

Cellcom Israel Ltd. ("the Company")

Attn.:
The Israel Securities Authority
Through the MAGNA system

Attn.:
The Tel Aviv Stock Exchange Ltd.
Through the MAGNA system

Dear Sir/Madam,

Re: Immediate Report Regarding the Convention of Special General Meeting of the Company's Shareholders ("the Report")

In accordance with the Companies Law 5759-1999 (the "**Companies Law**"), the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting of a Public Company and Addition of Topic to the Agenda), 5760-2000 ("**Notice**" and "**Notice Regulations**"), the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the "**Reports Regulations**") and the Companies Regulations (Written Voting and Statements of Position), 2005 (the "**Written Voting Regulations**"), the Company hereby announces the convening of an annual general meeting of the Company's shareholders, which will be held on Monday, August 21, 2023, at 15:00 at the Company's offices, 10 Hagavish St., Netanya (the "**Company's offices**" and the "**Meeting**" or the "**General Meeting**", as the case may be), in order to discuss and approve resolutions regarding the issues on the agenda, as specified below in this report.

Prior to the vote on the proposed resolutions that are on the agenda, every shareholder who desires to participate in the vote, is required (both Voting in Writing and by voting through the Electronic Voting System) to confirm that its holdings of Company shares are not in violation of the holding or transfer restrictions set forth in the Company's licenses as detailed in section 4.11 below. Should this box not be checked, the vote shall not be counted. If only part of the shareholdings is in violation as foregoing, a right to vote in the part that is not in violation may be granted. In this case, please contact VP Legal and corporate secretary by telephone +972-52-998-9595 for receiving instructions on how to vote for shares that are not in violation, or if the shares are held through a broker, the broker can be asked to contact the Company on behalf of the shareholder.

1. **Items on the agenda and proposed form of resolutions**

1.1. Item 1 – Approving the compensation policy for officers of the Company according to the form of the compensation policy attached hereto (marked against the version in effect as of the date of the report) as **Annex 1** to this report ("**Compensation Policy**"), pursuant to section 267A of the Companies Law. For details see section 2 of this report.

Proposed form of resolution: "To approve the compensation policy for officers of the Company, for a 3 year period commencing upon expiration of the current policy (namely, from 12 August 2023), in the form attached as Annex 1 to the assembly report."

1.2. Item 2 – Approving the renewal of indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters. For details see section 3 of this report.

Form of indemnification and exculpation letter is attached as Annex 2 to this report.

Proposed form of resolution: "To approve the renewal of indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time

to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters, as of 12 August 2023, in the form attached as Annex 2 to the assembly report.”

2. Details regarding agenda item 1 – approving the Company’s compensation policy

2.1. Background

- 2.1.1. Pursuant to section 267A of the Companies Law, the general meeting as hereby asked to approve the compensation policy for officers of the Company, in the form attached as Annex 1 to this assembly report (marked against the Current Compensation Policy), which shall take effect upon expiration of the current policy (namely, from 12 August 2023), and shall remain in effect for the maximum duration permissible by law.
- 2.1.2. On 12 August 2020, the general meeting of the Company’s shareholders approved the Company’s Current Compensation Policy after obtaining approval from the Company’s Compensation Committee and Board of Directors.¹
- 2.1.3. According to section 267A of the Companies Law, 5759-1999, a compensation policy must be approved every 3 years.
- 2.1.4. In light thereof, nearing the end of the aforementioned period, and considering the experience gained by the Company in implementing the Current Compensation Policy during the time since it was adopted, the general meeting is asked to approve the Compensation Policy that preserves the underlying principles of the Current Compensation Policy while introducing updates meant to suit the Company’s nature of activity and needs.
- 2.1.5. The Compensation Committee and Board of Directors were presented, among other things, the Current Compensation Policy and the proposed update thereto; considerations and issues that must be taken into account in formulating a compensation policy under section 267A of the Companies Law and under Schedule 1A to the Companies Law; comparison data relative to benchmark companies, collated in a comparison study conducted by an external consultant.
- 2.1.6. On 11 July 2023 the Compensation Committee discussed the Compensation Policy, and after having examined the data presented to it, and weighing, among other things, the considerations required under the Companies Law, decided (unanimously) to approve and recommend that the Company’s Board of Directors approve the Compensation Policy. All committee members were present at the meeting of the Compensation Committee.
- 2.1.7. On 13 July 2023 the Company’s Board of Directors discussed the Compensation Policy, and after having examined the data presented to it and the recommendation of the Compensation Committee, and weighing, among other things, the considerations required under the Companies Law, the Company’s Board of Directors decided (unanimously) to approve the Compensation Policy. All board members were present at the board meeting.

2.2. Primary updates to the Compensation Policy

The updates to the Compensation Policy, compared to the Current Compensation Policy, include the following primary changes:

2.2.1. Policy principles:

- 2.2.1.1. Analysis of the benchmark group – Clarification was added that the Company’s intention is that compensation fall within the range of the benchmark companies (and not the range median).

¹ For details on the current compensation policy (as approved on 12 August 2020 by the general meeting of the Company’s shareholders), see the assembly report dated 16 June 2020 (ref. no. 2020-02-062355), the particulars of which are included herein by way of reference (“**Current Compensation Policy**”).

- 2.2.1.2. Restitution to the Company – The restitution period to the Company was changed to 3 years (instead of 4 years).
- 2.2.1.3. Nonmaterial changes – Nonmaterial changes to officer compensation can be made at a rate of up to 10% of the total compensation package (instead of 2.5%) – to the CEO – by the Compensation Committee and the Board of Directors; to officers subordinate to the CEO – by the CEO, provided such nonmaterial changes for all officers in aggregate does not exceed 5%.
- 2.2.2. General review of officers' salary components:
 - 2.2.2.1. Bonus composition – Bonus component ratio has been updated as follows:
Fixed component (base salary) – CEO 30-60%; other officers 40-80%.

Variable component (annual bonus and equity compensation) – CEO 40-70%; other officers 20-60%.
 - 2.2.2.2. No deviation from the Compensation Policy – Clarification was added that changes to terms of a certain officer up to 10% of the total annual cost of compensation to such officer, shall not constitute deviation from the Compensation Policy.
 - 2.2.2.3. Fringe benefits – The update provides that fringe benefits shall be as customary at the benchmark companies without setting an amount.
 - 2.2.2.4. Annual cash bonus
 - A. It was decided that the weight of attaining the Company's performance targets shall be up to 80% of the parameter for total performance score of each officer (except the CEO) (instead of 30-50%), and that the weight of personal quantitative performance targets shall be up to 50% of the total performance score of each officer (instead of 30-50%).
 - B. The weight of personal qualitative performance targets of the CEO shall be up to 3 monthly salaries.
 - 2.2.2.5. Special bonus – The special bonus is a separate bonus that is not subject to the annual bonus cap which is calculated for the Company in its entirety (amounts to 2% of the Company's adjusted EBITDA).
 - 2.2.2.6. Equity compensation
 - A. It was decided that the exercise price of the equity bonus shall be at least the higher of: (i) the weighted average of the closing price of the Company's share during the 30 trading days preceding the date on which equity compensation was granted (without premium); (ii) the closing price of the Company's share on the last trading day preceding the date on which equity compensation was granted.
 - B. The limitation regarding dilution of shareholder holdings by more than 0.5% of the Company's shares was lifted (remains the limitation on annual exercise of Company shares, so that shareholder holdings is not diluted by more than 2%).
 - 2.2.2.7. Advance notice – The advance notice period – up to 12 months of employment (instead of 3 years) – up to 3 months; above 12 months of employment (instead of 3 years) – up to 6 months.
- 2.2.3. Directors' compensation
 - 2.2.3.1. Directors shall be entitled to compensation pursuant to the regulations regarding compensation to external directors, including equity compensation.
 - 2.2.3.2. Active directors that are controlling shareholders of the Company can be granted variable compensation pursuant to the provisions of applicable law.

2.3. **Manner of implementing the Current Compensation Policy**

The compensation and/or employment agreements of the Company's officers are consistent with the provisions of the Compensation Policy, and compensation of the Company's officers during

the term of the Current Compensation Policy was consistent with the Company's articles of association and Current Compensation Policy.

2.4. Reasons of the Compensation Committee and Board of Directors for approval of the Compensation Policy

- 2.4.1. The Compensation Policy is suited to the experience accumulated from implementing the Company's Current Compensation Policy, and promotes the Company's purposes, work plan and policies in a way that takes into account promoting the Company's objectives in the long term.
- 2.4.2. The Compensation Policy creates a system of incentives that is fair, reasonable, appropriate and competitive for the Company's officers, while reinforcing the link between the performance and contribution to the Company and the bonus, taking into account, among other things, the nature of the Company's business activity, the complexity of its activity, size, financial position, risk management policy and human resource management with a comprehensive approach.
- 2.4.3. The Compensation Policy affords the Company the managerial tools it needs in order to recruit, incentives and retain managers with the necessary qualifications and skills, and with potential for advancing within the group and for recruiting senior officers in the future, considering, among other things, the need to set competitive compensation conditions.
- 2.4.4. The Compensation Policy takes into account performance-based compensation and setting threshold terms for paying the bonus, and seeks to create a link between the performance of the Company and officers' compensation, and to adjust officers' compensation to their contribution to attaining the Company's objectives and maximize its profits, in view of the long term and according to their position; accordingly, the principles of the Compensation Policy create incentive for officers to act for promoting the Company, according to the Company's activity strategy, business plan and risk management policy.
- 2.4.5. The Company's Compensation Policy defines the appropriate ratio between fixed compensation and variable compensation for officers, in a way that promotes the Company's objectives and creates an appropriate incentive for Company officers and is consistent with the Company's risk policy.
- 2.4.6. The ratio between the compensation of each officer and the average and median salary at the Company shall not adversely affect labor relations at the Company.
- 2.4.7. The Compensation Policy enables the Company to provide equity compensation to officers, in a way that serves the Company's best interests, and provides another managerial tool allowing the Company to retain its officers for an extended duration, link between officers' compensation and the creation of value for the Company's shareholders, and create incentive for officers to promote the best interests of the Company, its shareholders and other stakeholders, and maximizing its profits in the long term.
- 2.4.8. As set forth above, the Compensation Policy preserves the underlying principles of the Current Compensation Policy and includes nonmaterial updates that are customary at companies similar to the Company, which are meant to suit the Company's nature of activity and needs.
- 2.4.9. Taking into account, among other things, the system of parameters, considerations and reasons set forth above, the members of the Compensation Committee and Board of Directors believe the Company's Compensation Policy is appropriate and reasonable and serves the best interests of the Company and its shareholders in the long term, considering its strategic plan, business objectives and risk management policy.

3. **Details regarding agenda item 2 – Approving the renewal of indemnification and exculpation letters to officers of the Company (including directors) currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters**

3.1. On 12 August 2020, the general meeting of the Company's shareholders approved renewal of indemnification and exculpation letters to officers of the Company currently in office and that may hold office from time to time that are related to the controlling shareholder of the Company, for a period of three years.

3.2. Whereas in August three years shall have passed since last approval of indemnification and exculpation letters, and pursuant to section 275(a1)(1) of the Companies Law, and in light of the fact that granting indemnification and exculpation letters is consistent with the Company's Compensation Policy and articles of association, it is proposed to approve renewal of the indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters of indemnification and exculpation, in the form identical to the form approved at the general meeting on 12 August 2020.²

3.3. **Reasons of the Compensation Committee and Board of Directors for approving the resolution**

The Company's Compensation Committee and Board of Directors approved the renewal of indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters, among other things, based on the following reasons:

Granting the indemnification and exculpation letters is in the best interests of the Company and meant to guarantee the officers' independence and free exercise of discretion, and allow the officers of the Company, including members of the Board of Directors, to properly fulfill their duties for the best interests of the Company, invest the necessary inputs in order to perform their positions and obligations under law and act in a professional and responsible manner for the best interests of the Company, among other things, considering the risks involved in the activity of the Company and being a public company, and the personal liability imposed by law on the Company's officers, and on directors in particular, for their activity as officers of the Company, and shall afford the Company the ability to retain directors and professional officers at the Company from time to time.

3.3.1. Granting the indemnification and exculpation letters is in accordance with the Companies Law, the Company's articles of association and the Compensation Policy being presented for approval as part of this meeting.

3.3.2. The form of the indemnification and exculpation letters is identical for all Company officers (whether or not they are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters).

3.3.3. The resolution for granting indemnification and exculpation letters does not amount to *distribution* as defined in the Companies Law.

3.3.4. In light of the above, the members of the Company's Compensation Committee and Board of Directors believe that granting the indemnification and exculpation letters is appropriate, reasonable and in the Company's best interests.

² For the form of the indemnification and exculpation letters see the assembly report of 16 June 2020 (ref. no. 2020-02-062355) and an update dated 26 July 2020 (ref. no. 2020-02-079089), the particulars of which are included herein by way of reference.

3.4. Additional details under the transactions with controlling shareholders regulations

- 3.4.1. Details about the controlling shareholder that has a personal interest in the transaction and the nature of such personal interest – To the best of the Company's knowledge, as of the date of this report, the Company's controlling shareholder is DIC, a public company whose securities are listed on TASE, holds about 35.62% of the Company's issued share capital and about 37.68% of the voting rights, through Koor Industries Ltd., a fully owned subsidiary of DIC. According to DIC's reports, it is a company without a controlling shareholder.
- 3.4.2. The manner of determining the consideration – The indemnification and exculpation letters are granted to Company officers as part of their office and employment terms and for their service as past and/or present officers of the Company, without consideration.
- 3.4.3. Necessary approvals
- 3.4.3.1. On 11 July 2023 and on 13 July 2023, the Company's Compensation Committee and Board of Directors (respectively) approved renewal of indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters, as of 12 August 2023.
- 3.4.3.2. Approval of the general meeting assembled by this report, by way of special majority pursuant to section 275 of the Companies Law, as set forth in section 4.4 below.
- 3.4.4. Details of transactions of the kind of the engagement or similar transactions signed in the last two years or that are still in effect on the date of the board approval – For details regarding approving the Company's procurement of directors and officers insurance, for officers that are controlling shareholders of the Company or their relatives (as may be from time to time), see the Company's immediate report of 2 February 2023 (ref. no. 2023-01-014055), the particulars of which are included herein by way of reference.
- 3.4.5. Names of directors in the Company that may be considered as having a personal interest in approving the indemnification and exculpation letters – Mr. Michael Joseph Salkind could be considered to have a personal interest in approving the proposed engagement being the controlling shareholder of Elco Ltd., which holds about 29.8% of the issued share capital of DIC, and by virtue of being a director of DIC. Messrs. Nataly Mishan-Zakai and Baruch Itzhak could be considered to have a personal interest in approval of the proposed engagement by virtue of being officers of DIC (CEO and CFO, respectively). For the sake of prudence, Shani Haya-Levy, general counsel and corporate secretary of Mega Or, could be considered to have a personal interest in approval of the proposed engagement by virtue of being an officer of Mega Or, which holds about 29.9% of the issued share capital of DIC.
- 3.4.6. Power of the Israel Securities Authority – According to regulation 10 of the transactions with controlling shareholders regulations, within 21 days of filing this report, the Israel Securities Authority or an employee it has authorized for such purpose may order the Company to provide, within a certain time frame, explanations, details, information and documents relating to the resolution on the agenda, and to order the Company to amend the report in such manner and on such dates as determined. If instructions were provided to amend the report, the Authority can order deferral of the date for the general meeting to such date no less than three (3) business days and no more than thirty five (35) days from the date of publishing the amended report.

4. Order of the Meeting and voting

4.1. Manner of voting

A shareholder, who is entitled to participate and vote at the meeting, is entitled to vote in the Meeting by itself or by proxy. In addition, a shareholder under section 177(1) of the Companies Law (meaning - a person to whose credit a share is registered with a TASE member, and such share is included among the shares registered in the shareholders registry under the name of a nominee Company) (“**Unregistered Shareholder**”) is also entitled to vote through an electronic voting card to be transferred to the Company in the electronic voting system that operates pursuant to Article B to Chapter 7(B) of the Israeli Securities Law, 5728-1968 (“**Electronic Voting**”, the “**Electronic Voting System**” and “**Electronic Voting Card**”, respectively).

With respect to the resolutions on the agenda, a shareholder who is entitled to participate and vote in the Meeting may also vote at the Meeting by way of the voting card attached to this Report, while the voting shall be made with the second part of the voting card. In this respect, a shareholder that voted by voting card shall be deemed to have been present and participated in the Meeting.

4.2. Date and place of the General Meeting

The Annual General Meeting of the Company’s shareholders shall convene on Monday, August 21, 2023, at 15:00p.m., at the Company’s offices, 10 Hagavish St., Netanya.

4.3. Legal quorum and date of the adjourned meeting

The legal quorum for holding the General Meeting is the presence of at least two (2) shareholders, in person or by proxy, who hold at least a third of the voting rights (“**Legal Quorum**”). If an hour after the time set for the Meeting to begin the General Meeting had no legal quorum, the Meeting shall be adjourned to Monday, August 28 2023, at the same place and time (the “**Adjourned Meeting**”). Should the Adjourned Meeting have no Legal Quorum within half an hour from the time the Adjourned Meeting was set to begin, then any two (2) shareholders who are present, in person or by proxy, shall constitute a Legal Quorum.

4.4. The required majority for adopting the resolutions at the General Meeting

The required majority for approving the resolutions set forth on the agenda is a simple majority of all votes of the shareholders who are allowed to present in the General Meeting and participants in the vote, provided that one of the following holds true: (a) The count of the majority votes shall include the majority of all the votes of shareholders, participating in the vote, who do not have a personal interest in the approval of the resolution. Abstaining votes shall not be taken into account when counting all the votes of said shareholders. (b) The total dissenting votes among the shareholders set forth in sub-paragraph (a) above did not exceed the rate of two percent of the total voting rights at the Company.

Those who have a personal interest will be subject to the provisions of section 276 of the Companies Law, with the required changes.

The Company is not a "public subsidiary company" as this term is defined in the Companies Law. In accordance with the provisions of section 267a(c) of the Companies Law, the Company's board of directors may determine the compensation policy even if the general meeting opposed its approval, provided that the compensation committee and after that the board of directors decided, on the basis of detailed reasons and after re-discussing the compensation policy, that its approval, despite The objection of the meeting, is in the Company's favor.

4.5. Record date

The record date for determining the entitlement of the shareholders to vote at the General Meeting under section 182(c) of the Companies Law and regulation 3 to the **Notice Regulations** is Tuesday, July 20, 2023 (the “**Record Date**”).

4.6. Proxy for voting

A shareholder is entitled to appoint a proxy to vote in its place, who is not required to be a shareholder of the Company. The document authorizing a proxy to vote shall be drawn up in writing (the “**Letter of Appointment**”) and shall be signed by the appointing party, and if the appointing party is a corporation, the Letter of Appointment shall be signed in a manner that binds the corporation. The Company’s secretariat may require that the Company be provided with written confirmation, to its satisfaction, prior to convening the General Meeting, with respect to the identity of the signing party, and if the appointing party is a corporation, also with respect to the authority of the signing parties to bind the corporation. The Letter of Appointment or a suitable copy thereof, to the satisfaction of the Board of Directors, shall be deposited at the registered office of the Company at least seventy-two (72) hours prior to the commencement of the General Meeting or Adjourned Meeting, as applicable, in which the proxy intends to vote on the basis of such Letter of Appointment. Notwithstanding the foregoing, the Chairman of the Meeting may, at its discretion, accept said Letter of Appointment, even after such time, if it finds it correct to do so, at its discretion. If the Letter of Appointment, as set forth in this regulation above, has not been received, it shall have no effect at such Meeting. The Letter of Appointment shall note the number of shares for which it was granted. The Letter of Appointment shall also be effective with respect to any adjourned meeting of a meeting that the Letter of Appointment refers to, provided the Letter of Appointment did not state otherwise.

4.7. Electronic voting card

As stated in section 4.1 above, an Unregistered Shareholder is also entitled to vote through the Electronic Voting System. Voting through an Electronic voting card shall be possible until six (6) hours before the assembly time of the General Meeting.

4.8. Voting by voting card and sending position statements

A shareholder is also entitled to vote at the General Meeting for approving the resolution on the agenda of the General Meeting through a voting card. Voting in writing shall be made by way of the second part of the voting card, which is attached to this Report.

The voting card and position statements under their meaning in section 88 of the Companies Law, if any, can be reviewed on the distribution website of the Israeli Securities Authority, at: <http://www.magna.isa.gov.il> (the “**Distribution Website**”) and on the website of the Tel Aviv Stock Exchange Ltd., at: <http://maya.tase.co.il> (the “**TASE Website**”). Any shareholder is entitled to directly contact the Company and obtain free of charge the form of the voting card and position statements (if any).

A member of the Tel Aviv Stock Exchange Ltd. (“**TASE Member**”) shall send, for no consideration, by email, a link to the form of the voting card and position statements (if any), on the Distribution Website, to any shareholder of the Company who is not registered in the Company’s shareholder registry, whose shares are registered with such TASE Member, unless the shareholder announces that it is not interested in such or that it desires to receive voting cards by mail in consideration for payment of delivery fees, provided the notice was given with respect to a certain securities account and on a date preceding the Record Date.

The voting card and documents that must be attached thereto as set forth in the voting card, must be delivered to the Company's offices (including by registered mail) including the certificate of ownership (and with respect to a registered shareholder - including a photocopy of an identity card, passport, or certificate of incorporation, as applicable) until four (4) hours before the assembly time of the General Meeting. For this purpose, "time of delivery" is the time on which the voting card and the documents attached thereto arrived at the Company's offices.

In addition, an Unregistered Shareholder shall be entitled to deliver the certificate of ownership through the Electronic Voting System as set forth in section 4.1 above.

Deadline for delivery of position statements to the Company by the shareholders of the Company is up to ten (10) days before the date of the Meeting.

A voting card to which no certificate of ownership was attached (or alternatively the certificate of ownership was not delivered through the Electronic Voting System) or with respect to a registered shareholder to whom no photocopy of an identity card, passport, or certificate of incorporation, as applicable, was attached, shall have no effect.

It is noted that pursuant to section 83(d) of the Companies Law, if a shareholder voted in more than one way, its last vote shall be counted, while in this regard, a vote of a shareholder in person or by proxy shall be deemed later than the vote through a voting card.

One or more shareholders holding shares at a rate constituting five percent or more of the total voting rights in the Company (meaning - 8,266,840 shares) and also anyone holding such rate out of all voting rights not held by the Company's controlling shareholder (meaning - 5,326,570 shares) is entitled, after assembly of the General Meeting, to review the voting cards and the voting records through the Electronic Voting System that the Company received as set forth in regulation 10 of the Israeli Companies (Voting in Writing and Position Statements) Regulations, 5766-2005.

4.9. Certificate of ownership

An Unregistered Shareholder shall only be entitled to participate at the General Meeting if it provides the Company, prior to the General Meeting, with a confirmation of a TASE Member with whom its right to the share is registered, regarding its ownership over the Company's shares on the Record Date, according to the form in the schedule to the Israeli Companies (Proving Ownership Over Shares for Purpose of Voting in a General Meeting) Regulations, 5760-2000 (the "**Certificate of Ownership**"), or alternatively if the Company receives a Certificate of Ownership through the Electronic Voting System.

An Unregistered Shareholder is entitled to receive the Certificate of Ownership from the TASE Member through whom it holds its shares, at the branch of the TASE Member or by mail to its address in exchange for delivery fees only, if so requested, and provided that an application in this respect is issued in advance to a certain securities account.

An Unregistered Shareholder is also entitled to order its Certificate of Ownership to be transferred to the Company through the Electronic Voting System.

4.10. US shareholders

Shareholders whose shares are not held via a member of the TASE Clearinghouse but instead via a member of the Depository Trust Company ("**DTC**") in the United States, could deliver a signed form of proxy from the DTC member that holds its shares, authorizing the shareholder to vote in regard of a specified number of shares at the

meeting. Such form of proxy should include the Record Date and the meeting date of the meeting. Then, such a shareholder will be entitled to vote by participating in person or by sending the Company a signed voting card together with the proxy. Alternatively, such as shareholder could instruct its DTC member to vote the shares beneficially owned by such shareholder.

Shareholders who are registered directly with the Company's U.S. transfer agent, American Stock Transfer & Trust Company, will be entitled to vote by participating in person or by sending the Company a signed voting card.

The voting card to be considered in the Meeting must be in the form attached in Part Two to the voting card below which is an integral part of this Report.

In each case, the voter must deliver the proxy and the voting card, as applicable, to the Company no later than the due time pursuant to sections 4.6 and 4.8, as applicable.

4.11. Restrictions applicable to voting by virtue of the Company's communications licenses

Pursuant to the communications licenses granted to the Company by the Israeli Ministry of Communications, investors are prohibited from acquiring or transferring (alone or together with family members or with other entities that cooperate on a regular basis) the Company's shares, directly or indirectly (including by way of creating a pledge that if realized, would lead to a transfer of shares), in one transaction or in a series of transactions, if such acquisition or transfer would cause the holding or transfer of 10% or more of the means of control in the Company, or the transfer of any means of control in the Company if as a result thereof control of the Company would be transferred from one party to another, without the prior consent of the Ministry of Communications. In addition, pursuant to the licenses, whoever holds over 5% of the means of control in the Company, is not entitled to (a) hold, directly or indirectly, more than 5% of the means of control in Bezeq The Israel Telecommunication Corporation Ltd. ("**Bezeq**"), which is a landline operator in Israel³, or a different cellular operator in Israel (subject to certain exceptions), (b) serve as an officer of competitors of the Company, other than in specific circumstances and subject to the approval of the Ministry of Communications, or (c) be party to any arrangement with Bezeq or with a different cellular operator that is designed or that may reduce competition or harm it with respect to the cellular services, cellular end equipment or other services that are granted by way of the cellular network. For more details referring to these restrictions, please see section 22.4 in Chapter A of the Company's 2022 Periodic Report.

In accordance with the requirements of the licenses, the Company's Articles of Association set forth that holdings of Company shares that are in violation of the holding or transfer restrictions that are included in the licenses shall not grant their holders any voting rights. In addition, the licenses and Articles of Association require that as a condition for any shareholder to vote, in person or on a voting card, in any meeting of the shareholders, such shareholder must confirm whether its holdings of Company shares are in violation of any of the restrictions included in the Company's licenses.

³ Notwithstanding, an interested party in the Company that is a mutual fund, insurance company, investment company, or pension fund ("**Institutional Investor**") may also hold up to 10% of the means of control in Bezeq or another cellular operator under certain conditions without requiring the approval of the Minister, and according to with a written request, the Minister may allow an institutional investor who is an interested party in the Company to also hold up to 25% of the means of control in Bezeq or another cellular operator under certain conditions.

Prior to the vote on the proposed resolutions that are on the agenda, every shareholder who desires to participate in the vote, is required to confirm in the voting card that is attached to this Report or in the Electronic Voting Card, as applicable, that its holdings of Company shares are not in violation of the holding or transfer restrictions set forth in the Company's licenses. Should this box not be checked, the vote shall not be counted. If only part of the shareholdings is in violation as foregoing, a right to vote in the part that is not in violation may be granted. In this case, please contact VP Legal and corporate secretary by telephone +972-52-998-9595 for receiving instructions on how to vote for shares that are not in violation, or if the shares are held through a broker, the broker can be asked to contact the Company on behalf of the shareholder.

4.12. Changes to the agenda; the deadline for a shareholder to issue a request to include an item on the agenda

Following the publication of this report on convening the Meeting, there may be changes to the agenda, including the addition of items to the agenda, position statements may be published, and the updated agenda and position statements may be reviewed in the Company's reports to be published on the websites.

A request of a shareholder under section 66(b) of the Companies Law and regulation 5a(a) of the Notice Regulations to include an item on the agenda of the General Meeting shall be delivered to the Company until seven (7) days after assembly of the Meeting. If such a request was submitted, it is possible for the item to be added to the agenda, and its details shall appear on the websites listed in section 13 of the voting card attached to this Report. In this case the Company shall publish an amended voting card together with an amended report on convening the Meeting, no later than seven (7) days after the deadline for delivery of a shareholder request to include an item on the agenda, as set forth above.

5. Details on the Company's representative with respect to dealing with this report

The Company's representative with respect to dealing with this Report is Adv. Larisa Cohen, VP Legal and Corporate Secretary, 10 Hagavish Street, Netanya, Telephone: 052-9989595; Fax: 09-8607986.

6. Document review

This Report and the documents mentioned therein may be reviewed, as well as the complete form of the proposed resolutions that are on the agenda, in the Company's offices at 10 Hagavish Street, Netanya, following advance coordination with the Company's secretary at phone number 052-9989595, Sundays-Thursdays (except on Holiday Eves and Holidays), during common work hours, until the conclusion of the General Meeting.

Cellcom Israel Ltd.
Compensation Policy

Preamble

The Company's compensation policy is designed to align executive officer compensation with the Company's performance and to reflect best practices in executive officer compensation. The Company has created a pay-for-performance policy that is designed to align executive officer and shareholder interests by reinforcing the long-term growth, value creation and sustainability of the Company. The structure is designed to encourage a high degree of execution and rewards individuals for the achievement of objectives that ultimately create shareholder value. The structure is further designed to prevent executive officers from taking unnecessary risks in order to enlarge their compensation. The objective of the compensation policy is to attract, motivate and retain a talented management team that will continue providing unique solutions in a highly competitive and rapidly changing marketplace and deliver long-term value for all shareholders.

The Company's executive officer compensation policy refers to three main elements of compensation that include base salary, cash bonus compensation and equity-based compensation. The compensation package for each of our executive officers will include these three components.

The Compensation Committee and Board of Directors approve, periodically review and oversee the application of the Company's executive officer compensation programs.

Our Board of Directors monitors our executive officers' compensation structure annually in order to ensure that target total compensation for our executive officers is appropriate, considering our peer companies, overall company performance, individual executive officer's scope and size of responsibilities and performance during the previous year.

The compensation policy does not grant any rights to the Company's directors and executive officers, and the adoption of the compensation policy does not grant any of the Company's Directors and executive officers a right to receive any elements of compensation set forth in the compensation policy. The elements of compensation to which a director or executive officer will be entitled, will be exclusively those that are determined specifically in relation to him or her in accordance with the requirements of the Companies Law, 1999, and the regulations promulgated thereunder (hereinafter together, The "Companies Law").

[The compensation policy shall apply to the Company's executive officers \("נושאי משרה"\) as this term is defined under the Companies Law.](#)

Executive Officer Pay for Performance

The Company's compensation philosophy is to encourage our executive officers to make sound decisions and drive long-term value creation for our shareholders. For our executive officers, we believe that in order to increase shareholder value, our compensation structure must:

- Have a substantial portion of pay "at risk" (i.e., pay that is not guaranteed); and
- Link "at risk" pay to performance objectives that are directly aligned to the Company's short and long-term performance objectives as well as strategic initiatives.

Effectively aligning the objectives of executive officer compensation with the interests of shareholders requires adopting compensation programs that motivate leadership to drive company performance to achieve sustainable top performance. To that end, our Board of Directors, at the recommendation of our Compensation committee, will establish cash and equity-based compensation plans with targets focused on rewarding individuals for strong company performance. In addition,

because we believe that individuals should be rewarded based on the results of their contributions, we also consider individual performance in awarding incentive compensation.

Compensation Philosophy and Strategy

Our Board, at the recommendation of our Compensation Committee, has defined the following key objectives of our compensation programs for executive officers:

- Drive the Company's overall business strategy and results as they relate to long-term value creation;
- Pay for performance by linking total compensation to defined performance objectives, both at the Company level and for each executive officer individually;
- Attract and retain key executive officers by providing competitive total compensation opportunities, considering the Company's size, nature of operations and marketplace, while avoiding unnecessary risk taking by executive officers; and
- Align executive officer and investor interests by focusing executive officer behavior on driving long-term value creation.

Compensation Risk Assessment

In designing our compensation policy, we reviewed our compensation policies and practices in order to determine whether they create risks that are likely to have a material adverse effect on the Company. We concluded that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on the Company. Among the elements evaluated were the following:

- The multiple elements of our compensation packages for executive officers, including base salary, annual cash incentive and equity-based compensation program which vest over a number of years and provide a balance of short-term and long-term compensations with fixed and variable components that promote the long-term sustainability of our business;
- Equity-based compensation for our executive officers aligns the interests of the executive officers with those of our shareholders;
- Independent oversight by the Compensation Committee;
- Inclusion of claw-back provisions in the event of a material restatement of our financial statements for our financial performance based compensations;
- Effective management processes for developing strategic and annual work plans, and strong internal controls over financial reporting;
- The structure of our Annual Cash Bonus (as defined hereinafter) and equity-based compensation, which is based on a number of different performance measures to avoid employees placing undue emphasis on any particular performance measure at the expense of other aspects of the business; and
- The cap on our executive officers' Annual Cash Bonus and equity-based compensation, commensurable to objectives which do not motivate increased risk taking.

Compensation Principles

Peer Group Analysis. We use benchmarking as one of the tools for setting and reviewing our compensation system. To attract and retain our key executive officers, our goal is to provide compensation opportunities at competitive market terms. The Company's peer group is made up of a minimum of 10 companies, including telecommunications companies and companies operating in other markets ~~whose turnover are similar~~ with similar characteristics to the Company's, as recommended by the Company's independent compensation consultant. When using the benchmarking, our intent is to create a compensation structure that ~~generally targets the median of~~ is within our selected peer

Appendix A

companies, ~~but also allows total compensation to exceed the median when warranted due to company performance and/or individual experience, responsibilities and exceptional performance.~~

Additional Considerations. When deciding on or periodically reviewing each executive officer's total compensation, our Compensation Committee and Board of Directors consider the following: (1) each executive officer's individual attributes, including his/her education, skills, expertise, professional experience and achievements, the executive's role, his/her areas of responsibility and previous compensation arrangements (when applicable); (2) the ratio between our executive officers total target compensation and the total compensation of the rest of the company's employees and the Subcontractors' Employees engaged by the Company (as such term is defined under the Companies Law), and specifically the ratio to the average total compensation and the median total compensation of such employees, and the influence of those gaps on the working relations in the Company, taking into consideration the Company's size, nature of operations, employees composition, marketplace and comparative data. Our Compensation Committee and Board of Directors considered these ratios in the Company and determined that they do not adversely influence the working relations in the Company.

Caps and limitations. Our compensation policy sets the target total compensation comprising of the base salary, a 100% performance score for the Annual Cash Bonus award and maximum equity-based compensation for our executive officers, as well as a cap for the Special Cash Bonus, as detailed hereunder. Our Compensation Committee and Board decide on each executive officer's total actual compensation which is limited by the target compensation, based on performance metrics as detailed hereunder. Our Board will not reduce the compensation package approved or any of its components, and will not place additional limitations, not detailed in this compensation policy, other than in unusual circumstances according to our Compensation Committee's and Board of Directors' discretion.

Compensation Recovery ("Claw back"). If our financial statements are materially restated within ~~4~~3 years from publication thereof (other than restatement required due to changes in financial reporting standards), then the Company shall be entitled, subject to applicable law, to demand executive officers ~~to will~~ repay prior payouts, in an amount of the excess over what the executive officer would have received according to the restated financial statements.

~~*An Immaterial Change in Compensation at CEO Discretion.*~~ An immaterial change in the compensation package of an executive officer ~~who reports to the CEO~~, which results in an increase of such executive officer's total compensation package by no more than ~~2.5~~10%, may be approved solely by the CEO (for an executive officer who reports to the CEO) or by the Compensation Committee's and Board of Directors (for the CEO), provided all elements of compensation of such executive officer will continue to meet the requirements of the compensation policy and provided that, during the term of the Compensation Policy, the aggregate maximum increase of all the executive officers' payout total compensation package shall not exceed 5% of the officers' aggregate compensation packages' cost.

Overview of Executive officer Compensation –the Elements of Pay

Elements of Executive officer Compensation. In line with the philosophy described above, the following elements compose the compensation of our executive officers:

- Base salary;
- An Annual Cash Bonus award and possible Special Cash Bonuses;
- Equity-based compensation awards; and
- Termination arrangements.

Compensation Mix. Base salary, Annual Cash Bonus and equity-based compensation awards make up the main elements of our executive officers' total compensation package. The Company strives to ensure that a substantial portion of each executive officer's total compensation is comprised of "at-risk"

Appendix A

pay, with the targeted weight of each element out of the total compensation package of an executive officer being as follows:

- Fix compensation (base salary) - 30%-~~56~~0% for our CEO and 40%-~~68~~0% for other executive officers;
- ~~Variable compensation (Annual Cash Bonus and equity-based compensation*) - 25-40%-45-70%~~ for our CEO and ~~22~~0%-~~46~~0% for other executive officers; ~~and~~
- ~~equity-based compensation* - 15%-45% for our CEO and 10%-40% for other executive officers.~~

* equity-based compensation shall be calculated per year, based on fair value at date of grant, with the value of the options amortized as compensation over the vesting period.

The ranges stated above represent the targeted compensation mix desired by the Company; however, the actual ratio between fixed and variable elements may vary based on performance. For example, in a year with no or limited Annual Cash Bonus or equity compensation, the percentage of base salary out of total compensation may be higher than stated above. The ranges above do not consider any Special Cash Bonus that our Compensation Committee and Board of Directors (and shareholders – in relation to our CEO) may decide to grant to an executive officer, as detailed under Special Cash Bonus below.

Our cash bonus and equity-based compensation awards are considered “at-risk” pay because they are not guaranteed and the recipients of the Annual Cash Bonus awards must achieve specific performance objectives at corporate and individual levels to receive any payment.

Total compensation cap. The Company's CEO's total annual compensation shall not exceed NIS 6 million, out of which the fixed element shall not exceed NIS 3 million. Each of the Company's other executive officers' total annual compensation shall not exceed NIS 3.6 million, out of which the fixed element shall not exceed NIS 1.8 million.*

* The value of equity-based awards refers to their value at the date of grant (in accordance with acceptable accounting principles) per each vesting annum (calculated on a linear basis).

Any modification of the terms of officer whose effect on the total annual cost of the relevant officer is not greater than 10% will not constitute a deviation from the provisions of this Compensation Policy.

Base Salary. The base salary varies between executive officers, and is individually determined according to past performance, educational background, prior business experience, qualifications, role and the business responsibilities of the executive officer. Since a competitive base salary is essential to our ability to attract and retain highly skilled professionals, we will seek to establish a base salary that is competitive with the base salaries paid to executive officers of a peer group of companies.

Accordingly, base salary shall generally target the ~~30-25%-78-05%~~ percentiles of each executive officer's peer group salary, taking into consideration the aforementioned individual characteristics, as shall be reflected in a peer group analysis conducted by an independent consultant and reviewed by our Compensation Committee and Board of Directors, when such salary is set and/or updated.

The base salary may be linked to the Israeli Consumer Price Index, or CPI.

Benefits and Perquisites. The following benefits and perquisites may be granted to the executive officers in order, among other things, to comply with legal requirements:

Vacation of up to 30 days per annum;

Sick days; ~~of up to 30 days per annum;~~

Appendix A

Convalescence pay ~~equivalent to up to 10 days per annum;~~

Monthly remuneration for an education fund, as allowed by applicable law;

Contribution on behalf of the executive officer to a manager's insurance policy or a pension fund, as allowed by applicable law; and

Contribution on behalf of the executive officer towards work disability insurance, as allowed by applicable law.

We may offer additional benefits and perquisites to the executive officers, which will be comparable to customary market practices, such as: company cellular phone and the costs of the use thereof; communication expenses (including internet, newspapers and magazines); company car benefits; gifts for holidays and personal occasions (such as nuptials or birth of a child or grandchild), or for special projects; medical insurance, annual medical examination, professional associations membership fees etc., including tax gross-ups; provided however, that such additional benefits and perquisites shall be determined in accordance with our policies and procedures and with reference to the practice in peer group companies. ~~The value of such additional benefits shall not exceed 30% of the executive officer's base salary.~~

Annual Cash Bonus. The Compensation Committee sets the annual cash bonus performance objectives and target annual bonus for each executive officer, at the start of each year, which are then reviewed and approved by the Board ("Annual Cash Bonus"). For our CEO, these objectives are based on the Company's annual work plan and objectives. For our other executive officers, these objectives are based on the Company's annual work plan and may include objectives at the corporate level and key strategic objectives each executive officer is expected to achieve during that year at the individual level, based on each executive officer's position and scope of responsibilities.

The Annual Cash Bonus payout is determined based on actual performance of the Company and the executive officer in question (after elimination of material one time and reevaluation influences), in each of the performance objectives set for each executive officer, measured on a performance matrix. The results for each group of objectives (as detailed hereunder) are then combined into one performance score, based on the weight each performance objective was given.

- ~~Corporate performance objectives may include adjusted EBITDA,* net income, free cash flow* and other Company performance objectives which the Company's Compensation Committee and Board will decides to focus on in a specific year. Our CEO's corporate performance objectives were determined by our shareholders' general meeting to be the Company's adjusted EBITDA target for the relevant year~~

• ~~* Corporate performance objectives weigh between 30% to 50% of the overall performance score of each executive officer and 80% for our CEO. **In extreme cases, such as major changes in our market leading to annual work plan or budget adjustments, our Compensation Committee and Board of Directors may update the objectives to match such changes, during the first half of the relevant year.~~

- Quantitative individual performance objectives may include the budget for the unit relevant to the executive officer, revenues from sales by the unit, recruiting subscribers by the unit and quality of network. These objectives weigh up to ~~between 30% and~~ 50% of the overall performance score of each executive officer. **
- Qualitative individual performance objectives may include corporate governance, risk management, leadership, response to major business changes, executing special projects, as per the CEO's evaluation of each executive officer and as per the evaluation of the CEO by

Appendix A

the Compensation Committee and the Board of Directors. This component will weigh up to a maximum of 3 months' salary ~~20% of the overall performance score of each executive officer (with respect to including~~ the CEO).

*Adjusted EBITDA and Free Cash Flow are non-IFRS measures. For a definition of adjusted EBITDA, see ~~section 4 of~~ the Report of the Board of Directors included in ~~on the state of~~ the Company's Annual Financial Statements ~~Business for the year ended December 31, 2020.~~

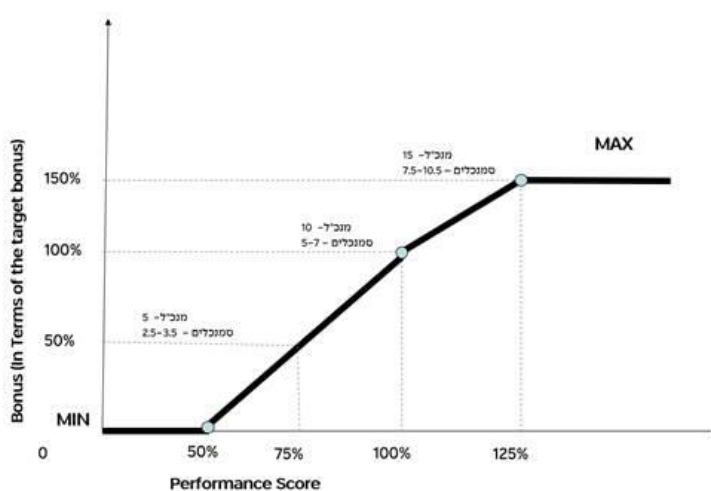
** In extreme cases, such as major changes in our market leading to annual work plan or budget adjustments, our Compensation Committee and Board of Directors may update the Corporate performance objectives as well as the Quantitative individual performance objectives) to match such changes, during the first half of the relevant year.

Any payout of the performance objectives elements of the Annual Cash Bonuses for any year will be subject to an additional minimum requirement of achieving an annual adjusted EBITDA of not less than 75% of the Company's adjusted EBITDA for the previous year. Such minimum requirement is in no way indicative of the Company's expectations or estimations for any fiscal year, and is provided in order to assure shareholders that no performance objectives elements of the Annual Cash Bonuses will be paid to office holders according to the Compensation Policy in years when the Company's performance has deteriorated materially compared to the prior year. Without derogating from the foregoing, if the minimum requirement were not achieved, the Company's Compensation Committee and the Board of Directors may approve the payment of the qualitative individual performance objectives bonus component.

Our Compensation policy sets a minimal threshold score of ~~50~~75% of the combined target performance and a target Annual Cash Bonus of 10 monthly salaries for our CEO and 5-7 monthly salaries for our other executive officers ("Target Bonus") for the target performance objectives, in line with each executive officer's capability to influence the Company's results of operations. Performance below the minimum threshold results in no payout. Performance score under the combined performance target and above the threshold results in a linear reduction in which a 5% reduction of the combined performance score represents a reduction of 10% of the Target Bonus (i.e. down to ~~50~~50% of the Target Bonus for a performance score of ~~50~~75% of the combined performance target). Performance score above the combined target performance rewards the executive officer with a linear addition to the Target Bonus in which a 5% addition of the combined performance score represents an addition of 10% to the Target Bonus and up to a maximum of 150% of the Target Bonus.

Following is a graphic representation of the Annual Cash Bonus our executive officers may be entitled to:

[Original graph deleted]



Notwithstanding the aforesaid, for our executive officers, except the CEO, the Compensation Committee and the Board of Directors will have full discretion to determine the final Annual Cash Bonus payout based, among other things, on the Annual Cash Bonus performance score and/or additional considerations relevant to the performance and objectives of the Company and the relevant executive officer, including qualitative criteria.

Subject to the conditions and limitations set above, an executive officer who ceases to perform his/her role as an executive officer but has provided services to the company for at least 6 months of the relevant year, will be entitled to receive an Annual Cash Bonus for that year, relative to the period in which he/she performed their duties during the relevant year. An executive officer who provides services to the Company for less than 6-months during the relevant year of cessation, will not be entitled to an Annual Cash Bonus for that year. An executive officer who joins the Company during the relevant year, will be entitled to a portion of the Annual Cash Bonus, relative to the period in which he/she performed their duties during the relevant year and provided such period is at least 6 month long.

The aggregate maximum payout of all of the executive officers' Annual Cash Bonuses per annum shall not exceed 2% of the adjusted EBITDA for that calendar year (after elimination of material one time and reevaluation influences). In case of a positive adjusted EBITDA but negative net profit in a particular year, the Compensation Committee and the Board of Directors of the Company shall examine the circumstances leading to a negative net profit and shall consider reducing or cancelling the Annual Cash Bonus for that year.

Special Cash Bonus. The Company may grant, subject to approvals required by law, a special bonus to one or more executive officers that have shown a special contribution, considerable efforts or special achievements, in relation to a unique or extraordinary business activity or other special circumstances, in advancement of the Company's goals (the "Special Cash Bonus"). The Special Cash Bonus is a separate bonus from the Annual Cash Bonus mentioned above. The Special Cash Bonus will be determined by quantitative and/or qualitative parameters, and while considering the personal contribution of the executive officer. The maximum payout for the Special Cash Bonus during the term of the Compensation Policy with respect to any executive officer will be the greater of: (a) 9 base salaries for our CEO and 7 base salaries for our other executive officers, or (b) 150% of the Target Bonus minus any Annual Cash Bonus payout for the relevant year. Any Special Cash Bonus with respect to the CEO will require approval by our shareholders' meeting in addition to the Compensation Committee and board of directors' approval. ~~The aggregate maximum payout cap for Annual Cash Bonuses of all of the executive officers, as described in the previous section of this policy, shall apply also to the aggregate payout of the Special Cash Bonus of all of the executive officers, so that the aforesaid cap shall apply to the aggregate payout of all cash bonuses under this policy.~~

Appendix A

Equity-based compensation Plan. Under the Company's 2015 Share Incentive Plan (as amended) or under any equity-based compensation plan adopted by the Company in the future, the Compensation Committee and Board may resolve to grant, from time to time, options or restricted share units ("RSUs"), or other instruments of equity-based compensation, to our executive officers.

The decision on equity-based compensation grant shall take into consideration each executive officer's position, scope of responsibilities, as well as its past performance and contribution to the Company.

In order to align executive officer and investor interests for creation of long term value, equity-based awards will include the following terms:

- Awards will vest linearly over a minimum period of three years beginning on the first anniversary of the grant date. The terms of such equity-based awards may include provision for acceleration of vesting in certain events, such as in the event of a merger, a consolidation, a sale of all or substantially all of our consolidated assets, change of controlling shareholder, or the sale or other disposition of all or substantially all of our outstanding shares. The maximum period for exercising Options is within 6 (six) years from vesting.
- The exercise price of equity-based awards will be set so as to induce an incentive for long term value creation, but in any case, not lower than the higher of ~~5% above~~ the average market price of the Company's share during the 30 day period preceding the date of grant, and the market price of the Company's share at the end of the trading day preceding the date of grant, and will be subject to customary adjustments including for dividend distributions.
- The value of equity-based awards at the date of grant (in accordance with acceptable accounting principles) per each vesting annum (calculated on a linear basis), in addition to the Target Bonus (whether or not actually paid), will not exceed 70% of our CEO's and 60% of our other executive officers' total cost of employment in that calendar year. We believe a grant date cap is more appropriate than an exercise date cap as it better aligns long term value creation objectives.
- The annual exercise of shares reserved for issuance upon the exercise of options of all the Company's executive officers will not dilute the Company's shareholders by more than 2% (in regards to option plans which contain a 'net exercise mechanism') of the Company's outstanding share capital for the year in which such options may be exercised. ~~In addition, our board of directors committed to DIC that the Company will not issue options or shares pursuant to executive officers or employees' compensation, which may lead to a dilution of the Company's shareholders by more than 0.5% of the Company's outstanding share capital for the year in which such options may be exercised.~~
- the grant of restricted share units to the Company's executive officers shall be conditioned by the Company setting performance objectives for such grant.

Termination and Retirement. Our executive officers may be entitled to up to a 3 months advance notice period upon termination of their employment with the Company if worked in the Company for up to ~~3-12 years~~ months, or up to 6 month advance notice period if worked in the Company for over ~~three-12 years~~ months and will be required to provide the Company with the same notice when they initiate retirement from their position. The executive officer is obligated to work during such period and Company may decide, at its sole discretion, to waive actual work during that period, in whole or in part. Under special circumstances, the Company may, as approved by our Compensation Committee and Board of directors, grant an executive officer who worked in the Company for a minimum of two years and his term was not terminated for cause, a termination bonus equal to up to 3 monthly salaries of the executive officer, including benefits or an adjustment period of up to 3 month during which the executive officer will be entitled to continue to enjoy all compensation and benefits. In case the executive officer worked in the Company for a minimum period of five years, such termination bonus or adjustment period, may be up to 6 monthly salaries or 6 months, respectively. In deciding on the

Appendix A

grant of a termination bonus or the like, our Compensation Committee and Board of Directors shall take into consideration the executive officer's term of employment, his/her compensation during his/her employment with the Company, the Company's performance during that period, the contribution of the executive officer to achieving the Company's objectives and increasing its profits and the circumstances of termination.

The Company may approve, upon termination of an executive officer's employment, amendment of the terms in connection with the executive officer's equity-based compensation grants, such as extending the period for exercise of equity-based compensation upon termination, for longer periods than as set forth in the applicable plan, enabling acceleration of vesting of unvested equity-based compensation, while considering the same considerations stated above for a termination bonus.

The Company will not pay its executive officers any non-competition fees for post termination periods, although executive officers may be bound by post termination non-competition obligations.

Compensation for our directors

All directors (other than Executive Directors, as defined hereinafter), including external directors, independent directors, directors who are affiliated with our controlling shareholder or nominated or appointed by our controlling shareholders ("Controlling Shareholder Directors") and other directors, will be entitled to a directors fees [\(and may also be entitled to equity-based compensation\)](#) in accordance with the amounts of statutory compensation to an external director allowed by the Companies Law and regulations (as shall be updated from time to time and up to the maximum amounts allowed) and will not receive cash bonuses ~~or equity-based compensation*~~. Such directors' fees in relation to Controlling Shareholder Directors may be paid either directly to the director or to the controlling shareholder through a management agreement (if such agreement is in effect) [or at such a director's request](#).

Our Controlling Shareholder Directors who hold an active role in the Company ("Executive Directors"), which may include the chairman of the Board of Directors, may be entitled to compensation from the Company (instead of the above directors fees) which may include an annual fixed payment and equity-based compensation. The provisions regarding our CEO's base salary and equity-based compensation detailed above in this policy, shall apply *mutatis mutandis* to the annual fixed payment and equity-based compensation such Executive Directors shall receive for their services, assuming a full time position as our Executive Directors. A part-time position may entitle our Executive Directors to a corresponding portion of annual fixed payment and equity-based compensation. ~~Our Executive Directors are not entitled to receive a cash bonus.~~

~~* Notwithstanding the aforesaid, the Company shall continue to pay its external directors a director fee in accordance with the amounts of statutory compensation to an external director of a dual listed company, until the end of their current term as directors (March 2022).~~

Indemnification

Exemption from liability and liability insurance policy. Our articles of association allow us to exempt in advance a director and executive officer, or office holders, from liability to the company, in whole or in part, for a breach of his or her duty of care (except in connection with distributions) and we may enter into a contract for insurance against liability of any of our office holders with respect to certain breaches of his/her duties and certain financial liabilities and litigation expenses. As of August 12, 2020, such exemption from liability may not be granted in relation to a decision or a transaction in which a the controlling shareholder or any office holder of the company has a personal interest, as such terms are defined in the Companies Law.

We maintain a liability insurance policy for the benefit of our office holders. Our directors and executive officers' coverage will not exceed US\$100 million per claim and in the aggregate, and additional reasonable expenses in connection with defending lawsuits, provided that the premium and the deductible will be in

Appendix A

accordance with market conditions at the time of the renewal or extension or substitution of the policy and their cost is not material to the Company. Any such renewal or extension or substitution of the liability insurance policy for the benefit of our office holders (including those who are or are related to controlling shareholders or in respect of whom our controlling shareholders have a personal interest, who shall be insured under identical terms) does not require a separate approval of the Company's shareholders, in addition to the approval of this compensation policy (which in itself requires approval once every three years) if our compensation committee resolves that such renewal or extension or substitution upholds the limitations set above.

Indemnification. Our articles of association provide that we may indemnify our office holders against certain financial liability and litigation expenses. We have undertaken to indemnify our office holders for certain events listed in the indemnification letters given to them. Excluding reasonable litigation expenses, as noted above, the aggregate amount payable to all directors and officers and other employees who may have been or will be given such indemnification letters as of August 12, 2020, will not exceed an amount equal to 25% of the shareholders' equity of the Company as per its most recent consolidated financial statements prior to the date of the indemnification payment.

The above exemption, indemnification and insurance coverage, are subject to the limitations set in the Companies Law.

The changes entered to the compensation policy as of August 12, 2020, shall not derogate from earlier letters of exemption and indemnification between the company and the office holders.

CONVENIENCE TRANSLATION FROM HEBREW.
THE HEBREW VERSION IS THE BINDING VERSION.

Date: _____

To: _____

From: Cellcom Israel Ltd. (henceforth the "**Company**")

Letter of Exemption and Indemnification

Whereas Article 61 of the Articles of Association of the Company allow the Company to exempt office holders from liability and give office holders an advanced undertaking to indemnify them;

And whereas the Board of Directors of the Company in its resolutions and, where required, the Company's general meeting in its resolutions as well, after approval for such was received from the Audit Committee of the Company, approved the provision by the Company to office holders, as defined below, of advanced exemption from liability towards the Company and an advanced undertaking to indemnify for their liability, in accordance with the conditions detailed in this letter of exemption and indemnification, and provided that the total of all the amounts of indemnification payable in accordance with all the letters of exemption and indemnification provided and/or that will be provided by the Company in accordance with the indemnification decisions, as defined below, , will not exceed the maximum indemnification amount as defined in paragraph 5 below;

We therefore notify you as follows:

Definitions

In this letter of exemption and indemnification, the following terms shall have the meaning set beside them:

"Indemnification Decisions" – decisions of the authorized bodies of the Company, that were received or will be received from time to time in the past or in the future, as required by law, approving the provision to office holder, as defined below, of advanced exemption from liability towards the Company and an advanced undertaking to indemnify for his or her liability as an office holder as aforesaid.

"Office Holder" – an office holder, as defined in the Companies Law, 5759 – 1999 (henceforth – the "**Companies Law**") in the Company, and also a person who, in accordance with a decision of the Board of Directors, serves as an office holder in another company, partnership or any other corporation whatsoever, of which the Company holds the means of control (henceforth – "**other company**"), including every such office holder who served in the past or will serve in the future in such positions, and a position holder in the Company and/or in other company, including one holding a position in the past and/or in the future, to whom the Board of Directors of the Company decides to give a letter of exemption and indemnification for his or her liability as an office holder as aforesaid.

"Action" (or any derivative thereof) – an act, including a decision and/or a failure to act (or any derivative thereof) by implication, which an office holder, as defined above, did or will do by virtue of his or her said position, including such actions carried out before the date of this letter of exemption and indemnification.

"Means of Control" – as defined in the Companies Law.

"Third party" – excluding any one of the shareholders of the Company or any one on their behalf.

"Distribution" – as defined in the Companies Law.

Exemption from Liability

1. The Company hereby exempts you in advance of any liability for any damage caused to it due to a breach of your duty of care towards it in your actions by virtue of your position as an office holder, and subject to those limitations determined by any law. It is hereby clarified that the Company does not exempt you in advance from your liability towards it due to a breach of duty of care in an allocation, inasmuch as such applies to you, if at all.

Indemnification - General

2. The Company hereby undertakes to indemnify you for indebtedness or expense as detailed in Paragraph 4 below, which may be imposed upon you or which you paid following actions you took by virtue of your being an office holder, inasmuch as the indebtedness or expense was not actually paid by an insurance policy or an indemnification of a third party.

Restrictions

3. The provisions of this letter of exemption and indemnification are subject to the provisions of Chapter 3 of Part 6 of the Companies Law.

Scope of the Indemnification

4. The undertaking of indemnification stated in Paragraph 2 above, will apply to indebtedness or expense imposed upon you or paid by you, as follows:

- 4.1 Monetary indebtedness imposed upon you for the benefit of another person by a court ruling, including a judgment given in a compromise or an arbitrator's ruling approved by court, due to actions you carried out by virtue of your being an office holder related, directly or indirectly, to one or more of the events detailed in the appendix to this letter of exemption and indemnification (henceforth – "**the Appendix**") provided that the maximum amount of indemnification will not exceed the amount detailed in Paragraph 5 below;

- 4.2 Reasonable litigation expenses, including attorney's fees, which you spent because of an investigation or proceedings which was conducted against you by an authority authorized to conduct an investigation of proceedings, and which concluded without filing an indictment against you and without a monetary indebtedness being imposed upon you instead of criminal proceedings, or which concluded without filing an indictment against you but with a monetary indebtedness being imposed upon you instead of criminal proceedings in a criminal offence not requiring criminal proof of *Mens Rea*; or in connection with an administrative enforcement proceeding or a financial sanction. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the Office Holder in favor of an injured party as set forth in Section 52(54)(a)(1)(a) of the Israeli Securities Law, 1968, as amended (the "Securities Law"), and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees;

in this paragraph – "conclusion of proceedings without filing an indictment in a matter in which a criminal investigation was initiated" – shall mean closing the case in accordance with Section 62 of the Criminal Procedure Law [Integrated Version], 5742 – 1982 (in this Paragraph – the Criminal Procedure Law), or a stay in proceedings by the Attorney General in accordance with Section 231 of the Criminal Procedure Law;

"Monetary indebtedness instead of criminal proceedings" - monetary indebtedness legally imposed instead of criminal proceedings, including an administrative fine in accordance with the Administrative Offences Law, 5746-1985, a fine for an offence determined to be an offence punishable by fine in accordance with the provisions of the Criminal Procedure Law, a monetary sanction or redemption;

- 4.3 Reasonable litigation expenses, including attorney's fees, which you will pay or for which you will be made liable by the court, in proceedings conducted against you by or in the name of the Company or by another person, or in a criminal indictment from which you will be acquitted, or in a criminal indictment in which you will be convicted of a crime not requiring proof of *Mens Rea*;

Payments under the Letter of Indemnification

5.

- 5.1 The amounts which the Company will pay in accordance with Paragraph 4.1 above to all office holders in the aggregate, in accordance with all letters of exemption and indemnification that were issued and /or will be issued in accordance with the indemnification decisions (henceforth – the "**letter of indemnification**"), will not exceed an amount equivalent to all the insurance payments, which the Company will receive from time to time in the framework of any Office Holders' Liability Insurance in the Company, with the addition of an amount equivalent to 30% of the shareholders' equity of the Company as per its audited financial statements for 31.12.2001, after being adjusted from time to time to the rate of increase of the Consumers Price Index from that date (henceforth – "**the maximum indemnification amount**").
- 5.2 If and to the extent that the total of all the amounts which the Company will be required to pay in accordance with Paragraph 4.1 above at any date whatsoever, with the addition of the total of all the amounts that the Company has paid up to that date, in accordance with the letters of indemnification as defined in Paragraph 5.1 above, will exceed the maximum indemnity amount, the maximum indemnity amount, or the balance remaining of it, respectively, will be divided between the office holders who will be entitled to the said amounts in respect of claims made by them to the Company under the letters of indemnification and were not paid to them prior to that date, so that the amount that each one of the said office holders will actually receive will be calculated according to the ratio between the amount due to each one of the office holders and the amount due to all the said office holders, in the aggregate, at that date in respect of these claims. If it becomes clear at a later date, that amounts which the Company was required to pay have become available, whether because of that stated in Paragraph 7 below or because of the dismissal of claims against office holders without the need to pay for them all or part of the amounts that the office holder claimed, the balance of the indemnification amount will be increased by the amounts made available and all the office holders who received only their relative share as stated above will be entitled to their relative share, pro rata, of the amounts made available.
- 5.3 In order to clarify the manner of calculation detailed in Paragraph 5.2 above, we shall give the following example: let us assume that the maximum indemnity amount is 500. At a certain date, Office Holder A was paid an amount of 100 in respect of an indemnification given to him. As a result, the balance for indemnification after the payment stands at 400. At a later date, Office Holders B, C and D were sued, and they claim indemnification from the Company in the amounts of 100, 200, and 300 respectively. In such a case, since the amount of indemnification claimed (600) is larger than the balance for indemnification (400), the balance will be divided proportionately between the office holders in the following manner: Office holder B will receive $400 \cdot 100 / 600$, Office holder C will receive $400 \cdot 200 / 600$, and Office holder D will receive $400 \cdot 300 / 600$. If after the said payment, it will become clear that Office holder A was not entitled to indemnification, an amount of 100 will become available and it will be returned to the general fund. The amount that become available (100) will be divided proportionately between B, C and D so that B will be paid an additional amount of $100 \cdot 100 / 600$, C will be paid an additional amount of $100 \cdot 200 / 600$, and D will be paid an additional amount of $100 \cdot 300 / 600$.

5.4 In any event the amount of indemnification paid to you by the Company, together with the amounts paid to you in the framework of an insurance policy and/or in accordance with an undertaking of indemnification by any third party whatsoever, will not exceed the amount of monetary indebtedness and/or expenses as stated in Paragraph 4 above, which was borne or incurred by you. For this matter, the amounts of the self participation according to the insurance policy, if such were set, will be considered as amounts not actually paid. If the Company will pay you or in your place amounts which you are entitled to receive in accordance with the insurance policy and/or in accordance with the undertaking of indemnification by any third party whatsoever, then you will assign the Company your rights to receive the sums in accordance with the insurance policy or the undertaking of indemnification by a third party, inasmuch as there is no impediment to the assignment of these rights, and you will authorize the Company to collect these amounts in your name, inasmuch as required to carry out the provisions of this Paragraph. If you collected directly from the insurance company or from any third party whatsoever, these amounts will be returned by you to the Company in accordance with the provisions of Paragraph 7 below.

Operation

6. In any event in respect of which you may be entitled *prima facie* to indemnification in accordance with this letter of Indemnification, the parties will act as follows:

- 6.1 Subject to any laws, the Company will notify you of any suspicion or threat that legal proceedings, an investigation or proceedings by an authorized authority, may be initiated against you, this with due promptness after it first became known to the Company, and no later than at the end of 10 business days after it first became known to the Company, and will give you, without delay, a copy of any document connected with the proceedings served to it by the originator of the proceedings.
- 6.2 Subject to any laws, you will notify the Company of any legal proceedings, investigation or proceedings by an authorized authority, initiated against you, and of any suspicion or threat that such will be initiated against you, this with due promptness after it first became known to you, and no later than at the end of 10 business days after it first became known to you, and you will give the Company or to whom it directs, without delay, a copy of any document connected with the proceedings served to you by the originator of the proceedings.
- 6.3 The Company will be entitled to take over the conducting of your legal defense in the framework of such proceedings and/or transfer the said conducting to a reputable attorney with experience in the relevant field whom the Company will choose for this purpose. The Company may appoint an attorney as stated above provided that your agreement is given in advance, in writing, to the identity of the attorney. However, your said agreement will only be withheld on reasonable grounds, including due to circumstances in which there is, in your reasonable opinion, a conflict of interests between your defense and that of the Company or another office holder. In the event of such conflict of interests, a separate attorney acceptable to you will be appointed on for you, in order to protect your personal interests. Subject to the aforesaid, the Company and/or any such lawyer are entitled to act in the framework of the said conducting while reporting to you on a current basis and consulting with you.

The Company and/or the said attorney will be allowed to bring the proceedings to a conclusion. However, the Company and/or the attorney will not agree to a compromise being made, as a result of which you will be convicted of a criminal offense or you will be required to pay amounts for which you will not be indemnified in accordance with this letter of indemnification and you will not be paid in the framework of the insurance purchased by the Company or in the framework of an

indemnification by a third party, except with your prior consent in writing. The Company will not agree to decide in a dispute by way of arbitration except after your prior consent in writing was received. However, your said consent will not be withheld except on reasonable grounds.

At the request of the Company, you will sign any document authorizing the Company and/or any such attorney to conduct in your name your defense in the framework of those proceedings and to represent you in everything connected to the same, in accordance with the aforesaid.

- 6.4 You will cooperate with the Company and/or any such attorney in every reasonable way required of you by any of them in the framework of their conducting concerning those proceedings, including dedicating all the time required for dealing with those proceedings, signing requests, statements, powers of attorney and any other document, provided that the Company will take care of full cover of all the expenses involved so that you will not be required to pay them or to finance them yourself, all subject to that stated in Paragraphs 4 and 5 above.
- 6.5 The Company will not be obligated to indemnify you for any amount which will be charged to you following a compromise or arbitration arrangement, unless the Company's consent was given in advance in writing to the compromise arrangement or the carrying out of that arbitration, respectively.
- 6.6 Whether the Company exercises its right in accordance with Paragraph 6.3 above or not, the Company will take care of full cover of all the litigation expenses stated in Paragraphs 4.2 and 4.3 above, and will pay those expenses so that you will not be required to pay them or to finance them yourself, all subject to that stated in Paragraphs 4 and 5.4 above.

Subject to Paragraph 7.1 below, amounts that will be paid by the Company as stated above will be credited as an advance payment on account of the indemnification amount to which you will be entitled in accordance with this letter of indemnification.

- 6.7 Upon your request to make a payment in connection with any event whatsoever in accordance with this letter of indemnification, the Company will take all the steps required by law for its payment, and will act to arrange for any approval that may be required in connection with the same, if required.
- 6.8 At any time, you may contact the Corporate Secretary and receive information regarding the amount of balance remaining for indemnification not yet paid by virtue of the letters of indemnification as defined in Paragraph 5.1 above.

Repayment of Amount of the Indemnity

7.

- 7.1 If the Company paid you or instead of you any amounts in accordance with this letter of indemnification, including amounts in accordance with Paragraph 6.6 above, and it became clear afterwards that you are not entitled to indemnification from the Company for those amounts, the amounts will be considered as a loan provided to you by the Company which will bear interest at the minimum rate determined in accordance with section 3 (i) of the Income Tax Ordinance, or any other law which will replace it, as may be from time to time, and which does not represent a taxable benefit to you.

In the said event, you will repay the loan when required in writing by the Company to do so, and in accordance with a payment arrangement which the Company will decide, with the approval of the Audit Committee of the Company.

It is hereby clarified that, in the event that the Company paid you, or instead of you, litigation expenses, including attorney's fees, following an investigation or proceedings carried out against by the authorized authority, or concerning criminal proceedings initiated against you, these amounts will be considered as a loan the Company provided you, on the conditions stated in this Section. If and when it will be made clear that the Company may legally indemnify you for these amounts, these amounts will become indemnification amounts paid to you by the Company in accordance with this letter of indemnification, you will not be required to refund them to the Company, the interest in respect of them will be waived, and the Company will bear tax payments which will therefore apply to you , inasmuch as there will be such.

- 7.2 It is hereby clarified that amounts ruled in your favor in the framework of legal proceedings, a compromise arrangement or arbitration concerning indebtedness or expenses which were previously paid to you or instead of you by the Company in accordance with this letter of indemnification, will be refunded by you to the Company immediately upon their receipt by you. In the event that the said amounts were ruled in your favor and you have not yet received them, you will assign the Company your rights for the receipt of the said amounts and/or authorize the Company to collect these amounts in your name.

General

8. The Company's obligation in accordance with this letter of exemption and indemnification will remain in your favor after the end of your service as an office holder provided that the actions subject to this letter of exemption and indemnification were carried out during your period of service as an office holder.
9. The Company's obligations in accordance with this letter of exemption and indemnification will be interpreted widely and in a manner intended for their implementation, inasmuch as permitted by law, for the purpose for which they were intended. In the event of a contradiction between any provision in this letter of exemption and indemnification and the provision of law which cannot be conditioned upon, changed or added to, the said provision of the law will prevail, but the aforesaid will not impair or derogate from the validity of the other provisions in this letter of exemption and indemnification.
10. The total of all the indemnification amounts payable in accordance with Paragraph 4.1 of the letter of indemnification which were provided, including those which will be provided in the future, by virtue of the indemnification decisions, will not exceed the maximum indemnification amount as defined in Paragraph 5 above.
11. This letter of exemption and indemnification will not impair or derogate from future decisions of the Company to provide indemnification in advance or after the fact in any matter subject to all laws, and shall not oblige the Company to provide you additional indemnification to that stated in this letter of exemption and indemnification.
12. The Appendix to this letter of exemption and indemnification is an integral part thereof.

And as proof the Company appends its signature, by means of its legally authorized signatories.

Cellcom Israel Ltd.

I confirm receipt of this letter of exemption and indemnification and confirm my consent to its conditions including Paragraph 7 and Paragraph 10 above.

Appendix

Subject to the provisions of the Companies Law and the letter of indemnification, you will be entitled to indemnification for indebtedness imposed on you in favor of any other person in accordance with a judgment, including a judgment given in a compromise or an arbitration ruling approved by the court, following an action you carried out or for which you have vicarious liability pursuant to applicable law, by virtue of your being an office holder of the Company or of another company as defined in the letter of indemnification, concerning the following events which are expected in the opinion of the Board of Directors of the Company in light of the Company's activity:

1. A transaction within the meaning of Paragraph 1 of the Companies Law, including the transfer, sale, letting or acquisition of assets or liabilities, including securities, or the giving or receiving of right in any one of them, and an action directly or indirectly involved in such a transaction.
2. An action, including provision of information and documents, in connection with a transaction as set forth in Paragraph 1 above.
3. A report or notice served by the Company or on its behalf, to the various supervisory authorities, including, but not limited to, the Ministry of Communications, The Ministry of Treasury, the Ministry for the Environmental protection, the Ministry of Industry, Trade and employment, etc.
4. A report or notice served by the Company or on its behalf, or compliance with other obligations by virtue of the Communication Laws, Companies Laws, Securities Laws, the various Tax Laws, Antitrust Laws, statutes regulating labor relations or any other law obliging the Company to report or give notice, or a law of another country regulating similar matters and/or avoidance of serving the aforesaid report or notice.
5. A report or notice to the shareholders, or compliance with other obligations regulated by laws of Israeli and/or foreign securities laws, or by other laws.
6. A report or notice which the Company is obligated to give by power of agreements with credit lenders, institutions and other third parties.
7. Events in connection with change in ownership of the Company or change in the structure of the Company. Its reorganization, dissolution or any decision concerning them, including, but not limited to, merger, division, change in the capital of the Company, establishment of subsidiaries, their dissolution or sale, issuance and allocation.
8. An action in the areas of the Company's business in connection with the setting up of sites and construction of technological engineering systems, including matters of Building and Planning, licensing of sites, licensing of businesses, security, insurance, environmental protection.
9. An action in the area of the Company's business in relation to interface with its customers, including in connection with customer data banks, protection of their privacy and matters covered by Consumer Protection Laws.
10. An action in the area of the Company's business with relation to the Company's billing interface with its customers, and with other communications operators.
11. An action connected with the relationships with the various communications operators, dealers, importers, suppliers, consultants and additional bodies with whom the Company enters into agreements and/or cooperates.
12. An action connected with multi-participant events which the Company is accustomed to hold from time to time with its customers, employees, agents, dealers or suppliers.
13. A remark, saying including an expression of a position or opinion made in good faith by you as an office holder and by virtue of this position and including within the framework of meetings of the Board of Directors, one of its committees or in meetings of the Management.
14. The aforesaid will apply with the required adjustments to such actions in "another company".

15. An offer of securities in a private offering and/or to the public and/or listing of securities for trade in a stock exchange, in Israel or abroad, publishing of a prospectus for this purpose and or tender offers for the purchase of shares of the Company.
16. An action, including provision of information and documents, in connection with that stated in Paragraph 15 above.
17. An action, including provision of information and documents, in connection with trading in the Company's securities.

Cellcom Israel Ltd.
Voting card under the Israeli Companies (Voting in Writing and Position Statements)
Regulations, 5765-2005 (the “Voting in Writing Regulations”)
Part One

1. Company name: Cellcom Israel Ltd. (the “Company”).
2. Type of general meeting, the time and place it is convened - Annual General Meeting.
The General Meeting shall take place on Monday, August 21, 2023, at 15:00, Israeli time, at the Company’s offices, 10 Hagavish, Netanya, Israel. Should the General Meeting be postponed due to a lack of a legal quorum, the adjourned meeting shall take place on Monday, August 28, 2023, at the same time and place (the “**Meeting**” or “**General Meeting**”).
3. Description of the items on the agenda and form of their resolutions:
 - 3.1. **Item 1 – Approving the compensation policy**
Approving the compensation policy for officers of the Company according to the form of the compensation policy attached hereto (marked against the version in effect as of the date of the report) as **Annex 1** to this report (“**Compensation Policy**”), pursuant to section 267A of the Companies Law. For details see section 2 of the assembly report.
Proposed form of resolution: “**To approve the compensation policy for officers of the Company, for a 3 year period commencing upon expiration of the current policy (namely, from 12 August 2023), in the form attached as Annex 1 to the assembly report.**”
 - 3.2. **Item 2 – Approving the renewal of indemnification and exculpation letters to officers of the Company**
Approving the renewal of indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters. For details see section 3 of the assembly report.
Proposed form of resolution: “**To approve the renewal of indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters, as of 12 August 2023, in the form attached as Annex 2 to the assembly report.**”
4. Time and place for reviewing the full version of the proposed resolutions
The report on convening the Meeting (including its schedules) and the complete form of the resolutions on the agenda, and any document pertaining to resolutions can be reviewed in the Company’s offices at 10 Hagavish, Netanya, Israel, following advance coordination with the Corporate’s secretary at phone number 052-9989595, Sundays-Thursdays (except for holidays), during common work hours, until the conclusion of the Meeting. Similarly, the report on convening the Meeting (including its schedules), the voting card and the position statements under their meaning in section 88 of the Israeli Companies Law, 5759-1999 (the “**Companies Law**”), if any, can be reviewed on the website of the Israeli Securities Authority and on the website of the Tel Aviv Stock Exchange Ltd (“**TASE**”) as specified in section 14 below.
5. The required majority to adopt the resolutions in the General Meeting for the items on the agenda
The required majority for approving the resolutions set forth on the agenda is a simple majority of all votes of the shareholders who are allowed to present in the General Meeting and participants in the vote, provided that one of the following holds true: (a) The count of the majority votes shall include the majority of all the votes of shareholders, participating in

the vote, who do not have a personal interest in the approval of the resolution. Abstaining votes shall not be taken into account when counting all the votes of said shareholders. (b) The total dissenting votes among the shareholders set forth in sub-paragraph (a) above did not exceed the rate of two percent of the total voting rights at the Company.

Those who have a personal interest will be subject to the provisions of section 276 of the Companies Law, with the required changes.

The Company is not a "public subsidiary company" as this term is defined in the Companies Law. In accordance with the provisions of section 267a(c) of the Companies Law, the Company's board of directors may determine the compensation policy even if the general meeting opposed its approval, provided that the compensation committee and after that the board of directors decided, on the basis of detailed reasons and after re-discussing the compensation policy, that its approval, despite The objection of the meeting, is in the Company's favor.

6. Notice regarding a personal interest/affinity

In part two of this voting card space is allocated for marking the existence or absence of an affinity or other characteristic in connection with the relevant resolutions that are on the agenda, as required under the Company's Law and the Voting in Writing Regulations, and space for describing the relevant affinity, if any. It is clarified that the vote of whoever did not mark the existence or absence of such an affinity and/or did not describe its nature, is not taken into account.

Similarly, in part two of this voting card space is allocated for marking whether the voter is deemed an "institutional investor" as such term is defined in regulation 1 of the Israeli Supervision of Financial Services (Provident Funds) Regulations (Participation of a Managing Company in a General Meeting), 5769-2009, or a manager of a joint investment trust fund, as such term is used in the Israeli Joint Investment Trust Law, 5714-1994, or an interested party, As the term is defined in Section 1 of the Securities Law, 5728-1968 ("**Securities Law**").

7. Notice regarding contravening holdings

In part two of this voting card space is allocated that every shareholder is required to mark whether his holdings of the Company shares are in violation of the holding or transfer restrictions set forth in the Company's licenses as set forth in section 4.11 of the report on convening the General Meeting above. Should no response to a question be marked, the vote shall not be counted. If only part of the shareholdings is in violation as foregoing, a right to vote in the part that is not in violation may be granted. In this case, please contact VP Legal and the Corporate's secretary by telephone +972-52-998-9595 for receiving instructions on how to vote for shares that are not in violation, or if the shares are held through a broker, the broker can be asked to contact the Company on behalf of the shareholder.

8. Record date

The record date for determining the entitlement of the shareholders to vote at the General Meeting under section 182(c) of the Companies Law and regulation 3 to the Notice Regulations is Tuesday, July 20, 2023 ("**Record Date**").

9. Validity of voting card

9.1. The voting card shall be in effect only if the following documents are attached to it and they were delivered to the Company (including by registered mail) As described below:

until four (4) hours before the time of the Meeting:

9.1.1. Unregistered shareholder⁴ - certificate of ownership as mentioned in section 15 below. Alternatively, a shareholder shall be entitled to send the Company a certificate of ownership through the electronic voting system which operates according to point B of Chapter G2 of the Securities Law ("**Electronic Voting System**"), until six (6) hours before the time of the Meeting ("**System Lock Time**").

9.1.2. Registered shareholder⁵ - photocopy of identity card, passport or certificate of incorporation.

9.2. **A voting card that was not provided pursuant to anything set forth in this section shall be of no effect.**

For this purpose, "time of delivery" is the time on which the voting card and the documents attached thereto arrived at the Company's headquarters.

10. **An unregistered shareholder who wants to vote via an electronic voting card shall be entitled to do so until the system lock time.**

11. Company address for delivery of the voting cards and position statements

The Company's offices, 10 Hagavish, Netanya 4250708, Israel (attn. Adv. Larisa Cohen).

12. Deadline for delivery of position statements to the Company by the shareholders

Until ten (10) days before the date of the Meeting.

13. Deadline for delivery of the Board of Directors' response to the position statements

Until five (5) days before the date of the Meeting.

14. Address of the websites on which the voting cards and position statements are located

The website of the Israeli Securities Authority (the "**Distribution Website**"): <http://www.magna.isa.gov.il>;

The TASE website:

<http://maya.tase.co.il>

15. An unregistered shareholder is entitled to receive the certificate of ownership from the TASE member through whom it holds its shares, at the branch of the stock exchange member or by mail to its address in exchange for delivery fees only, if so requested. An application on this matter shall be given in advance for a certain securities account. A shareholder is also entitled to order its certificate of ownership to be transferred to the Company through the electronic voting system.

16. A unregistered shareholder is entitled to receive by email, for no consideration, a link to the format of the voting card and position statements (if any) on the **Distribution Website**, from the TASE member through whom it holds its shares, unless it informed the TASE member that it does not desire to receive such a link or that it wishes to receive voting card by mail in consideration for payment; its notice regarding the voting card shall also apply with respect to receiving the position statements.

⁴ A person in favor of whom shares are registered with a TASE member, and such shares are included among the shares registered in the Company's shareholder registry in the name of the nominee Company.

⁵ A shareholder who is registered in the Company's shareholder registry.

17. One or more shareholders holding at the record day shares at a rate constituting five percent (5%) or more of the total voting rights in the Company, and also one holding such a share out of all voting rights which are not held by the Company's controlling shareholder, as defined in section 268 of the Companies Law ("**Controlling Shareholder**"), is entitled by itself or through an agent on its behalf, after the General Meeting being convened, to review, at the Company's offices (the address whereof is set forth in section 11 above), during common work hours, the voting cards and the voting records through the electronic voting system that the Company received as set forth in regulation 10 of the **Written Voting Regulations**.

17.1. As of the date of this voting card the number of shares constituting five percent (5%) of the total of all voting rights in the Company is: 8,266,840 ordinary shares of the Company par value ILS 0.01 each ("**Ordinary Shares**").

17.2. As of the date of this voting card the number of shares constituting five percent (5%) of the total of all voting rights in the Company that are not held by a Controlling Shareholder as defined in section 268 of the Companies Law is: 5,326,570 Ordinary Shares.

18. Following the publication of this voting card, there may be changes to the agenda, including the addition of items to the agenda, position statements may be published, and the updated agenda and position statements may be reviewed in the Company's reports to be published on the website.

19. A request of a shareholder under section 66(b) of the Companies Law to include an item on the agenda of the General Meeting shall be delivered to the Company until seven (7) days after the Meeting is convened. If such a request was submitted, it is possible for the item to be added to the agenda, and its details shall appear on the Distribution Website. In this case the Company shall publish an amended voting card together with an amended report on convening the Meeting, no later than seven (7) days after the deadline for delivery of a shareholder request to include an item on the agenda, as set forth above.

20. Cancellation of the voting card

A shareholder may, up to twenty-four (24) hours before the date of the general meeting, contact the Company's registered office, after he proved his identity to the Corporate Secretary's satisfaction, or another employee appointed for this matter, withdraw his voting card and confirmation of ownership

A shareholder shall state the manner of its vote with respect to the items on the agenda in the second part of this voting card.

Cellcom Israel Ltd.
Voting card under the Israeli Companies (Voting in Writing and Position Statements)
Regulations, 5765-2005 (the “Regulations”)
Part Two

Company name: Cellcom Israel Ltd.

Company’s address (for delivery and sending of the voting cards):

10 Hagavish, Netanya 4250708, Israel (attn. Adv. Larisa Cohen).

Company number: 511930125

Time of the Meeting: Monday, August 21, 2023, at 15:00 (Israeli time); Should the General Meeting be postponed, the adjourned meeting shall take place on Monday, August 28, 2023, at the same time and place.

Type of the meeting: Annual General Meeting

Record date: Tuesday, July 20, 2023

Shareholder details

1. Shareholder name - _____

2. ID number - _____

3. If the shareholder does not have an Israeli identity card -

Passport number - _____

Country of issue - _____

Valid until - _____

4. If the shareholder is a corporation -

Corporation Name - _____

Corporation number - _____

Country of incorporation - _____

5. Interested party, senior officer and institutional investor:

Are you an interested party ⁶ of the Company?	Yes	No
Are you a senior officer ⁷ of the Company?	Yes	No
Are you an institutional investor ⁸	Yes	No

6. Do your direct or indirect holdings in the Company’s shares violate the restrictions on holding or transfer of the Company’s shares set forth in the Company’s communication licenses?⁹

Yes	No
-----	----

If holdings of shareholders violate the restrictions set forth in the Company’s communication licenses, the shareholder is not entitled to vote for these shares, and its vote will not be counted. If only some of the shareholder’s holdings violate such restrictions, it may be entitled to vote for some of the shares that are not in violation thereof. For additional details see section 4.11 to the report on convening the General Meeting to which this voting card is attached.

⁶ “**Interested Party**” - As defined in section 1 of the **Securities Law**.

⁷ “**Senior Officer**” - As defined in section 37(d) of the Securities Law.

⁸ “**Institutional Investor**” - As defined in regulation 1 of the Supervision of Financial Services Regulations (Provident Funds) (Participation of a Managing Company in a General Meeting), 5769-2009, as well as a manager of a joint investment trust fund, under the meaning of such term in the Joint Investment Trust Law, 5714-1994.

⁹ If this box is not checked, the vote will not be counted.

Manner of voting

Item on the agenda	Manner of voting ¹⁰			Are you a Controlling Shareholder or interested party in the resolution? ¹¹	
	In favor	Against	Abstaining	Yes ¹²	No
1. To approve the compensation policy for officers of the Company, for a 3 year period commencing upon expiration of the current policy (namely, from 12 August 2023), in the form attached as <u>Annex 1</u> to the assembly report.					
2. To approve the renewal of indemnification and exculpation letters to officers of the Company currently in office and/or that may hold office from time to time, who are the controlling shareholders of the Company and/or with respect to which the controlling shareholder of the Company could be deemed to have a personal interest in granting said letters, as of 12 August 2023, in the form attached as <u>Annex 2</u> to the assembly report.					

Date: _____

Signature: _____

For shareholders holding shares through a TASE member (pursuant to section 177(1) of the Companies Law) – This voting card shall have effect only with the attachment of a certificate of ownership.

For shareholders registered in the Company’s shareholder registry - the voting card shall have effect only with the attachment of a photocopy of an identity card/passport/certificate of incorporation.

Details about being a controlling shareholder of the Company and/or having a personal interest in approving the proposed resolutions on the agenda (if relevant):

¹⁰ Not checking shall be considered abstaining from voting on such matter.

¹¹ The vote of a shareholder who does not complete this column in the items required completion or who checks “yes” without providing details shall not be counted.

¹² Details below.