



Bezeq – The Israel Telecommunication Corporation Ltd.
(the “Company”)

April 11, 2024

Attn.
Israel Securities Authority
Tel Aviv Stock Exchange Ltd.

**Notice of a Special General Meeting of the Company's Shareholders
and of a Material Private Offering**

In accordance with the Companies Law, 1999 (the “Companies Law”); the Israel Securities Regulations (Periodic and Immediate Reports), 1970 (the “Reports Regulations”); the Israel Securities Regulations (Private Offering of Securities in a Listed Company), 2000, the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and Addition of an Item to the Agenda), 2000; and the Companies Regulations (Written Vote and Statements of Position), 2005, the Company hereby gives notice of a Special General Meeting of the Company's shareholders (the “General Meeting”), to be held on Monday, May 20, 2024, at 12:00, at the Company's offices at 7 Hamanor St. Holon, 5th floor (the “Company's Offices”).

1. Summary of items and proposed resolutions on the agenda of the General Meeting

Approval of the terms of office and employment of Nir David as CEO of the Company, starting from the date he takes office on April 1, 2024.

2. Key points of the employment and its terms:

2.1. Approval of the terms of office and employment of Nir David as CEO of the Company

On March 7, 2024, the Company's board of directors approved the appointment of Nir David as CEO of the Company starting on April 1, 2024. For information about the education, skills, expertise, achievements, and professional experience of Nir David, see section 15 in Chapter D of the Company's Periodic Report for 2023, published on March 13, 2024 (the “Periodic Report for 2023”).

Following the discussions at the Company's compensation committee and board of directors on March 18, 2024 and on April 9, 2024, respectively, the compensation committee and the Company's board of directors approved the terms of Nir David's office and employment, starting from the date he takes office as CEO of the Company, on April 1, 2024, in accordance with Regulation 1B4 of the Company Regulations (Reliefs in Transactions with Interested Parties), 2000 and the Company's compensation policy¹, until approval at the next General Meeting.

1. For information about the Company's compensation policy, see the immediate report on the General Meeting of April 4, 2023.



Accordingly, the terms of Nir David's office and employment as CEO of the Company from April 1, 2024 are submitted for the approval of the General Meeting, the main points of which are as follows:

A. Employment period and advance notice

Nir David's employment agreement will be effective as from April 1, 2024, the date he takes office, for an unlimited period, however, the Company or Nir David may terminate the agreement, at any time and for any reason, with six (6) months' written notice,² which will include an employee-employer relationship.³

B. Salaries

Nir David will have a gross monthly salary of NIS 147,000 for a position of 100% (the "Salary"). The salary will be linked to the CPI compared with the known CPI at the beginning of the previous year (and in accordance with the rules of the linkage mechanism applied in the Company). If there is a reduction in the base CPI as set out above, the Salary will not be reduced accordingly, however, the negative CPI will be offset from the next positive CPI (or from the next positive CPIs until the negative CPI is fully offset). It should be clarified that there will be no linkage to the CPI for a year in which the salary of Nir David is amended other than by linkage.

C. Annual performance-based cash bonus

Nir David will be entitled to an annual performance-based cash bonus of up to 100% of the annual salary (based on the base salary without related conditions), subject to full compliance with the targets set for that year. In addition, a formula will be defined for compensation for overperformance (compared to the targets that were set) of up to 125% of the annual salary, and a formula for a partial overperformance bonus and a limit for non-payment of any bonus compared with the targets that were set.

The provisions of the Company's compensation policy will apply to the annual performance-based bonus. For information about the rules applied by the Company's compensation committee and board of directors when determining the targets and assessing compliance, and for the list of targets used to define the targets for the Company's CEO, see sections 7.2.1.6.2, 7.2.1.6.3, and 7.2.1.6.4 of the Company's compensation policy, respectively.

Under the provisions of the Company's compensation policy, the compensation committee and board of directors may eliminate implications on the Company's financial results arising from the following events (if they occur) from calculation of performance for the bonus, provided that their effect is not taken into account in the Company's budget, as set out below:

- (1) Provisions for early retirement or voluntary retirement of employees;
- (2) Business changes (eliminating the effect due to mergers, acquisitions, entry into new sectors, disposals, or due to the issuance or redemption of securities);

² Notwithstanding the foregoing, it should be clarified that under the employment agreement, the Company may terminate the agreement with Nir David immediately and without any prior notice, under circumstances in which an employee may be denied full or partial severance pay and/or advance notice.

³ It should be noted that the Company's compensation committee and board of directors may approve an annual performance-based bonus for Nir David for an advance notice period in which the Company will waive actual employment for Nir David, if waived.



- (3) Accounting changes: Changes in accounting standards in the year or in the interpretation of accounting entities or the Israel Securities Authority regarding the method for their application, early adoption of accounting standards, change in accounting policy, change in accounting classification, a change in a material estimate, an event requiring restatement of comparative figures of previous years or previous quarters and which has a material effect on the results of the reported period (the "Accounting Changes").

The elimination will be made when, shortly before approval of the bonus, the Company's independent auditors submit an opinion on the Accounting Changes made in the past financial year for determining the bonus, and the implications of these changes on the targets relevant to the bonus. The opinion will be presented to the compensation committee and will serve as a basis for its decision on whether to eliminate the implications of the Accounting Changes to calculate the bonus.

- (4) Changes in taxation: Changes in tax rates, legislation, regulations, or the position of the tax authorities in Israel, or an arrangement or ruling with the tax authorities, resulting in substantial changes in tax expenses or tax payments, changes in tax expenses or tax payments for prior years whether due to an agreement or due to an order
- (5) Regulatory changes: Including new regulation or material changes in existing regulation (laws, secondary legislation, judicial instances, or service cases) with a material effect on the Company's results in the reporting period relating to competition and antitrust, prices, the relationship between Bezeq Group and its competitors (including in the wholesale market), cooperation between the Group companies, licensing and regulation of the Company's operating segments, and Bezeq's activity as a public company
- (6) Material deficiencies: A systemwide malfunction or a material failure with a lateral or ongoing effect on the Company (including due to cyber-attacks), force majeure events, or a general emergency that has a material effect on the Group's results in the reporting period.
- (7) Elimination of the consequences of events may increase or decrease the bonus, depending on the type of event and its effect.
- (8) It should be clarified that the compensation committee and the board of directors have the right not to perform the elimination or to eliminate a non-recurring event that is not listed above. If, as a result, there is an addition to the calculated incentive, the addition will be a discretionary incentive.

The board of directors may determine, up to the approval date of the financial statements for the relevant year, that there are exceptional circumstances justifying non-payment of all or part of the bonus even though the targets were achieved.

Without derogating from the provisions of section 7.2.1.6.3 of the Company's compensation policy, the precondition for receiving the annual performance-based bonus of the Company's CEO will be based on the adjusted EBITDA comparison alternative (as this term is defined in section 7.2.1.6.3 of the Company's compensation policy), which will be calculated with reference to the results of the Company's adjusted EBITDA (separate financial information).



For 2024, Nir David will be entitled to a partial bonus for his position as CEO of the Company, based on the period of his office and employment (starting from the date he took office, April 1, 2024), in accordance with the achievement of the compensation targets set for the outgoing CEO of the Company for this year.

The bonus will not be considered part of the salary for any purpose, including for the calculation of severance pay and any related conditions. The bonus grant will be determined in gross terms and statutory tax will be deducted.

Nir David will return to the Company any amounts paid to him for the annual bonus, based on information that later turned out to be erroneous and was restated in the Company's financial statements. It should be clarified that under section 7.2.1.11 of the Company's compensation policy, the amounts may only be returned if, when demanding return of the amounts from Nir David, no more than three (3) years have elapsed since the publication date of the financial statements on which the surplus payments were based.

It should be noted that this does not derogate from any additional bonuses granted to Nir David, in accordance with and subject to the Company's compensation policy and/or according to the provisions of any law.

D. Benefits and social benefits

Nir David will be entitled to standard social benefits (pension fund or managers' insurance, including a disability insurance component, annual vacation, sick leave, and convalescence pay), including contributions to a study fund. In addition, Nir David will be entitled to a company car as is standard in the Company and in accordance with its procedures, as amended from time to time. The Company will bear all the expenses for the use of the company car and its maintenance, in accordance with the Company's procedures, as amended from time to time.

Nir David will also be entitled to reimbursement of expenses for the fulfillment of his duties, including for his home telephone and internet bill and the use of a cell phone, under the Company's procedures as amended from time to time, and additional standard related conditions for the Company's managers.

E. Non-disclosure and non-competition

Nir David will be required to maintain confidentiality as is standard in the Company and is committed to a non-competition period of six (6) months from the termination date of employment. In this period, Nir David will not work for a competitor of the Company and will not have a business relationship with a competitor of the Company (including a competitor of the subsidiaries), either directly or indirectly.



F. Exemption, indemnity, and insurance

The Company will continue to include Nir David in its D&O insurance policy, in accordance with its terms, and he will continue to be entitled to a letter of indemnity and exemption from liability as is standard in the Company.⁴

G. Allotment of options

In Nir David's position of VP of the Company's business customers division, he was allocated 1,500,000 options (unlisted), exercisable for up to 1,500,000 ordinary shares of the Company and they will remain unchanged.⁵ Additionally, at the date of the Notice of a General Meeting, Nir David holds 6,465 shares of the Company. The total holdings of Nir David in the capital and voting rights in the Company at the date of this Notice are 0.00023% (0.053% fully diluted).⁶

As part of the terms of office and employment offered to Nir David as the Company's CEO, on March 18, 2024 and April 9, 2024, the Company's compensation committee and board of directors, respectively, approved the allotment of 4,058,032 additional unlisted options to Nir David ("the Options"). The Options are exercisable for up to 4,058,032 ordinary shares of the Company (the "Exercise Shares") and they will account for 0.147% of the voting rights and the issued capital of the Company after the allotment (0.144% fully diluted). The Exercise Shares, if allotted, will be listed on the Tel Aviv Stock Exchange Ltd. (the "TASE") and will be assigned in the name of the TASE nominee company or another company that will serve as the nominee company for the Company's securities at that time.

The terms of the Options correspond to and are described in the outline published by the Company on December 28, 2023 (the "Outline"). It should be clarified that Nir David is not an interested party as defined in Section 270(5) of the Companies Law and will not become an interested party due to the proposed allotment. It is further clarified that there is an employee-employer relationship between the Company and Nir David.

The options will be allotted in the capital gain trustee track under Section 102 of the Income Tax Ordinance [New Version] (the "Ordinance") and will be assigned in the name of the trustee (as defined in the Outline), subject to the provisions of the equity compensation plan and the Outline. In accordance with the above, the Options will be subject to a minimum lockup period of 24 months from the allotment date, or a different period if determined in accordance with Section 102 of the Ordinance (the "Lockup Period").

4 For further information about D&O insurance and the Company's standard undertaking for exemption and indemnification, see Note 29.6 to the Company's financial statements for the year ended December 31, 2023, which are attached to the Periodic Report for 2023.

5 For further information about the terms of the Options, see the amended report of the Company on the outline for granting options to employees and the material private offering report of May 9, 2022.

6 Without taking into account that the Options are allotted by means of the "net exercise" mechanism – accordingly, the actual dilution rate is expected to be lower than stated.



Vesting conditions and price

The Options will be allotted in two (2) grants, each grant at a rate of half (1/2) of the total number of Options, and will vest in four (4) equal annual lots. The first lot will vest on April 9, 2025), with a different exercise price and exercise price conditions for each grant:

	Total number of Options⁷	Exercise price	Exercise terms (achieving the target price)⁸
Bonus 1	2,029,016	NIS 5.00	NIS 5.33
Bonus 2	2,029,016	NIS 5.50	NIS 6.58

Exercise price

Under the terms of the Company's compensation policy, the exercise price of the Options for calculating the benefit component will not fall below the average closing prices of the Company's shares in the thirty (30) trading days on the TASE preceding the approval date of the allotment of the Options by the Company's board of directors or by a board of directors' committee authorized to approve an allotment under Section 288 of the Companies Law, or below the TASE closing price of the Company's shares at the end of the trading day preceding the date of the Company's resolution regarding allotment of the Options, whichever is higher.

The closing price of the Company's shares on the TASE on the trading day preceding the date of the board of directors' resolution for granting the Options was NIS 4.763. The exercise price of the first grant is higher than the average closing price of the Company's shares on the TASE in the thirty (30) trading days preceding the day of the board of directors' resolution for approval of the allotment. The exercise price of the second grant is the same as the exercise price of the first grant plus 10%. The exercise price is subject to adjustment provisions as set out in section 2.5.6 of the Outline.

Net exercise mechanism

Subject to the provisions of any law, the exercise price will not be paid to the Company in practice but will be taken into account when calculating the number of shares to which Nir David is actually entitled from the exercise of the Options, as set out in the Outline.

It should be clarified that in accordance with the provisions of the TASE bylaws and the related guidelines, options will not be converted to shares on the record day for distribution of bonus shares, distribution of dividends, an offering offer by way of rights, capital consolidation, capital split, or capital reduction (each of the above will be referred to hereinafter as the "Company Event"). In addition, it should be further clarified that if the ex-date of the Company Event falls before the date of record of the event, there will be no conversion on the ex-date.

7 The number of options included in each grant may vary depending on rounding up of fractional options.

8 The "exercise terms" - the average closing prices of the Company's shares over at least thirty (30) consecutive trading days on the TASE prior to the review date is equal to or higher than the price set out in the table above. It should be emphasized that there is no requirement to meet the condition for the exercise price on the actual exercise date, but it must be met in the period between the vesting date of the Option and the expiry date (and before the exercise date), even if it is not met on the actual exercise date.



Adjustment provisions

Standard adjustment mechanisms will apply to the Options as set out in the Outline, including when issuing rights, distributing dividends, and in equity-based activities.

Economic value of the Options

The fair value of the Options for Nir David, which was based on the Monte Carlo model,⁹ and the parameters used when applying the model in the valuation of the Options prepared by an external assessor, are as follows:

Number of Options	4,058,032	
The closing price of the Company's shares on the TASE on April 8, 2024 (the basis for the valuation)	NIS 4.763	
Exercise price and conditions	Exercise price	Target price (conditions for exercise)
Bonus 1	NIS 5.00	NIS 5.33
Bonus 2	NIS 5.50	NIS 6.58
Vesting period	Four (4) equal lots, as follows: The first lot will vest on April 9, 2025, each additional lot will vest at the end of the year following the previous lot	
Expiration date	Seven (7) years after the allotment date (date of approval by the board of directors)	
Abandonment rates after vesting	It was assumed that there will be no abandonment after vesting	
Expected fluctuation	30%	
Risk-free interest rate	The exercise price is nominal and therefore for discounting, interest was based on the nominal yield arising from estimating the zero curve for seven (7) years as published by the Bank of Israel shortly before the valuation, 4.16%	
Dividend return	A dividend return of zero was assumed	
Expected early exercise	The value of the Options is calculated according to the early exercise coefficient – 2.2.	
Average value of the Options	NIS 1.65	
Fair value of the Options	NIS 6,680,535	
Exercise mechanism, net	Yes	

⁹ The Monte Carlo model is based on multiple simulations for the development of the share price throughout the life of the option and calculating the value of the option as the average value in these simulations.



Number of Options	4,058,032
Exercise price adjustment for dividend distribution	<p>Yes</p> <p>It should be noted that the exercise prices and the target of the Options underlying this report will be adjusted in an amount equal to the amount of the dividend per share that was announced and published at the Notice of a General Meeting dated March 13 2024,¹⁰ provided that the exercise price is not lower than the par value of the share.</p>

Below is information about Nir David's compensation in accordance with the Sixth Schedule of the Report Regulations, over twelve (12) months, assuming approval of the resolution (NIS thousands):

Details of compensation recipient				Compensation (in terms of cost to the Company)						
				Salary (2)	Management fees	Bonus(3)		Consultation fees, commission	Other	Total
Name	Position	Scope of position	Rate of holding in Company equity(1)			Cash	Equity (4)			
Nir David	CEO	100%		2,331	-	1,764	2,002	-	-	6,097

- (1) Fully diluted, assuming exercise of all the Options into Company shares (including those underlying this Notice of a General Meeting), Nir David is expected to hold 0.197% of the Company's issued share capital (without taking into account that the Options are allotted under the "net exercise" mechanism, Accordingly, the actual dilution rate is expected to be lower than stated.
- (2) The cost of the annual salary of Nir David includes a company car or reimbursement of expenses instead of a company car, National Insurance contributions, benefits, and related conditions, and does not include a provision for early notice and non-competition
- (3) Assuming that Nir David was paid an annual bonus at the maximum amount of 100% of the annual salary (calculated as a percentage of the base monthly salary excluding related benefits). The performance-based bonus for the CEO will be limited to up to 100% of the annual base salary (assuming 100% of the targets are met) with an option of up to 125% of the annual base salary in case of over performance.
- (4) The fair value of the Options at the allotment date, using the Monte Carlo method, in the vesting year (the fair value of the total amount of allotted Options divided by the number of vesting years – linear) The amount in the table above refers to the fourth and final vesting year out of the equity compensation allotted to Nir David in his position as VP in 2020 (NIS 333 thousand) and the total value of Options for the first vesting year in his position as CEO of the Company (NIS 1,670 thousand).

(Under generally accepted accounting principles, the total expenses recognized for the fourth and final vesting year out of the equity compensation allotted to Nir David in his position as VP in 2020 is NIS 25,395, and the value of the Options for the first vesting year

¹⁰ The annual meeting, the agenda of which includes the approval of the dividend distribution, is expected to convene on April 17, 2024.



in Nir David's position as CEO of the Company is NIS 3,872 thousand).



The issued share capital in the Company, the amount and proportion of the holdings of Nir David, interest parties in the Company, and total holdings of the other shareholders in the issued and paid-up capital and voting rights in the Company

At the date of the Notice of a General Meeting, the Company's registered share capital is NIS 2,849,485,753, divided into 2,849,485,753 ordinary shares of NIS 1 par value each. Of the registered share capital, 2,766,900,858 ordinary shares were issued and paid up. For information about the Company's capital, see the Status of capital, granting of rights to purchase shares, and registers of securities of the corporation and the changes therein of April 7, 2024. For information about the holdings of interested parties and officers in the issued and paid-up capital and the voting rights in the Company, see the immediate report on the holdings of interested parties and executive officers dated April 7, 2024 and the Company's immediate report dated April 4, 2024



Name	Before the allotment				After the allotment underlying this report				
	No. of shares	No. of Options	Rate of holding in capital and voting rights	Rate of holding in capital and voting rights, fully diluted	No. of shares	No. of Options	Rate of holding in capital and voting rights	Rate of holding in capital and voting rights, fully diluted (including the Options allotted to Nir David)	Rate of holding in capital and voting rights, fully diluted, assuming exercise of the allotment to Nir David only ¹¹
Nir David	6,465	1,500,000	0.00%	0.05%	6,465	5,558,032	0.00%	0.197%	0.147%
B Communications Ltd.	752,411,708	-	27.19%	26.66%	752,411,708	-	27.19%	26.62%	27.15%
TNR Real Estate Properties Ltd.	2,546,320	-	0.09%	0.09%	2,546,320	-	0.09%	0.09%	0.09%
Clal Insurance – provident funds	184,068,410.82	-	6.65%	6.52%	184,068,410.82	-	6.65%	6.51%	6.64%
Clal Insurance – nostro	6,459,638	-	0.23%	0.23%	6,459,638	-	0.23%	0.23%	0.23%
Migdal – participants	174,471,140	-	6.31%	6.18%	174,471,140	-	6.31%	6.17%	6.30%
Migdal – mutual funds	21,996,629	-	0.79%	0.78%	21,996,629	-	0.79%	0.78%	0.79%
Migdal – nostro	469,000	-	0.02%	0.02%	469,000	-	0.02%	0.02%	0.02%
Harel – provident funds	138,573,444	-	5.01%	4.91%	138,573,444	-	5.01%	4.90%	5.00%
Harel – mutual funds	22,147,769	-	0.80%	0.78%	22,147,769	-	0.80%	0.78%	0.80%
Harel – nostro	2,017,562	-	0.07%	0.07%	2,017,562	-	0.07%	0.07%	0.07%
David Granot	21,570	-	0.00%	0.00%	21,570	-	0.00%	0.00%	0.00%
Tomer Raved	-	5,381,064	-	0.19%	-	5,381,064	-	0.19%	0.00%
Others	1,461,711,202	48,688,230	52.84%	53.52%	1,461,711,202	48,688,230	52.84%	53.44%	52.76%
Total	2,766,900,858	55,569,294	100%	100%	2,766,900,858	59,627,326	100%	100%	100%

11 Without taking into account that options are allotted by means of the "net exercise" mechanism – accordingly, the actual dilution rate is expected to be lower than as presented in the table.



The name of any substantial shareholder or officer who, to the best of the Company's knowledge, has a personal interest in the consideration

To the best of the Company's knowledge, Nir David has a personal interest in the allotment of the Options underlying this report, since he is an offeree.

Approvals required for the allotment

As aforesaid, the Company's compensation committee and board of directors approved the allotment of the Options, and the allotment is subject to the approval of the General Meeting. Additionally, the allotment is subject to the approval of the TASE for listing the Exercise Shares. Shortly after publication of this report, the Company will apply to the TASE for approval.

Details of agreements between Nir David and other shareholders for allotment of the Options

To the best of the Company's knowledge and based on information provided by Nir David, there are no written or oral agreements between him and a holder of the shares of the Company or another, regarding the acquisition or sale of the Company's securities or regarding voting rights (other than the holding of 1,500,000 options (non-marketable), at the date of the Notice of a General Meeting, for the Company's shares, which were granted to Nir David in his position as VP of the Company's business customers division).

Prevention of or restriction on transactions in options

For information, see section 2.8 of the Outline and section G above regarding the lockup period.

Allotment of the securities

Shortly after publication of this Notice, the Company will apply to the TASE for approval, as set out above.

Exercise share rights

The Options are exercisable for ordinary shares of the Company and will be equal in their rights in all respects to the ordinary shares in the Company's capital. The holder of the Exercise Shares will be entitled to any dividend or other benefit if the record date for their receipt falls on or after the exercise date. It should be clarified that the Options in themselves will not be entitled to the rights, attached to the Company's shares, if they are not exercised for shares.

H. Explanations of the Company's compensation committee and board of directors for approving the terms of office and employment of Nir David

The Company's compensation committee and board of directors approved the terms of office and employment of Nir David for the following reasons:

1. There is no material change to the terms of office and employment proposed for Nir David compared with the terms of office and employment of the former CEO of the Company and they are in line with the Company's compensation policy.
2. The proposed terms of office and employment are reasonable and appropriate, considering Nir David's education, skills, expertise, rich professional experience, and his knowledge of



the Company based on his holding of senior positions in the Company for some thirty (30) years, including VP of the Company's business division for four (4)) years.

3. Based on a comparative opinion of an independent external consultant, the terms of office and employment offered to Nir David do not exceed the standard employment terms for the position of CEO in benchmark companies.
4. The total compensation proposed for Nir David is in line with the scope of his employment, the extent and areas of his responsibility, and his duties, and it is appropriate for the size of the Company, the scope and nature of its activities, and for advancing the Company's objectives, work plans, long-term policy, and targets, including the ability to recruit talented and high-quality managers.
5. The performance-based bonus component included in the terms of office and employment offered to Nir David is appropriate considering the complexity of his position, the challenges expected to face the Company in the coming years, and the interest in providing him with an additional incentive to continue working to improve the Company's performance in accordance with the strategic plans of the Company's board of directors.
6. The ratio between the fixed component and the variable component (in terms of cost to the Company) out of the total compensation offered, after allotment of the equity compensation, amounts to 38.2% and 61.8%, respectively, and is reasonable and within the limits set out in the Company's compensation policy.
7. The effect on employment relations in the Company was taken into account, including the ratio between the cost of the terms of office and employment of Nir David and the average and median cost of salaries for the Company's employees (including the Company's contractor employees), which are 1:21.14 and 1:23.43, and is reasonable and appropriate considering the market in which the Company operates.¹²
8. Part of the total consideration offered to Nir David is based on an equity compensation mechanism by way of allotting options for the Company's shares, in accordance with the Company's compensation policy and the terms of office and employment of the outgoing CEO of the Company, and it is intended to create a balance between the interests of the Company and the holders of its securities and Nir David in maximizing the Company's value, thereby adding an incentive to work to improve the Company's long-term performance and results, subject to the Company's risk management policy.
9. Regarding the right to a letter of indemnity and exemption, the Company's compensation committee and board of directors believe that: (1) granting a letter of indemnity and exemption from liability is in compliance with the Companies Law, the Israel Securities Law, 1968 (the "Israel Securities Law"), the Company's articles of association, and the Company's compensation policy; (2) this is standard protection provided by the Company

¹² The cost of salary of the Company's employees, including contractor employees, was calculated for a full-time position, for data as of December 31, 2023.



to its officers acting on its behalf, in order to allow them to act in its favor, knowing that even if they are negligent, they will be granted protection, under the limitations and conditions in the Law; (3) the letter of indemnity and exemption from liability is the same as the wording for the directors and other officers of the Company; (4) the amount of indemnity is reasonable under the circumstances; (5) the amount of the undertaking for indemnity is for events which the Company's compensation committee and board of directors believe can be expected in view of the Company's actual activity.

10. To conclude, in view of the above, the Company's compensation committee and board of directors have determined that the terms of the employment agreement are reasonable and appropriate, taking into account the above and taking into account: (a) the size and nature of the Company; (b) the Company's long-term policy and goals which include the desire to appoint a competent and high-quality CEO.

Proposed resolution: To approval of the terms of office and employment of Nir David as CEO of the Company

3. Convening the General Meeting

3.1. Place and time of the General Meeting

The General Meeting will take place on Monday, May 20, 2024 at 12:00 PM, at the Company's offices.

3.2. Majority required for passing the resolution on the agenda of the General Meeting

The majority required for approving the proposed terms of office and employment of Nir David, under Section 272(C1) of the Companies Law, is a simple majority of all the votes cast by shareholders present and entitled to vote at the General Meeting provided one of the following is satisfied:

- (1) The count of the majority votes at the General Meeting includes a majority of all the votes cast by shareholders who are not controlling shareholders of the Company or have no personal interest in approving the terms of office and employment, taking part in the vote; abstentions will not be taken into account; a person having a personal interest will be subject to Section 276 of the Companies Law, as set out in section 3.3 below.
- (2) The total number of dissenting votes from among the shareholders referred to in subsection (1) above does not exceed two percent (2%) of all the voting rights in the Company.

3.3. Disclosure of a personal interest

In accordance with Section 276 of the Companies Law and Regulation 7(A)(8) of the Written Vote Regulations, a shareholder participating in the vote will notify the Company before the vote at the General Meeting, and if the vote is via a voting slip, the shareholder will indicate on the voting slip, in the space allocated, whether they are a controlling shareholder, an interested party in the Company, a person with a personal interest in the resolution, a senior officer, or an institutional investor (as these terms are defined in the Written Vote Regulations), and any other relationship between the shareholder and the Company, the controlling shareholder, or a senior officer in the



Company, and will the nature of the relationship. If the vote is by power of attorney, such details must be provided for the principal and the agent. If the shareholder fails to give notice as stated, the shareholder will not vote and the vote will not be counted.

3.4. Quorum and adjourned meeting

If, within half an hour from the time set for the General Meeting, a quorum is not present (two (2) shareholders who are present in person or by proxy or who have sent the Company a voting slip indicating the matter of their voting, and who hold or represent at least 25% of the voting rights in the Company), the General Meeting will be adjourned to May 27, 2024, to the same time and at the same place ("the "Adjourned Meeting"). If, within half an hour from the time set for the Adjourned Meeting, a quorum is not present, the Adjourned Meeting will be held with any number of participants.

3.5. Date of record, eligibility to attend the General Meeting, and voting method

The date of record for eligibility to participate and vote in the General Meeting under Section 182(C) of the Companies Law and Regulation 3 of the Written Vote Regulations, 2005, will be at the end of the day of trading in the Company's securities on the TASE, which will be April 17, 2024 (the "Date of Record").

In accordance with the Companies Regulations (Proof of Title to a Share for Voting at a General Meeting), 2000 (the "Proof of Title to a Share Regulations", a shareholder on whose behalf a share is registered with a TASE member, and that share is included among the shares registered in the shareholders register in the name of a nominee company, (the "Unregistered Shareholder"), who is interested in voting at a shareholders' meeting, may prove their title to shares of the Company at the Date of Record, for the purpose of voting at the General Meeting, by delivering to the Company a certificate from the TASE member through which the title to the share is registered, no later than twenty-four (24) hours before the time of the General Meeting.

Unregistered Shareholders are entitled to a certificate of title from the TASE member through which they hold their shares, at the branch of the TASE member or by mail to their registered address, for postage fees only, if requested. Such a request should be submitted in advance for a specific securities account.

In accordance with Regulation 4A of the Proof of Title to a Share Regulations, a certified electronic message in accordance with Section 44K5 of the Israel Securities Law, concerning data of users of the electronic voting system, will be deemed the same as a certificate of title for any shareholder included therein.

A shareholder of the Company at the Date of Record may attend and vote at the General Meeting in person, through a voting slip (as described in section 3.6 below) or by an agent, after depositing an instrument of appointment at the Company's offices at least forty-eight (48) hours before the time the General Meeting is convened (the "Instrument of Appointment"). The Instrument of Appointment must be in writing and signed by the appointer or by the appointor's authorized representative, and if the appointor is a corporation, the Instrument of Appointment will be executed under the seal of the corporation (if any), and in the absence of a seal – by the person authorized to do so together



with the stamp of that corporation. In addition, an Unregistered Shareholder who is a shareholder of the Company on the Date of Record may also vote at the General Meeting through the electronic voting system (as described in section 3.7 below).

3.6. Voting slip, position statements, and adding items to the agenda

Votes on the item on the agenda of the General Meeting, as set out above, may also be cast by means of the voting slip attached to this immediate report. A written vote will be entered in the second part of the voting slip as published on the distribution site.

Addresses of the distribution site of the Israel Securities Authority and the website of the Tel Aviv Stock Exchange Ltd. containing the text of the voting slips and the position statements: Israel Securities Authority website: www.magna.isa.gov.il, the TASE website: www.maya.tase.co.il and the Company's website: www.bezeq.co.il.

A TASE member will send by email, free of charge, a link to the text of the voting slip and the position statements on the distribution site of the Israel Securities Authority, to any Unregistered Shareholder whose shares are registered with that TASE member, unless the shareholder notified the TASE member that they do not wish to receive such a link, provided the notification is given for a particular securities account, prior to the Date of Record.

Shareholders are entitled to apply directly to the Company to receive the text of the voting slip and the position statements.

The deadline for the submission of shareholder position statements to the Company is up to ten (10) days before the date of the General Meeting, that is, until May 10, 2024. The deadline for submitting the response of the board of directors to the position statements is up to five (5) days before the date of the General Meeting, that is, until May 15, 2024.

An Unregistered Shareholder wishing to vote by a voting slip should mark the voting method on Part Two of the voting slip and deliver the voting slip to the Company or send it by registered mail together with a certificate of title, such that the voting slip reaches the Company's registered office no later than four (4) hours before the time of convening the General Meeting.

A shareholder registered in the Company's register of shareholders wishing to vote by means of a voting slip must stipulate the voting method on the second part of the voting slip, and submit it to the Company or send it by registered post, together with a photocopy of the shareholder's ID card or passport or certificate of incorporation, such that the voting slip reaches the Company's registered office no later than four (4) hours before the General Meeting convenes.

Under Section 66(B) of the Companies Law, one shareholder or more holding at least one (1) percent of the voting rights at the General Meeting may request that the board of directors includes an item on the agenda of the General Meeting, provided such item is suitable for discussion at the General Meeting. In accordance with the Notice of a General Meeting Regulations, a request in accordance with Section 66(B) of the Companies Law must be submitted to the Company up to seven (7) days after the General Meeting was called, which is by April 18, 2024. If such a request is submitted, there



is a possibility that items will be added to the agenda of the General Meeting, and their details will appear on the distribution site of the Israel Securities Authority.

3.7. Voting via the electronic voting system

As set out above, an Unregistered Shareholder may also vote on the above item via the electronic voting system. A vote via the electronic voting system may be cast starting from confirmation from the electronic voting system of receipt in good order of the list of those eligible for voting via the electronic voting system and up to six (6) hours before the time for convening of the General Meeting (the "System Closing Time"), at which time the electronic voting system will be closed.

A vote cast via the electronic voting system may be changed or canceled up to the System Closing Time, after which it may not be changed via the electronic voting system. Under Section 83(D) of the Companies Law, if a shareholder votes by more than one means, the latest vote of the shareholder will be counted, and in this regard, the vote of a shareholder in person or by proxy will be deemed later than a vote via the electronic voting system.

An Unregistered Shareholder may send the Company a certificate of title through the electronic voting system up to the System Closing Date. As set out above, a certified electronic message under Section 44K5 of the Israel Securities Law, concerning information about users of the electronic voting system – will be deemed the same as a certificate of title for any shareholder included in it.

An Unregistered Shareholder on whose behalf shares are registered with a TASE member may receive from such TASE member the access details for the electronic voting system. The vote will be according to the electronic voting slip appearing in the electronic voting system

3.8. Company representative

The Company's representative dealing with this report is the Group Secretary Adv. Michal Kuperstein. Her address is 7 Hamanor St., Holon (Tel. 972-3-626-2200, Fax 972-3-626-2209).

3.9. Review of documents

The Company's shareholders may, at their request, inspect this notice and the documents (if any) attached to it, at the Company's offices between 10:00 - 15:00 PM and by prior appointment by telephone: 972-3-626-2200.

Sincerely,

Michal Kuperstein, Adv.
Group secretary and internal enforcement officer
Bezeq The Israeli Telecommunications Corp. Ltd.