



Immediate Report

Renewal of Directors & Officers' Liability Insurance Policy

Tel Aviv, Israel – June 15, 2020– Bezeq The Israel Telecommunication Corp., Ltd. (TASE: BEZQ), announces that the Company's Compensation Committee approved, in accordance with the provisions of section 1B1 of the Companies Regulations (Dispensations in Transactions with Interested Parties), 2000 and in accordance with the provisions of the compensation policy for the Company's officers ("Compensation Policy"), renewal of the liability insurance policy for officers (including directors) of the Company and its subsidiaries ("the Policy") for a period of a further year, commencing June 15, 2020 (at the end of the current insurance policy) until June 14, 2021 (inclusive), whose main points are as follows:

1. Cover limitation - cover limitation of USD 130 million per claim and cumulative for each insurance period including cover for the Company for securities and Entity Cover ("the Basic Policy"), and in addition a cover limitation of USD 20 million in addition to the Basic Policy for cover for directors and officers only (Side A), and in addition reasonable legal fees beyond the cover limitations stated above in the event of exhausting the cover limitation, in accordance with the usual criteria for reasonable legal fees in Israel and in accordance with the guidelines of the Commissioner for Insurance under the Insurance Contract Law, 1981.
2. The annual premium is according to the limits on amounts stipulated in the Company's Compensation Policy.
3. Deductible - for an officer there is no deductible. For the Company - USD 250,000 per case (except claims concerning securities including Entity Cover, USD 500,000).

Below are the reasons of the Compensation Committee:

1. Contracting in a liability insurance policy for directors and officers is usual in public companies in Israel in general and in the Company in particular. The contract is in the interest of the Company since it allows directors and officers to carry out their positions properly taking into account the risks involved and responsibly based on the applicable law, and in the light of the Company's obligation to provide indemnification to officers, through the insurance cover of this policy the Company's liability is reduced.
2. The proposed liability limit is reasonable in the circumstances and in the state of the market at this time and suitable for the Company taking into account the type and scope of operations of the Company and its officers, and it is compatible with the liability limits of companies like the Company. Similarly, in the opinion of the Compensation Committee, among other things, based upon the information presented to it by the Company's management and professional advisors,

the amount of the premium is reasonable in the circumstances, the insurance history of the Company (especially the investigations by the Securities Authority and the Israel Police and the legal proceedings initiated as a result), and the terms of the insurance market at this time.

3. Contracting in the insurance policies is in accordance with the Company's Compensation Policy that was legally approved by the general meeting of the Company's shareholders.
4. The contract is at market terms and is not expected to materially impact on the Company's profitability, assets or liabilities.
5. The insurance will be provided for all officers (including directors) at identical terms.
6. Drawing up a joint insurance policy for the Company and its subsidiaries leads to savings in costs.

In accordance with the provisions of the Company's Compensation Policy, the policy will be renewable annually, whether by extension of validity of the policy described above or by entering into a new officers' and directors' liability insurance policy, on condition that the Compensation Committee will confirm that there is no material change in the terms of the Policy or that it does not improve the terms of the policy defined in the Compensation Policy.

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.