



“Bezeq” The Israel Telecommunication Corp Limited
(“The Company”)

June 9, 2021

Attn.
Israel Securities Authority

Attn.
The Tel-Aviv Stock Exchange Ltd

Immediate Report

Approval to Renew Officers' Liability Insurance Policy

The Company announces that on June 9, 2021 the Company's Compensation Committee approved, in accordance with the provisions of section 1.B.1 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”), the renewal of the liability insurance policy for officers (including directors) of the Company and its subsidiaries (“the Policy”) for a period of one year, commencing June 15, 2021 (at the end of the current insurance policy) until June 14, 2022 (inclusive), whose main points are as follows:

1. Cover limitation - cover limitation of USD 125 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 25 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 Insurances 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 2,000,000).
4. The Policy will include cover for Retired Officers of Walla who were in their positions at the date of closing of the sales transaction.

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 the liability 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. The Company 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 from time to time during the period of the Compensation Policy, whether by extension of the Policy period stated above or by entering into a new Policy for Directors and Officers liability insurance, subject to the Compensation Committee confirming that there is no material adverse change in the terms of the new Policy or that it is not an improvement on the terms of the Policy described above or that the Compensation Committee will confirm contracting for the new Policy in accordance with Regulation 1B1 of the Companies Regulations (Dispensations in Transactions with Interested Parties), 2000.

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.