



Immediate Supplementary Report

Decision regarding the management agreement with Eurocom Communications Ltd.

Tel Aviv, Israel – July 29, 2018 – Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), announced that further to the Immediate Reports of the Company dated September 26, 2017 and January 30, 2018 regarding the decision of the Company's Board of Directors concerning the management agreement between the Company and its controlling shareholder, Eurocom Communications Ltd., dated May 25, 2016 ("Eurocom Communications", "the Management Agreement"), and following additional discussions on the subject at meetings of the Company's Compensation Committee and Board of Directors, a Supplementary Immediate Report is hereby submitted that at the Board meeting held on July 26, 2018 it was decided as follows:

1. The provision of all components of the services under the Management Agreement was de facto discontinued on April 25, 2018, the date that the Board of Directors in its new composition was appointed by the annual general meeting of the shareholders of the Company.
2. The amount due to Eurocom Communications from the Company by virtue of the Management Agreement for the period between January 1, 2018 and April 25, 2018, based on actual performance, was NIS 800,000.
3. The amount based on the above calculation will not be paid to Eurocom Communications in practice, but will be offset against the debt of Eurocom Communications to the Company, similar to the other payments under the Management Agreement that were offset in the past.

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.