



Bezeq - The Israel Telecommunication Corp. Ltd. ("Company")

December 25, 2020

The Israeli Securities Authority

The Tel Aviv Stock Exchange

Immediate Supplementary Report - Amendment to the Communications Law regarding the Deployment of Fixed-Line Ultra-Broadband infrastructures in Israel

Following the Company's Immediate Reports dated July 21, 2020 regarding the publication of the final recommendations made by the Inter-Ministerial Team to Examine the Policy for Deployment of Fixed-Line Ultra-Broadband Infrastructures in Israel and the adoption of the said recommendations by the Communications Minister, and the Immediate Report dated September 14, 2020 regarding the approval of the Israeli government to the amendment, a supplementary immediate report is hereby issued stating that on December 24, 2020, an amendment to the Communications Law (Telecommunications and Broadcasting) was published on the Official Records, implementing the key principles of the Government's decision (the "**Amendment**" and the "**Communications Law**"), which had been approved by the Knesset on December 21, 2020.

The wording of the Amendment includes, among other things, the following changes, additions, or clarifications:

1. The Company's obligation to complete the deployment in the areas it had chosen was set at a six year-timeframe (instead of five) and the Company will be obligated, within 5 months from the date of January 1, 2021, to list the statistical areas in which it intends to deploy the network.
2. The portion of households which the Minister may instruct to include in certain geographical areas during the first three years, will be up to 15% (instead of 10%) of the households to which the network will be deployed in the incentive areas, per year.
3. Clarification that the limitations to the deployment and provision of services in the incentive areas will not detract from the Company's or a corporation related to the Company's ability to deploy an advanced network in the incentive area in order to provide the Company's service to business subscribers nor detract from its ability to provide a service to business subscribers on advanced network that had already been deployed.
4. Authority to impose a financial sanction at a rate of up to 10 times the basic amount (as it is defined in the Communications Law, 5742-1982) for violating the provisions of the license with respect to the obligation to deploy an advanced network or provide a service on such.

Sincerely,

Bezeq the Israeli Telecommunication Corp. 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.