



March 19, 2018

## **Immediate Report**

### **Board Decision of March 18, 2018 to Convene an Annual and Special General Meeting**

Further to the Company's Immediate Report dated March 7, 2018 concerning a letter from Entropy Corporate Governance Consulting Ltd ("Entropy") on behalf of a number of institutional investors that cumulatively hold 6.5% of the Company's share capital ("the Institutional Investors") to the Interim Chairman of the Board of Directors, Mr. David Granot, with a demand to convene a special general meeting of shareholders in accordance with the provisions of section 63(B) of the Companies Law, 1999, on whose agenda would be the appointment of external directors ("the Entropy Letter"), notice is hereby given as follows:

In the light of the issues raised in the Entropy Letter concerning the provisions of the Communications Order (Bezeq and Broadcasts) (Determination of Vital Services Provided by "Bezeq" The Israel Telecommunication Corp Limited), 1997, the Company has considered the matter and, *inter alia*, contacted the Ministry of Communications, which replied that it does not see a problem in the Entropy Letter regarding the convening of a special general meeting.

In the light of the foregoing, the Company's Board met on March 18, 2018, and decided that, subject to receipt and verification of declarations of suitability and the lack of any connections of candidates to the Company's Board, the Company will publish in the coming days the convening of a general meeting of the Company's shareholders, which will effectively combine the special general meeting required by the Institutional Investors and the Company's annual general meeting, which had been scheduled for the beginning of May 2018, such that the general meeting will be advanced and the agenda will include, among other matters, resolutions concerning the number of external directors and the appointment of directors (both the candidates proposed in the Entropy Letter and those proposed by the Board will be presented).

*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.*