



Immediate Report - Collective agreement at Pelephone Communications Ltd

November 13, 2019

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Collective Agreement at Pelephone Communications Ltd

Tel Aviv, Israel – November 13, 2019 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), provides an update today further to the description in section 3.9.4 of the Chapter of the Description of the Company's Operations in the Company's 2018 Periodic Report.

The subsidiary, Pelephone Communications Ltd ("Pelephone"), signed a renewal of the existing collective agreement with the Histadrut General Federation of Workers and the employees' representatives, including streamlining and synergy processes for a period from November 12, 2019 until June 30, 2022 ("the Agreement").

According to the Agreement, Pelephone can, *inter alia*, terminate the employment of 210 tenured employees during the Agreement period, with part as voluntary early retirement.

In addition, according to its plans, it will terminate the employment of a further non-tenured 190 employees in addition to the non-recruitment of employees who have ended their employment. Similarly, the Agreement includes the grant of a one-time bonus to employees not included in the severance program.

The total estimated cost is NIS 100 million and will be expended across the Agreement period, assuming full exercise of Pelephone's rights to streamlining as stated and fulfillment of the terms for granting additional economic benefits to employees.

The expense to be recorded in 2019 is included in the Company's assumptions for the Bezeq Group forecast.

The above information constitutes a translation of the Immediate Report published by the Company. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law, and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.