

July 2, 2015

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO, BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, NEW  
BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND  
AND LABRADOR  
(the Jurisdictions)

AND

IN THE MATTER OF  
THE PROCESS FOR EXEMPTIVE RELIEF  
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF  
ISRAEL CHEMICALS LTD.  
(the Filer)

DECISION

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer in the Jurisdictions (the **Reporting Issuer Exemptive Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator for this application;
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

## Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a limited liability company under the laws of Israel. Its registered and head office is in Tel-Aviv, Israel, and it operates through subsidiaries domiciled primarily in Israel, Netherlands, United Kingdom, Spain, China, Brazil, the United States and Germany.
2. The Filer is a specialty minerals company that extracts raw materials and processes and formulates products primarily to customers in three end-markets: agriculture, food and engineered materials. The Filer's principal assets include (i) potash and bromine mines or concessions in the Dead Sea and related production facilities, (ii) potash concessions or permits in the United Kingdom and Spain and related facilities, (iii) phosphate permits in Israel and related facilities, (iv) bromine compounds processing facilities in Israel, the Netherlands and China, and (v) a global logistics and distribution network with operations in over 30 countries.
3. The ordinary shares of the Filer (**Ordinary Shares**) are listed on the Tel Aviv Stock Exchange (**TASE**) and the New York Stock Exchange (**NYSE**). The Filer is a "foreign private issuer" under U.S. securities laws and is in compliance with the securities laws of Israel and the United States.
4. The Filer became a reporting issuer in the Jurisdictions on the Effective Date (as defined below).
5. The Filer is not in default of the Legislation, except for failing to: (i) file a technical report pursuant to section 4.1 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (**NI 43-101**); and (ii) file a certificate of qualified persons under NI 43-101 in connection therewith (the **43-101 Requirements**); however, on April 1, 2015, the Filer obtained relief from, among other things, the 43-101 Requirements, subject to the completion of the Arrangement (as defined below) and obtaining the Reporting Issuer Exemptive Relief within 45 days of the Effective Date.
6. Allana Potash Corp. (**Allana**) is governed by the *Business Corporations Act* (Ontario), and its registered and head office is in Toronto, Ontario.
7. Allana is a mineral exploration corporation with a focus on the acquisition and development of potash assets internationally. Its principal asset is its Danakhil potash property in Ethiopia.
8. Allana is a reporting issuer in all the Jurisdictions and is not in default of the Legislation. Pursuant to the simplified procedure under CSA Staff Notice 12-307 - *Applications for a Decision that an Issuer is not a Reporting Issuer* (**Staff Notice 12-307**), Allana has applied to have its reporting issuer status revoked.
9. On June 22, 2015 (the **Effective Date**), the Filer, through a wholly-owned subsidiary, acquired all of the issued and outstanding common shares of Allana (the **Allana Shares**)

not already owned by it, by way of a plan of arrangement, in consideration for \$0.50 per Allana Share (the **Arrangement**).

10. No Ordinary Shares were issued to Canadians pursuant to the Arrangement. Each shareholder of Allana (**Allana Shareholder**) received the consideration in cash, except for Liberty Metals & Mining Holdings, LLC (**LMM**), a member of Liberty Mutual Group that is a Delaware member-managed, limited liability company, which held approximately 11.77% of the issued and outstanding Allana Shares prior to the Effective Date.
11. LMM received the consideration in Ordinary Shares (the **Share Consideration**). The Share Consideration of \$0.50 per Allana Share held by LMM was calculated using the price equal to the average of the volume weighted average trading price of the Ordinary Shares on the NYSE for each of the five trading days in the period immediately prior to (and excluding) the business day prior to the Effective Date.
12. Holders (**Allana Optionholders**) of options to purchase Allana Shares (**Options**) received cash equal to the difference between \$0.50 and the exercise price of each Option held. Where the exercise price was equal to or greater than \$0.50, such Options were cancelled without the payment of any consideration.
13. The Arrangement was approved at a meeting of the Allana Shareholders and Allana Optionholders: (i) requiring the approval of 66 2/3% of the votes cast in person or by proxy of Allana Shareholders and Allana Optionholders, voting as a single class; and (ii) in accordance with the requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**), pursuant to which, among other things, the votes of Allana Shares of any “interested party” as defined under MI 61-101, including for greater certainty the Filer, LMM and the then Chief Executive Officer of Allana, were not counted in determining whether Allana Shareholder approval of the Arrangement was obtained.
14. Upon completion of the Arrangement, the Filer automatically became a reporting issuer in the Jurisdictions as a result of the Share Consideration being distributed to LMM. If the Share Consideration was not distributed to LMM, the Filer would not have become a reporting issuer under the Legislation.
15. The authorized share capital of the Filer consists of 1,484,999,999 Ordinary Shares, of which, as at May 3, 2015, 1,271,433,609 Ordinary Shares, and 1 Special State Share (which Special State Share is owned by the Government of Israel), par value NIS (New Israeli Shekel) 1 per share, were issued and outstanding.
16. As at May 3, 2015, the Filer’s principal shareholders were Israel Corporation Ltd. (**Israel Corporation**), which beneficially owned 587,055,812 Ordinary Shares (representing approximately 46.17% of the issued and outstanding Ordinary Shares), and Potash Corporation of Saskatchewan Inc. (**PCS**), which was believed to hold 176,088,630 Ordinary Shares (representing approximately 13.85% of the issued and outstanding

Ordinary Shares) through its Israeli subsidiary, PotashCorp Agricultural Cooperative Society Ltd. (**PCS Coop**).

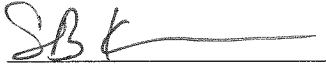
17. PCS is a corporation organized under the laws of Canada that acquired more than 90% of its position in the Filer directly from the Government of Israel or Israel Corporation without the benefit of Canadian continuous disclosure.
18. Based on information provided by the clearing house of the TASE, as of May 3, 2015, there were 49,456 holders of record of the Ordinary Shares, collectively holding 1,237,786,211 Ordinary Shares. Excluding the holdings of PCS Coop, 47 holders holding 5,889,236 Ordinary Shares (representing approximately 0.46% of the issued and outstanding Ordinary Shares as at May 3, 2015) had registered addresses in Canada. Between May 3, 2015 and the Effective Date, other than Ordinary Shares issued to LMM under the terms of the Arrangement and Ordinary Shares issued under employee and director benefit or equity compensation arrangements, the Filer has not issued any Ordinary Shares from treasury.
19. Under Israeli law, the Filer has no right to access any information as to its beneficial shareholders, unless they hold 5% or more of the issued and outstanding Ordinary Shares or have a right to vote in conjunction with other shareholders collectively holding over 5% of the issued and outstanding Ordinary Shares.
20. Israel Corporation completed a secondary offering (including a forward sale) in the United States of 60,158,143 Ordinary Shares (plus an additional 6,015,814 Ordinary Shares in connection with the exercise of an over-allotment option) (the **Secondary Offering**) pursuant to a prospectus dated September 23, 2014.
21. Based on information received from the underwriters of the Secondary Offering, 5 Canadians acquired an aggregate of 2,200,000 Ordinary Shares (representing approximately 0.17% of the issued and outstanding Ordinary Shares as at May 3, 2015, and approximately 3.32% of the Ordinary Shares sold under the Secondary Offering) under the Secondary Offering on a private placement basis in Canada.
22. As a result, based on the diligent enquiries of the Filer, holders of 8,089,236 Ordinary Shares (representing approximately 0.64% of the issued and outstanding Ordinary Shares as at May 3, 2015 and excluding the holdings of PCS Coop) had registered addresses in Canada or are Canadian residents.
23. The Filer has unregistered debentures in the aggregate amount of US\$275 million which were issued in November 2013 as follows: the amount of US\$84 million at an annual rate of 4.55% with a term of 7 years, the amount of US\$145 million at an annual rate of 5.16% with a term of 10 years and the amount of US\$46 million at an annual rate of 5.31% with a term of 12 years. The Filer also has outstanding US\$800 million of 4.5% Senior Notes that are listed on the Tel Aviv Stock Exchange Institutional Market. Based on a review of the addresses of its debentureholders as shown on the books of the Filer, the Filer believes that none of its debentureholders are Canadian.

24. None of the Ordinary Shares will be traded in Canada on a “marketplace” as defined in National Instrument 21-101 – *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported. There is currently no intention to have any of the Ordinary Shares listed for trading on a marketplace or such other facility in Canada.
25. As of the date hereof, the Filer does not have any substantive connections to Canada and its offices, properties and assets in Canada are *de minimis* and are immaterial to its operations. The Filer’s assets in Canada consist of two leased facilities, which generated less than 1% of the Filer’s revenues in fiscal 2014.
26. The Filer is subject to the regulatory oversight of the securities regulators of Israel and the U.S. The Filer has undertaken to deliver, in the English language, concurrently to its Canadian security holders, all continuous disclosure and other reporting documents that it is required to deliver to its security holders pursuant to the laws and exchange requirements of Israel and the U.S.
27. There is currently no intention that the Filer will seek any type of financing whether by way of a public offering or private placement in Canada. In the 12 months prior to the Effective Date, the Filer has not taken any steps to create a market for the Ordinary Shares in Canada.
28. It is not expected that the Ordinary Shares will be traded in Canada given the Filer’s lack of substantive connection to Canada.
29. The Filer is neither eligible to use the simplified procedure nor the modified approach pursuant to Staff Notice 12-307 to have its reporting issuer status revoked. The Filer is not eligible to use the simplified procedure pursuant to Staff Notice 12-307 because: (a) the Ordinary Shares are not beneficially owned, directly or indirectly, by fewer than 51 security holders worldwide; and (b) upon completion of the Arrangement, the Filer became a reporting issuer in British Columbia and is not able to voluntarily surrender its reporting issuer status under British Columbia Instrument 11-502 - *Voluntary Surrender of Reporting Issuer Status* since the Filer is a reporting issuer with more than 50 security holders. The Filer is not eligible to use the modified approach pursuant to Staff Notice 12-307 because residents of Canada beneficially own, directly or indirectly, more than 2% of each class or series of the outstanding securities of the Filer worldwide.
30. Upon the granting of the Reporting Issuer Exemptive Relief, the Filer will not be a reporting issuer in the Jurisdictions.

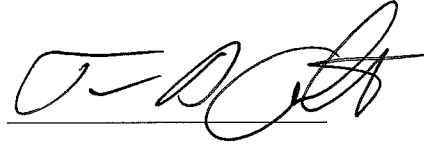
## **Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

The decision of the Decision Makers under the Legislation is that the Reporting Issuer Exemptive Relief is granted.

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Commissioner  
Ontario Securities Commission

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Commissioner  
Ontario Securities Commission