



## Bezeq - The Israel Telecommunications Corp. Ltd.

(the "Company")

September 5, 2022

Attn.  
Israel Securities Authority  
The Tel Aviv Stock Exchange Ltd.

Dear Madam/Sir,

### **Immediate Report – Amendment to the Communications Order Regarding the Holding of Means of Control in the Company**

On September 4, 2022, the Draft Communications Order (Telecommunications and Broadcasting) (Determination of an Essential Service Provided by Bezeq the Israel Telecommunications Corp., Ltd.) (Draft Amendment), 2022 was published on the government legislation website for public comments by September 25, 2022.

In accordance with the introduction and in the explanatory notes to the Draft Amendment, B Communications, the controlling shareholder of the Company, applied to the Ministry of Communications with a request, among other things, to amend the Communications Order (Telecommunications and Broadcasting) (Determination of an Essential Service Provided by Bezeq the Israeli Communications Company Ltd.), 1997 (the "**Communications Order**") to allow the future sale of its holdings in the Company to the public, such that on completion of the process, it will no longer be the controlling shareholder of the Company. It is further proposed, among other things, to amend the Communications Order to allow the controlling shareholder, subject to approval of the Prime Minister and the Minister of Communications, after consultation with the Minister of Defense, to transfer means of control to another party if, as a result of the transfer, it is no longer the controlling shareholder.

The Draft Amendment includes proposals for additional amendments to the Communications Order, including:

1. To add an option for the controlling shareholder to replace the Israeli shareholder requirement with directives of the General Security Service under Section 13 of the Communications Law (Telecommunications and Broadcasting), 1982.



2. To provide an option for an institutional investor to increase its holding to up to 7.5% without the approval of the ministers.
3. To repeal Section 7(G) of the Communications Order, which determines reporting requirements, terms, and restrictions on any entity holding 2.5% or more of any means of control in a company where more than 75% of the company's shares is held by the public.

For further information, see also sections 1.1.2 and 2.16.3.6 of the chapter Description of Company Operations in the Company's Periodic Report for 2021.

The Company believes that if the Amendment comes into effect, it will reduce the regulatory restrictions applicable to the Company's shareholders, and in particular, institutional investors.

For a link to the publication on the legislation website of the government, which includes explanatory notes and the Draft Amendment, see <https://www.tazkirim.gov.il/s/ie-is-not-supported?language=iw> [in Hebrew].

Yours sincerely,

Bezeq The Israel Telecommunications 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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