



Bezeq - The Israel Telecommunications Corp. Ltd.

(the "Company")

June 21, 2023

Attn.
Israel Securities Authority

Attn.
Tel Aviv Stock Exchange Ltd.

Re: Immediate report – Renewal of D&O liability insurance

The Company reports that on June 21, 2023, renewal of the Company's insurance policy for the directors and officers of the Company and its subsidiaries (the "Policy") was approved for an additional period, starting on June 30, 2023 (from the termination of the current insurance policy) until June 29, 2024. The Company's compensation committee approved the renewal of the Policy on June 11, 2023, in accordance with Section 1B1 of the Company Regulations (Relief in Transactions with Interested Parties), 2000 and in accordance with the Company's compensation policy for officers (the "Compensation Policy").

The main points of the Policy are as follows:

1. Limit of liability – a limit of liability in the amount of USD 125 million per claim and cumulatively for the entire insurance period, including coverage for the Company for a securities claim (entity cover) (the "Base Policy") and a limit of liability in the amount of USD 25 million applicable beyond the Base Policy for coverage for directors and officers only (Side A), as well as reasonable legal fees beyond the limit of liability as set out above, if the limit of liability is reached, in accordance with standard criteria for reasonable legal fees in Israel and in accordance with the guidelines of the Supervisor of Insurance under the Insurance Contract Law, 1981.
2. The annual premium is based on the limits set out in the Compensation Policy.
3. Deductible: for an officer – no deductible; for the Company – USD 750 thousand per case (other than for claims involving entity cover – USD 1.5 million).

Explanations of the compensation committee:

1. D&O liability insurance is standard in public companies in Israel in general, and in the Company in particular. The policy is favorable for the Company, as it allows the directors



and officers to fulfill their duties as required, taking into account the risks involved and the legal responsibilities imposed on them, and in view of the Company's undertaking to indemnify officers, the insurance coverage in this policy will reduce the Company's exposure for this undertaking.

2. The proposed limit of liability is reasonable under the circumstances and the state of the insurance market at this time and is appropriate for the Company, considering the type and scope of activity of the Company and its directors and officers, and it corresponds to the limits of liability of benchmark companies. Moreover, the compensation committee believes, among other things, based on the information presented to it by the management and professional advisors of the Company, including regarding the Company's insurance policies in the past and the current conditions of the insurance market, that the amount of the premium and the coverage terms offered are reasonable under the circumstances.
3. The Company's insurance policies are in accordance with the Compensation Policy, which was duly approved by the general meeting of the Company's shareholders.
4. The agreement for the insurance policy is on market terms and it is not likely to have a material effect on the Company's profitability, assets, or liabilities.
5. The insurance will be for all directors and officers in the Group under the same terms.
6. A joint insurance policy for the Company and its subsidiaries is cost-effective.

In accordance with the Compensation Policy, the Policy will be renewable from time to time during the validity of the Compensation Policy, either by extending the Policy period described above or by taking out a new policy for D&O liability insurance, provided that the compensation committee confirms that there is no material adverse change in the terms of the new policy or it is not favorable compared with the terms of the Policy described above, or the compensation committee approves the new policy in accordance with Regulation 1B1 of the Companies Regulations

Yours sincerely,

"Bezeq" The Israel Telecommunication Corp Limited

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.

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