encounter in the course of their work. It is both possible and recommended, to review these files on the Company's intranet or email system, as well as in the offices responsible for corporate compliance and the office of the General Counsel of ICL.

The Code of Ethics is not intended to replace these statutes, regulations, guidelines and procedures. It is intended to consolidate and summarize the principles that serve as their basis. It is intended to assist and prevent – but does not comprehensively enumerate the rules. The fact that a certain inappropriate type of conduct is not mentioned in the Code does not make it proper. Rather, read the Code of Ethics carefully and discuss it with your fellow employees and your managers. Our desire is for it to assist you in your decision making and daily activities during the course of your work.

If you have any doubts about the correct way in which you ought to act in a certain situation, if you encounter a circumstance where the procedures of the Code of Ethics or their application is unclear, or if it becomes clear to you that a certain activity is being conducted in violation of the Code of Ethics, do not hesitate to refer the problem to the person to whom you report or to the person responsible for compliance in the Company. They will either handle the matter according to procedure or refer the problem to the correct person who is authorized to address it. **Remember, we will all benefit from compliance with the Code of Ethics!!!**

“Rules of Thumb” for Ethical Conduct

It is very difficult to establish general principles that address every potential situation that we may encounter during the course of work. Nevertheless, we will attempt to describe a number of general principles that may direct us even if there are no specific procedures for the situation at hand.

If you are unsure about the way in which you should act in the situation before you, remember that the primary rules of ethics can be summarized with three simple questions regarding the method of behavior you may choose:

- If the circumstance would be reversed, would you want to be treated, with regard to your rights, your money or your property, in the same manner in which you are about to act with regard to others' rights, money or property?



- If your manner of conduct would be publicized or disclosed to the public, would you and the Company be praised for your actions or would they be criticized?
- If the public would scrutinize your actions, and would know all of the facts, would it think your actions and the actions of the Company were proper, honorable and reasonable?

In the following paragraphs we will analyze the way we apply these general principles to the various areas of the Company's activities.

C. Principles of the Code

The Code is based on five fundamental principles:

- 1. Observing the law**
- 2. Fairness in business – conducting business honestly**
- 3. Respect of others – employees, vendors, customers and service providers**
- 4. Proper use and preservation of Company property**
- 5. Work in accordance with the compliance programs and procedures as a basis for organizational excellence**

D. Delineation of Principles of the Code

1. Observing the law

All employees, officers and directors of the Company must observe at all times and unconditionally with the requirements of any law and professional rules applicable to their area of activity. **The stipulations of the Code of Ethics do not detract from the stipulations of any law or permit violation of any statute.** In no circumstance is any employee required as part of his duties to violate any legal requirements or professional rules applicable to him, and he is forbidden from doing so.

2. Fairness in business

ICL, and likewise its employees, officers and directors, are obligated to conduct ICL's business in a fair and honest manner. Fairness advances ICL's interests. ICL conducts its business fairly and sees in this an intrinsic value. ICL expects its employees and management to act fairly



towards the parties with whom they are in business contact – customers, vendors, contractors and any other person or entity – and to refrain from schemes or illegal activity.

Remember –Obeying the law, procedures and the Code of Ethics always serves the interests of ICL in the most favorable manner.

Preventing conflicts of interest: In order that there is no doubt that in fact each action you take is only to advance the interests of the Company, it is imperative to avoid finding yourself in one of the following situations:

- Avoid any situation where you will find yourself in conflict between your role in the Company and another role outside of the Company or your personal interests. As mentioned above, you may not find yourself in a situation where your decision in the course of your work is likely to benefit your personal situation or the situation of your relatives.
- Avoid requesting or accepting any personal benefit or favor (gifts, grants, discounts, products or services and any other type of connection – for free or at a price that is lower, or on terms that are better, than normal) from customers, vendors or any other party having any connection to the Company. Receiving token gifts (such as calendars, pens and the like, whose value is non material and nominal) is permissible as long as it complies with Company procedure. In countries where refusal to accept gifts or returning them will offend the giver, an employee is permitted to accept the gift provided that he reports its receipt to the person to whom he is responsible at the management level. The person responsible will decide whether the employee must hand over the gift to the Company or if he may keep it for himself. A written report will be prepared regarding the receipt of the gift and the decision. The Company will donate the gift, to the extent practicable, to a worthy cause.
- Avoid suggesting, hinting at or providing any benefit or favor of any kind (gifts, grants, discounts, products or services and any other type of connection – for free or at a price that is lower, or on terms that are better, than normal) to a public employee (such as a government employee, municipal employee etc.), or to a relative of a public employee, who is connected in any way to the Company.
- Avoid providing any personal favor to an employee, officer or director of the Company, or to their relatives, due to their position in the Company.



- Notwithstanding the above, it is permissible to give or receive personal gifts of a reasonable and normal scale in honor of personal or family events and the like.
- Avoid taking advantage of, at any time, for your personal gain or to compete in any way with the activities of the Company, a) business opportunities that come to your attention through the course of your being an employee, officer or director of the Company, b) the stature of the Company or c) the Company's property.
- The Company has policies for dealing with transactions with interested parties. In any circumstance of such a transaction, please verify that you are acting in accordance with these policies.

In any circumstance where you find yourself in an actual, apparent or possible conflict of interest, you must refer the matter in writing to the person to whom you report or to the person responsible for implementation of the Code of Ethics within the ICL company for which you work, or the responsible person within the Company, and specify the nature of the conflict of interests and any material fact or document. Likewise, you must avoid taking action regarding this matter unless you receive written approval for it from the person responsible for the implementation of the Code of Ethics at the Company or someone acting on his behalf. Please note: violation of these instructions may in some cases constitute a criminal act!

3. Respect of Others

ICL's success is attributable to the skills, diligence and dedication of its employees. Respecting and honoring the rights of the employee (as well as his/her responsibilities) pursuant to employment agreements and the law are a fundamental part of the Company's continued growth, development and advancement. Every employee and officer of the Company must respect his/her fellow employee, and act reasonably and fairly towards them. We view the contract workers and service providers that work alongside us as ICL's long-term partners and we treat them with respect and fairness. We respect the privacy of our employees and therefore one may not disclose to any unauthorized party any information that is likely to infringe upon another person's privacy.



4. Proper use and preservation of Company property

Each employee, officer and director of ICL must act at all times in good faith and for the benefit of ICL. In other words, in any situation where one is presented with options to choose from a number of potential ways to act, one must choose the manner of behavior that will serve ICL's interests in the most favorable way. Employees must safeguard the Company's property, including its information.

Protecting ICL's property: ICL possesses physical property (such as real property, buildings, equipment, etc.) and intangible property (such as information, contracts, trade secrets, patents and the like). We must protect them for the benefit of ICL and its employees. With respect to the property of the Company you must act with the same measure of care and loyalty with which you would act if they were your personal property. Your actions with regard to the Company's property should include, but should not be limited to, the following:

- For any matter within the scope of your position, you must ensure that the property of the Company is used efficiently to advance the goals of the Company.
- It is incumbent upon you to use any reasonable means required in the scope of your position to prevent theft, negligent handling or waste of Company property. In the event that you become aware of a breach of security or improper activity – we request that you bring the matter to the appropriate person's attention.
- It is incumbent upon you to avoid pursuit of any personal interests on the Company's premises, or while using Company property, equipment or assets, unless approval has been received from Company management.
- Company property may only be used for legal activities of the Company.

Protecting ICL's confidentiality: In the modern and competitive business world, all information with which you come into contact in the scope of your work may have great value to competitors, investors or the general public. Protecting all information within the Company from being made public holds great value and is a significant and direct contributor to our success. Company employees, officers and directors must keep any information that they encounter in the course of their responsibilities within the Company, and that has not been publicly disclosed by the Company, in the highest confidence. The great importance of this information on the one hand, and the broad range of technological methods available for acquiring or copying information on the other hand, require us to increase our awareness in



order that information of any kind (written documents, diagrams, recordings, recording media, computer files etc.) will not leak outside the Company.

- It is forbidden to discuss the Company's business plans, production processes, internal discussions or any other business matter in connection with the Company in places where people who are not employees of the Company may hear you, or with another person about whom you are unsure whether he is authorized to gain possession of such information.
- It is forbidden to transfer information in any form (document, diagram, recording, recording media, computer file etc.) to a person about whom you are unsure whether he is authorized to receive such information.
- It is forbidden to speak with members of the press, analysts or capital markets professionals about matters connected with the Company other than via the Company spokesperson, or with his/her permission or with the consent of the person responsible for press or investor relations for the company for which you are employed.
- In any circumstance where you are in doubt about whether a certain person is authorized to receive information regarding the Company, please refer the matter to the person to whom you are directly responsible.
- The use of non-public information that has come into your possession in the course of your role in the Company, or transferring such information to others, for purposes of a securities transaction is likely to constitute both a criminal act according to securities laws as well as a breach of the Company's ethics policies. You must treat all information that comes into your possession in the course of your role in the Company and that is not known to the public, as privileged information that is forbidden to be disclosed or used to gain any type of personal benefit, all subject to relevant internal compliance guidelines.

5. Work in accordance with compliance programs and procedures as a basis for organizational excellence



The Company has created and implemented a number of internal compliance programs. These programs are intended to clarify legal provisions and procedures and to establish a mechanism to ensure their observance. As of the date of this Code there are five internal compliance programs in the following areas: securities, workplace safety, ecology, antitrust and prevention of sexual harassment (in accordance with relevant local law). These programs are available on the public bulletin boards and we ask that you review and act in accordance with them.

Without detracting from the entirety of these compliance programs, we would like to stress and encourage the following points:

- a. **Environmental, safety, health and quality assurance** – A person's life and health are of prime value and we are unconditionally committed to this principle. Inculcating safety awareness and insistence on the existence of safe work conditions are intended to protect all of us. In no circumstance should your actions compromise any matters of safety. **Caution is not fear and nothing justifies placing ICL employees at risk. Violation of safety procedures endangers you and your colleagues!!!**

ICL is committed to preserving the balance between man and his environment and to strictness in preserving nature for the sake of development of living things. In the countries in which ICL operates there are natural resources with national or global value. ICL is committed to preserving environmental quality and preventing damage to natural resources and beauty. The Company considers itself obligated to the communities in which its facilities are located. There are various rules of law that direct ICL's activities and are intended to protect the public good and prevent environmental pollution. The internal compliance program is intended to articulate and ensure these goals.

- b. **Antitrust** – ICL is subject to rules that prohibit anti-competitive business practices. All employees, officers and directors of ICL must make certain, among other things, to uphold the following principles:
 - Do not take any action or enter into any agreement (written or verbal) that restricts free competition in any way, in a manner that will violate antitrust laws.



- In areas in which the Company is recognized as a monopoly, it must comply with the special regulations applicable to any monopoly, and specifically it must not take improper advantage of its strength and must not unreasonably refuse to sell.

c. Prevention of discrimination and sexual harassment – The workplace is important and dear to all of us and each of us must feel safe and protected there. Only then can we realize our potential in the course of our work and thereby collectively realize the potential of ICL itself. Discrimination or sexual harassment in any form damages a person's self-esteem and privacy and is prohibited by law. When these actions are committed at work, then, in addition to harming the person, they cause harm to workplace relations and the positive environment necessary for our success. Therefore every employee, officer and director must make sure:

- Not to discriminate against any person on the basis of religion, race, nationality, sex, sexual orientation, age or physical handicap.
- Not to sexually harass any person, either verbally, through actions, or the creation of a harassing environment.

Before taking any action that is likely to be interpreted as discrimination or harassment, consider: is this how you would like others to act towards you or your children in the workplace?

d. Securities – ICL's shares are publicly traded on the Tel Aviv Stock Exchange. Among the central legal requirements binding the Company, as a company with a portion of its shares held by the public, are various public disclosure requirements. One of the central obligations binding the Company, its officers and directors, is the obligation to fully comply with all of these disclosure requirements at their defined times. The Company's internal compliance procedures include detailed instructions regarding its disclosure obligations and how to ensure that the information flows to the appropriate people at ICL on a regular and ongoing basis. Please review them. Additional instructions in these procedures relate to your obligations to refrain from purchasing or selling securities of the Company whose price is likely to be affected by any activities of the ICL Group, unless these activities have been publicly disclosed. Instructions are also included regarding the obligation to keep the ICL Group's secrets confidential, which we have addressed in section 4 above.



The information above is presented for illustrative purposes and is not comprehensive. The Company's procedures and internal compliance programs contain specific examples for the appropriate ways to act in every one of these areas. In any case of doubt or lack of clarity, refer to the person to whom you report or to the person responsible for the relevant compliance program. Remember – violation of the Code of Ethics or the internal compliance program is likely to both be a criminal or administrative offense and impose liability upon you and the Company!

E. Application and Implementation

1. International Application

The ICL Group is a multi-national group operating in many countries. ICL and its employees respect the various cultures, laws and customs prevalent in the countries in which ICL operates. Although this Code was originally written in Hebrew and was based on Israeli law, its rules, with any necessary changes and relevant adaptations to local laws, bind the Company, its officers and employees in every country in which the Company operates. In the event of doubt regarding the provisions that apply outside of Israel – please refer to the person responsible for the Code of Ethics at ICL.

2. Assimilation, implementation and enforcement of the Code of Ethics

The Code of Ethics was adopted by the boards of directors and managements of ICL and its business divisions. It is part of the proper management culture of the Company. Each employee, officer and director of the Company must strive, to the best of his/her ability, in the scope of his/her authority and responsibilities, to assimilate, implement and enforce the Code of Ethics of the Company at every level of the organization.