



Bezeq - The Israel Telecommunication Corp. Ltd.

(“The Company”)

August 9, 2022

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

Dear Madam/Sir,

Supplementary Immediate Report – Hearing on the Draft Bill on Principles for Regulating Public Broadcasting of Audio-Visual Content

Further to the Company's immediate report dated September 2, 2021 and as stated in section 5.1.2 of the chapter on Description of Company Operations in the Company's Periodic Report for 2021, concerning the report by the committee appointed to review overarching regulation of the broadcasting sector (the "Folkman Committee") and the Minister of Communications decision of September 2021, a supplementary immediate report is hereby issued, whereby on August 9, 2022, the Ministry of Communications announced a hearing for public comment by October 2022 regarding the Draft Bill on Principles for Regulating Public Broadcasting of Audio-visual Content, 2022, (the "Hearing" and the "Draft Bill", respectively).

According to the Hearing and explanatory notes to the Draft Bill, based on the Folkman Committee recommendations, the Bill is intended to amend legislation and revise the obligations and rights that apply to all players operating in the audio-visual content market, in a number of ways, and includes the following principles:

1. A new authority will be established in place of the Council, the Council of the Second Authority, whose role will be to regulate the entire audio-visual content market and which will be authorized to issue directives for preventing actions that may impair competition in the sector (the "Authority").
2. A set of minimum core obligations will apply to the significant players operating in this market, and will include registration, investment in local productions, distribution of the Israel Broadcasting Corporation and Knesset channel content, and directives relating to ethics and consumerism, whereby the scope of such obligations will vary according to the income level of the content provider.



3. The existing restrictions on the economic models in the audio-visual content market will be lifted (while maintaining some of the interchange costs). As far as the traditional platforms are concerned, the obligation to provide broadcast channels and allocate channels for broadcasting that apply to them, as well as applicable prohibitions with regard to broadcasting of commercials and news company holdings, will be abolished. Furthermore, the obligation to provide free broadcast channels for the traditional platforms will be cancelled. On this matter, a transitional provision was established according to which these changes will come into force three years after publication of the law (and two years after the publication of the law the Authority's board may cut this period short).
4. Separate regulations will be established for providing news content to the public.
5. Regulations will be set out regarding public broadcast of sports content to avoid broadcast of significant sports channels through a single content provider, and to ensure that high demand or special interest sports channels will be accessible to the public.
6. Obligations will be defined for investing in local productions, which will apply with the required changes, to all local and international content providers whose scope of activity in Israel is significant, as well as to independent Israeli commercial channels.

DBS is reviewing the hearing document and its implications. As this is just a hearing and it is uncertain whether the hearing will develop into binding legislation, or what its content and regulations will be, it is difficult at this stage to assess the extent of the impact of legislation and regulations that will be established following the hearing (if it is adopted), on the business of DBS.

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.