



Bezeq The Israeli Telecommunications Corp. Ltd.

(the "Company" or "Bezeq")

August 7, 2024

Attn.

Israel Securities Authority

Tel Aviv Stock Exchange Ltd.

Notice of a Special General Meeting of the Company's Shareholders

In accordance with the Companies Law, 1999 (the "Companies Law"); the Israel Securities Regulations (Periodic and Immediate Reports), 1970 (the "Reports Regulations"); 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 "Written Vote Regulations"), the Company hereby gives notice of a Special General Meeting of the Company's shareholders (the "General Meeting"), to be held on Wednesday, September 11, 2024, at 12:00, at the Company's offices at 7 Hamanor St. Holon, 5th floor (the "Company's Offices").

1. Agenda of the General Meeting

Approval of the distribution of a dividend

2. Key points of the proposed resolution and its terms

- 2.1. The board of directors recommends, further to its meeting on August 6, 2024, to approve the distribution of a cash dividend to the Company's shareholders amounting to NIS 407 million (representing 70% of the Company's half-year profit after tax based on its consolidated financial statements for the first half of 2024), representing as at the date of the notice of convening a General Meeting, NIS 0.1470386 per ordinary share of NIS 1 par value of the Company (the "Share"), and 0.1470386% of the Company's issued and paid-up share capital (the "Dividend"). The actual amount of the Dividend per share to be paid will be based on the number of shares in the Company's issued and paid-up share capital as at the end of the trading day of September 25, 2024 (the day before the planned record date for distribution of the dividend). Subject to the approval of the General Meeting for the distribution, the record day for payment of the Dividend will be September 26, 2024 and the payment will be on October 10, 2024.
- 2.2. The Company's board of directors assessed the Company's compliance with the tests set out in Section 302 of the Companies Law – the profit test and the solvency test, and determined that the Company meets these tests, as described below.
- 2.3. **Regarding the profit test** – Based on the Company's financial statements as at June 30, 2024, the dividend distribution meets the profit test. The board of directors was presented with the distributable retained earnings accumulated in the last two years, amounting to NIS 1,170 million, and the proposed Dividend was found to meet the profit test (meaning – the Dividend is being paid out of the Company's distributable profits).



- 2.4. **Regarding the solvency test** – The board of directors assessed, among other things, the Company's projected cash flows and the financing sources available to it for repayment of its existing and future obligations, and for payment of the Dividend. In these contexts, the board of directors also assessed the cash and cash equivalents and the amount of credit that the Company estimates is available to it.

As part of the solvency test, the board of directors also considered the consequences of the Dividend payment on the Company's financial position and liquidity, and on the Company's existing structure of operations, including its effect on the Company's investment plans, capital structure and leverage (including its credit rating).

In this regard, the board of directors was presented with the position of the Company's management that according to which the Dividend payment will not have a negative effect on the Company's operations and investments, as required for maintaining its business position and competitiveness, or affect the Company's compliance with the solvency test. The board of directors also reviewed the Company's cash flow forecasts (and a sensitivity analysis performed on these forecasts for cases of unexpected significant deterioration in the Company's business) and assessed its financial robustness and ability to service its debts based on a projected debt service coverage ratio analysis. The board of directors also assessed the net sources of liquidity from the Company's wholly owned subsidiaries. The board of directors took into account in this regard that the Company has no financial covenants that could affect the amount or cost of the debt.

In view of the findings of its assessments and after the data and forecasts were presented to the board of directors by the management, the board of directors concluded that the Company has significant ability to meet its current and projected cash requirements in the foreseeable future (even in scenarios of unexpected deterioration in the Company's business), by generating cash from operations, by net cash inflows from its subsidiaries, and by obtaining credit, if required. Therefore, there is no reasonable likelihood that the distribution of the Dividend will prevent the Company from meeting its existing and future obligations when they mature, and payment of the proposed Dividend is not expected to materially affect the Company's financial position, including its capital structure, liquidity, and ability to continue operating within its current structure of operations. The distribution of the Dividend is in accordance with the Company's dividend policy, as published on March 13, 2024.

For further information about the distribution of the Dividend, see the immediate report on the recommendations and resolutions of the board of directors of August 6, 2024, which is published together with this report.

- 2.5. **Proposed resolution**: To approve the distribution of a cash Dividend in the amount of NIS 407 million to the Company's shareholders, as set out in section 2 of this Notice of a General Meeting.



Convening the General Meeting

3. Place and time of the General Meeting

A special general meeting of the Company's shareholders has been convened for September 11, 2024 at 12:00 at the Company's offices at 7 Hamanor St., Holon, having on its agenda the approval of distribution of a Dividend as set out in section 2 above.

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

The majority required for passing the distribution of the Dividend is a simple majority of all of the votes cast by shareholders present and entitled to vote and who voted at the General Meeting, without taking into account abstentions.

5. Quorum and adjourned meeting

If, within half an hour from the time set for the General Meeting, a quorum is not present ((2) two 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 September 18, 2024, to the same time and at the same place. If, within half an hour from the time set for the adjourned meeting, a quorum is not present, the meeting will be held with any number of participants.

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

- 6.1. 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 August 12, 2024 (the "Date of Record").
- 6.2. 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.
- 6.3. 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.
- 6.4. In accordance with Regulation 4A of the Proof of Title to a Share Regulations, a certified electronic message under Section 44K5 of the Israel Securities Law, 1968 (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.



6.5. 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 7 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 that 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 8 below).

7. Voting slip, statements of position, and addition of items to the agenda

- 7.1. The vote on the item on the agenda of the General Meeting may also be cast by means of the voting slip attached to this Notice of a General Meeting. A written vote will be entered in the second part of the voting slip as published on the distribution site.
- 7.2. 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 statements of position: Israel Securities Authority website: www.magna.isa.gov.il; Tel Aviv Stock Exchange Ltd. website: www.maya.tase.co.il; and the Company's website: www.bezeq.co.il.
- 7.3. A TASE member will send by email, free of charge, a link to the text of the voting slip and the statements of position 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.
- 7.4. Shareholders are entitled to apply directly to the Company to receive the text of the voting slip and the statements of position.
- 7.5. The deadline for the submission of shareholder statements of position to the Company is up to ten (10) days before the date of the General Meeting, that is, until September 1, 2024. The deadline for submitting the response of the board of directors to the statements of position is up to five (5) days before the date of the General Meeting, that is, until September 6, 2024.
- 7.6. 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.
- 7.7. A shareholder registered in the Company's register of shareholders wishing to vote by means of a voting slip should mark the voting method on the Part Two of the voting slip, and submit it to the Company or send it by registered mail, 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.



7.8. Under Section 66(B) of the Companies Law, one shareholder or more holding at least one percent (1%) 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 Notice of the General Meeting, which is by August 13, 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.

8. Voting via the electronic voting system

8.1. As set out above, an Unregistered Shareholder may also vote on the items listed above 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.

8.2. 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. It should be noted that 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.

8.3. 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.

8.4. 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

9. Company representative

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



10. 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 at 7 Hamanor St., Holon, 5th Floor, on Sunday-Thursday between 10:00 AM - 15:00 PM and by prior appointment by telephone: 972-3-626-2200

Sincerely,

Michal Kuperstein, Adv.

Group secretary and internal compliance officer

Bezeq The Israeli Telecommunications Corporation Ltd.

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.