



**Response on behalf of the Company's Board of Directors to Position Notice dated  
March 26, 2018**

On March 22, 2018, the Company published notice of a Special and Annual General Meeting for April 26, 2018 ("the Original Notice"). On March 29, 2018, it published a notice revising the foregoing notice ("The Revised Notice") and on April 2, 2018, due to a request in accordance with Section 66(B) of the Companies Law, 1999 ("the Companies Law") to add a subject to the agenda of the Meeting, the Company is publishing a supplementary report together with a position notice on behalf of Entropy Corporate Governance Consulting Ltd. in the name of its institutional customers, which together hold 6.5% of the Company's shares ("Entropy" and "the Institutional Shareholders", respectively), dated March 26, 2018 ("the Position Notice"), and this response on behalf of the Board of Directors to the Position Notice in accordance with the provisions of Section 88(C) of the Company's Law. In this response, the Board of Directors seeks to clarify and emphasize the following:

1. With regard to the argument presented in the Position Notice that the description of the Institutional Shareholders' proposal in the Original Notice as increasing the Board of Directors to 15 directors is a misrepresentation that does not derive from the Institutional Shareholders' proposal to appoint 3 new external directors, see the clarification presented on March 29, 2018 for sections 1.3 and 2.2.6.3 of the Revised Notice.
2. The Company's Board of Directors totally rejects Entropy's statement regarding the alleged existence of various considerations for which the Board of Directors has acted in recent month which are not the core interest of the Company and its shareholders, and regrets inclusion of such groundless assessments in the Position Notice.

Sincerely,

Board of Directors of Bezeq – The Israel  
Telecommunication Corp. Ltd.



*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.*