

PARTNER COMMUNICATIONS CO LTD  
Form 6-K  
March 02, 2006

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15a-16 OF  
THE SECURITIES EXCHANGE ACT OF 1934**

Report on Form 6-K dated March 2, 2006

**Partner Communications Company Ltd.**

(Translation of Registrant's Name Into English)

8 Amal Street  
Afeq Industrial Park  
Rosh Ha'ayin 48103  
Israel

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(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the  
information contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

(If Yes is marked, indicate below the file number assigned to the  
registrant in connection with Rule 12g3-2(b): 82- \_\_\_\_\_)

**This Form 6-K is incorporated by reference into the Company's Registration Statement on Form F-3 filed with the Securities and Exchange Commission on December 26, 2001 (Registration No. 333-14222).**

Enclosure: Notice and Proxy Statements re Extraordinary General Meeting of Shareholders.

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**PARTNER COMMUNICATIONS COMPANY LTD.**

**NOTICE OF**

**EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

Rosh Ha'ayin, Israel  
March 2, 2006

Notice is hereby given that an Extraordinary General Meeting of Shareholders (the **EGM**) of Partner Communications Company Ltd. (the **Company** or **Partner**) will be held on Thursday, March 23, 2006 commencing at 10:00 am (Israel time), at our offices, 8 Ha'amal Street, Rosh Ha'ayin, Israel or at any adjournments thereof.

It is proposed at the EGM to adopt the following resolutions:

- (i) to authorize the distribution of a cash dividend in the amount of NIS 0.65 per share to shareholders of record on April 10, 2006;
- (ii) to approve the amendments to the Articles of Association of the Company described in the attached Proxy Statement, relating principally to recent changes in indemnification of directors and officers under the Israeli Companies Law; to the convening of general meetings; to the approval processes for dividend distributions; and to certain transactions with directors and officers or transactions in which directors and officers have a personal interest;
- (iii) to approve the grant of new Indemnification Letters to all current and future directors and officers of the Company, subject to the approval of the amendments to the Articles of Association of the Company relating to indemnification as mentioned in section (ii) above;
- (iv) to approve and ratify the purchase of new directors' and officers' insurance;
- (v) to approve the remuneration for an independent director of the Company;
- (vi) to nominate a new external director (Dahatz) (**External Director**) and to approve his remuneration; and
- (vii) to approve an adjustment of the remuneration of the current External Director.

Only shareholders of record at the close of business on March 2, 2006 will be entitled to receive notice of, and to vote at the EGM, subject to the restrictions in the Company's Articles of Association, as set forth in the attached Proxy Statement. All shareholders are cordially invited to attend the EGM in person.

Shareholders who will not attend the EGM in person are requested to complete, date and sign the enclosed form of proxy and to return it promptly (and in any event at least two business days prior to the date of the EGM) in the pre-addressed envelope provided. Shareholders may revoke their proxies by written notice received at the offices of the Company at least 24 hours prior to the commencement of the EGM, and vote their shares in person.

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The Articles of Association of the Company also allow shareholders of the Company to vote at the EGM by means of a deed of vote and a form of deed of vote will be made available to shareholders registered in the Company's Shareholder Register on the record. Holders of American Depositary Shares are not registered in the Company's Shareholder Register but may instruct the Depositary, JPMorgan Chase Bank, as to the exercise of the voting rights pertaining to the Ordinary Shares evidenced by their American Depositary Shares, in the manner and to the extent provided in the Depositary Agreement governing the American Depositary Shares.

Registered joint holders of shares should take note that, pursuant to the Articles of Association of the Company, only the first named joint holder of any share shall vote, either in person, by proxy, or by deed of vote, without taking into account the other registered joint holder(s) of the share. For this purpose, the first named joint holder shall be the person whose name is registered first in the Shareholder Register.

Copies of the proposed resolutions are available at our offices, 8 Hamal Street, Rosh Haayin, Israel, every business day from 9 AM to 5 PM (Israel time). Our telephone number is +972-54-781-4191.

**By Order of the Board of Directors,**

**ROLY KLINGER, ADV.  
Vice President**

**Chief Legal Counsel and  
Joint Company Secretary**

**PARTNER COMMUNICATIONS COMPANY LTD.**

**8 Ha amal Street**

**Rosh Ha ayin 48092, Israel**

**PROXY STATEMENT**

This Proxy Statement is furnished to the holders of Ordinary Shares, par value NIS 0.01 per share (the **Ordinary Shares**), including holders of American Depositary Shares (each representing one Ordinary Share, the **ADSs**) of Partner Communications Company Ltd. (the **Company** or **Partner**) in connection with the solicitation by the Board of Directors of proxies for use at an Extraordinary General Meeting of Shareholders (the **EGM**), to be held on Thursday, March 23, 2006 commencing at 10:00 am (Israel time), at our offices, 8 Ha amal Street, Rosh Ha ayin, Israel, or at any adjournments thereof.

It is proposed at the EGM to adopt the following resolutions:

- (i) to authorize the distribution of a cash dividend in the amount of NIS 0.65 per share to shareholders of record on April 10, 2006.
- (ii) to approve the amendments to the Articles of Association of the Company described in this Proxy Statement relating principally to recent changes in indemnification of directors and officers under the Israeli Companies Law; to the convening of general meetings; to the approval processes for dividend distributions and to certain transactions with directors and officers or transactions in which directors and officers have a personal interest;
- (iii) to approve the grant of the Indemnification Letter to all current and future directors and officers of the Company, subject to the approval of the amendments to the Articles of Association of the Company relating to indemnification as mentioned in section (ii) above;
- (iv) to approve and ratify the purchase of new directors and officers insurance;
- (v) to approve the remuneration for an independent director of the Company;
- (vi) to nominate a new External Director and to approve his remuneration; and
- (vii) to approve an adjustment of the remuneration of the current External Director.

A form of proxy for use at the EGM and a return envelope for the proxy are enclosed. Shareholders may revoke their proxies by written notice received at the offices of the Company at least 24 hours prior to the commencing of the EGM and vote their shares in person. Ordinary Shares represented by any proxy in the enclosed form, if the proxy is properly executed and delivered to the Company at least two business days prior to the date of the EGM, will be voted as indicated on the form or, if no preference is noted, will be voted in favor of the matters described above, and in such manner as the holder of the proxy may determine with respect to any other business as may come before the EGM or any adjournment thereof.

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Proxies for use at the EGM are being solicited by the Board of Directors of the Company. Only shareholders of record at the close of business on March 2, 2006 will be entitled to receive notice of, and to vote at the EGM. Proxies are being mailed to shareholders on or about March 2, 2006 and will be solicited primarily by mail; however, certain of our officers, directors, employees and agents, none of whom will receive additional compensation therefore, may solicit proxies by telephone, telegram or other personal contact. We will bear the cost of the solicitation of the proxies by the Board of Directors, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of Ordinary Shares.

On February 22, 2006, the Company had outstanding 152,868,203 Ordinary Shares. The holder of each Ordinary Share is entitled to one vote upon each of the matters to be presented at the EGM. Two or more shareholders holding Ordinary Shares conferring in the aggregate at least one-third of our voting rights, present in person or by proxy at the EGM, or who have delivered to us a deed of vote, and entitled to vote, will constitute a quorum at the EGM.

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### **ITEM 1 DISTRIBUTION OF DIVIDEND**

Under the Articles of Association of the Company, distribution of a dividend requires the approval of the Company's shareholders. On February 1<sup>st</sup>, 2006 the Company's Board of Directors approved, and resolved to recommend to the shareholders of the Company to approve, the distribution of a cash dividend in the amount of NIS 0.65 per share, and totaling approximately NIS 100 million. Assuming approval by the Company's shareholders, the dividend is to be paid to shareholders of record on April 1<sup>st</sup>, 2006. The Company expects to pay the dividend on April 27<sup>th</sup>, 2006.

It is proposed that at the EGM the following resolution be adopted:

**RESOLVED**, to distribute a cash dividend in the amount of NIS 0.65 per share (totaling approximately NIS 100 million) to shareholders of record on April 10<sup>th</sup>, 2006.

The affirmative vote of the holders of majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval of this resolution.

**The board of Directors recommends a vote FOR approval of this proposed resolution.**

**ITEM 2 AMENDMENTS TO THE COMPANY S  
ARTICLES OF ASSOCIATION**

A. Indemnification of Directors and Officers

In March 2005, several sections of the Companies Law were amended in connection with the indemnification of directors and officers. Among the changes was the adding of a new category of indemnifiable expenses: reasonable litigation expenses, including attorney's fees, expended by the officer or director as a result of an investigation or proceeding instituted against him by a competent authority, provided that such investigation or proceeding concluded without the filing of an indictment against him and either (A) concluded without the imposition of any financial liability in lieu of criminal proceedings or (B) concluded with the imposition of a financial liability in lieu of criminal proceedings but relates to a criminal offense that does not require proof of criminal intent.

A company may indemnify an officer or director after the fact, to the extent it is approved by the audit committee, board of directors and shareholders. With respect to undertakings to indemnify in the future, the Companies Law prior to the March 2005 amendment required that the undertaking be limited to types of occurrences which, in the opinion of the company's board of directors, can be foreseen and to an amount the board of directors has determined is reasonable under the circumstances. The March 2005 amendment modifies this condition. It limits indemnification to occurrences deemed foreseeable by the board of directors in light of the actual activities of the company at the time the undertaking to indemnify is entered into. In addition, in lieu of limiting the indemnification to a maximum amount, the limit can be based on specified criteria. Finally, the undertaking must set forth the events deemed foreseeable by the board of directors and the maximum amount or criteria that the board of directors has determined to be reasonable under the circumstances. The March 2005 amendment applies these conditions only to financial obligations imposed by a court judgment, settlement or court-approved arbitration award but not to expenses incurred.

In light of these amendments, our Board of Directors has approved, subject to the approval of our shareholders, an amendment to Article 34 of our Articles of Association in order to more accurately reflect the current provisions of the Companies Law. The amended Articles of Association are attached hereto as Exhibit A.

The actual grant of indemnification shall require separate shareholder resolution (Please see Item 3 below).

We believe that the proposed amendment will help us to attract and retain officers and directors of the high caliber needed to manage the Company effectively and responsibly.

B. Conforming to new regulations concerning the convening of general meetings

New regulations concerning the convening of general meetings were published recently: Voting by Writing and Position Papers Regulations 5766-2005 and Publishing of a Notice of a General Meeting and a Class Meeting of a Public Company (amendment) Regulations 5766-2005 (the **New Regulations** ).

Those New Regulations enable shareholders, inter alia, to vote in writing at general meetings of shareholders in public companies, on certain issues, without being required to attend the meetings or without appointing an alternate to attend the meetings through a proxy. According to the New Regulations, companies are entitled (although not required) to enable voting via the internet. Under the New Regulations, changes have been made with regard to the procedure for public companies to notify the convening of general meetings and with regard to the way general meetings are convened and conducted;

The majority of the instructions under the New Regulations will take effect on general meetings to be convened as of April 2, 2006.

We wish to conform the Company's Articles of Association to the New Regulations.

C. Approval of Certain Related Party Transactions

Under Section 271 of the Companies Law, a transaction with directors and officers or a transaction in which directors and officers have a personal interest, and which does not constitute an extraordinary transaction (an extraordinary transaction is a transaction that is not in the ordinary course of the Company's business, a transaction that is not on market terms or a transaction that is liable to have a substantial effect on the Company's profitability, property or obligations), requires approval of the board of directors unless otherwise provided in a company's articles of association. We propose adding a new Article 25B to our Articles of Association to permit transactions of this type to be approved by our audit committee solely. We believe that an audit committee which consists solely of independent directors is the proper organ to deal with these types of transactions.

D. Dividend Distribution Approval

Our existing Articles of Association require shareholder approval for the distribution of a dividend by the Company. The Companies Law permits such an approval to be made by a company's board of directors, and accordingly we propose that our Articles of Association be amended to provide for Board approval instead of shareholder approval for dividend distributions, as this is the common practice in Israel.

E. Miscellaneous

- (1) It is proposed to change Section 23.3.1 to the Articles of Association, in a way that election of directors shall not be conducted by separate vote on each candidate, unless so determined by the Board of Directors; and

- (2) It is proposed to delete Chapter 10 of the Articles of Associations, which deals with transitional rules until the Companies Law shall be effective, as the Companies Law is already in effect, and Chapter 10 is no longer applicable.

It is proposed that at the EGM the following resolution be adopted:

**RESOLVED**, to approve the amended Articles of Associations of the Company, as attached hereto as Exhibit A .

The affirmative vote of the holders of 75% of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for this amendment to our Articles of Association.

**The Board of Directors recommends a vote FOR approval of this proposed resolution.**

**ITEM 3 APPROVAL OF THE GRANT OF AN INDEMNIFICATION  
LETTER TO ALL CURRENT AND FUTURE DIRECTORS AND OFFICERS  
OF THE COMPANY**

The Companies Law and the Company's Articles of Association authorize the Company, subject to the required approvals, to indemnify each current and future director and officer of the Company for liabilities or expenses he incurs as a result of action or inaction undertaken by him (or together with other directors and/or officers of the Company) in his capacity as a director or officer of the Company for:

- (i) financial liability incurred or imposed in accordance with a judgment, including a judgment given in a settlement or a judgment of an arbitrator approved by a court, provided that such acts pertain to one or more of the events set forth in the Indemnification Letter, which, in the opinion of the Board of Directors of the Company, are anticipated in light of the Company's activities at the grant of indemnification and is limited to the sum or measurement of indemnification determined by the Board of Directors to be reasonable given the circumstances and set forth in the Indemnification Letter;
- (ii) reasonable litigation expenses, including legal fees, incurred or ordered by a court in the context of proceedings filed by or on behalf of the Company or by a third party, or in a criminal proceeding in which the director or officer is acquitted or if convicted, for an offense which does not require criminal intent; and
- (iii) reasonable litigation expenses, including legal fees incurred due to an investigation or proceeding conducted by an authority authorized to conduct such investigation or proceeding and which has ended without the filing of an indictment against the director or officer and either (i) no financial liability was imposed on the director or officer in lieu of criminal proceedings, or (ii) financial liability was imposed on the director or officer in lieu of criminal proceedings but the alleged criminal offense does not require proof of criminal intent, within the meaning of the relevant terms in the law.

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<sup>1</sup> As amended pursuant to the shareholder's resolution in item 2(A) above.



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The Companies Law provides that the Company may not indemnify a director or officer from his liability for: (a) a breach of duty of loyalty toward the Company unless the director or officer acted in good faith and had reasonable grounds to assume that the action would not harm the Company; (b) a breach of duty of care done intentionally or recklessly ( *pezizut* ) except for negligence; (c) an intentional act intended to unlawfully yield a personal profit; and (d) a fine or a penalty imposed upon the director or officer.

In light of the recent amendments to the Companies Law, the Company wishes to issue to all current and future directors and officers of the Company, or serving as directors or officers on behalf of the Company in other companies, a new indemnification letter substantially in the form attached hereto as Exhibit B (the **Indemnification Letter** ). The aggregate indemnification amount payable by the Company to all the directors and officers pursuant to all letters of indemnification issued or that may be issued to them by the Company in the future will not exceed the higher of (i) 25% of shareholders equity and (ii) 25% of market capitalization, each as measured at the time of indemnification.

The Audit Committee and the Board of Directors of the Company have approved the grant of the new Indemnification Letter to current and future directors and officers of the Company.

It is proposed, in accordance with the Companies Law and the Company s Articles of Association, that at the EGM the following resolution be adopted:

**RESOLVED**, to approve the Company s undertaking to indemnify the Company s current and future directors and officers and those serving now or in the future as directors or officers on its behalf in other companies, and to provide each such director and officer with an Indemnification Letter substantially in the form attached hereto as Exhibit B .

The affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval thereof.

For removal of any doubt, in case that at the EGM the above-mentioned resolution will not be adopted, the current indemnifications letter granted to directors and officers shall remain in force.

**The Board of Directors recommends a vote FOR approval of this proposed resolution.**

**ITEM 4 APPROVAL AND RATIFICATION OF THE PURCHASE OF A DIRECTORS AND OFFICERS INSURANCE POLICY**

The Israeli Companies Law allows a company, to enter into a contract for the insurance of the liability of its officers and directors, resulting from the consequences of an action or inaction by him (or together with other directors or officers of the Company) in his or her capacity as a officer or director of the Company for:

- (i) breach of the duty of care toward the Company or toward any other person;
- (ii) breach of the duty of loyalty toward the Company, provided that the officer or director acted in good faith and had reasonable grounds to assume that the action would not harm the Company; and
- (iii) financial liability imposed on the officer or director in favor of another person.

The Company is participating in a Directors and Officers Liability Insurance Policy (the **New Policy**) procured by our major shareholder, Hutchison Telecommunications International Limited (**HTIL**). The New Policy, which replaced, effective November 1, 2005, our existing Directors and Officers Liability Policy, provides for coverage in an aggregate amount for HTIL and its participating subsidiaries, including the Company, of up to US\$100 million. Our participation in the annual premium for the New Policy is expected to be substantially lower than the annual premium we paid for our previous policy which was approximately US\$2 million, should HTIL or its affiliates decide to debit their subsidiaries of their respective share of the premium paid for the New Policy.

The Audit Committee and the Board of Directors have approved the New Policy and have approved (i) any renewal or extension of our participation in the New Policy; and (ii) the purchase of any other directors and officers liability insurance policy; provided that any such renewal or extension or purchase of an insurance policy is for coverage similar to or better than that of the New Policy, and with a premium not exceeding US\$1 million per annum.

It is proposed, in accordance with the Companies Law, that at the EGM the following resolutions be adopted:

**RESOLVED**, to approve and ratify the Company's participation in the New Policy for the benefit of the Company's directors and officers and

**RESOLVED**, to approve (i) any renewal or extension of the Company's participation in the New Policy; and (ii) the purchase of any other directors and officers liability insurance policy; provided that any such renewal or extension or purchase of an insurance policy is for coverage that is substantially similar to or better than that of the New Policy, and the premium payable by the Company for any such renewal, extension or purchase shall not exceed US\$1 million per annum .

Since the New Policy is procured by our major shareholder HTIL, which is considered a controlling shareholder under the Companies Law, for the sake of good order, the approval by the shareholders of such a transaction requires approval by the affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter for the approval thereof, provided that either (a) the majority of the Ordinary Shares voted at the meeting includes at least one-third of the Ordinary Shares voted by shareholders who do not have a personal interest in the matter; or (b) the total Ordinary Shares of the shareholders referred to in clause (a) voted against the matter does not exceed one percent of the aggregate voting rights of the Company.

Under the Companies Law, a personal interest of a shareholder (i) includes a personal interest of any members of the shareholder's immediate family (or spouses thereof) or a personal interest of an entity in which the shareholder (or such family member thereof) serves as a director or as the chief executive officer, owns at least 5% of its issued share capital or its voting rights or has the right to appoint a director or the chief executive officer and (ii) excludes an interest arising solely from the ownership of shares in the Company. Each shareholder is asked to indicate on the enclosed proxy card whether or not he has a personal interest in this matter as a condition for his right to vote and be counted with respect to such resolution.

The Company believes that HTIL has a personal interest in this matter.

**The Board of Directors recommends a vote FOR approval of these proposed resolutions.**

**ITEM 5 APPROVAL OF REMUNERATION OF MR. EREZ GISSIN,  
ACTING AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

The Board of Directors of the Company resolved on September, 13, 2005, to appoint Mr. Erez Gissin as a director of the Company, also qualified as an independent director, according to US law. The Company wishes to approve an annual payment to Mr. Gissin in the amount of US\$50,000.00 and believes that the annual payment is appropriate compensation for an independent director serving on its Board of Directors and its committees.

The Audit Committee and the Board of Directors of the Company resolved to approve the following remuneration to Mr. Gissin acting as a director of the Company, also qualified as an independent director of the Company, effective from his appointment as an independent director of the Company, on September 13, 2005:

- (i) annual remuneration of US\$50,000.00; and
- (ii) reimbursement of certain expenses, as permitted under the Companies Regulations (Rules for the Compensation and Expenses for an External Director), 2000 (the **Compensation Regulations**), as may be amended from time to time.

It is proposed, in accordance with the Companies Law, that at the EGM the following resolutions be adopted:

**RESOLVED**, to approve the following, effective from Mr. Gissin's appointment as a director of the Company on September 13, 2005:

- (i) annual remuneration of US\$50,000.00; and
- (ii) reimbursement of certain expenses as permitted under the Compensation Regulations as may be amended from time to time ; and

**RESOLVED** that the foregoing resolution does not harm the interests of the Company

The affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval thereof.

**The Board of Directors recommends a vote FOR approval of these proposed resolutions.**

**ITEM 6 APPOINTMENT AND REMUNERATION OF A NEW  
EXTERNAL DIRECTOR**

A. Appointment of a new External Director

Mr. Ben-Zion Zilberfarb's office as an External Director of the Company expired in February 2006.

The Board of Directors of the Company resolved to recommend to the shareholders of the Company to approve the appointment of Mr. Michael Anghel ( **Mr. Anghel** ) as an External Director of the Company, also qualified as an independent director, according to the US law, for a term of three years commencing on the date of this EGM. The CV of Mr. Anghel is attached hereto as **Exhibit C** ;

Mr. Anghel declared that he is qualified to act as an External Director of the Company and that he has qualifications as a finance and audit expertise required under the Companies Law and the Companies Regulations (Conditions and Parameters for a Director with Finance and Audit Expertise and for Director with Professional Ability), 2005 (the **Expertise Regulations** );

The Board resolved, based on the CV of Mr. Anghel, that Mr. Anghel has finance and audit expertise, as required under the Companies Law and the Expertise Regulations.

It is proposed, in accordance with the Companies Law, that at the EGM the following resolutions be adopted:

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**RESOLVED**, to approve the appointment of Mr. Anghel as an External Director of the Company, also qualified as an independent director according to the US law, for a term of three years commencing the date of this EGM .

The election of an external director under the Companies Law requires approval by the general meeting of the shareholders provided that either (a) the majority of the votes at the meeting, including at least one third of the votes of non-controlling shareholders voted at the meeting, voted in favor of the resolution, or (b) the total number of votes against the resolution among the shareholders mentioned in paragraph (a) above does not exceed one percent of the aggregate voting rights in the Company.

**The Board of Directors recommends a vote FOR approval of these proposed resolutions.**

### B. Remuneration of the new External Director

According to the Compensation Regulations, a company may pay an external director a fixed remuneration (as set in the Compensation Regulations and in the Companies Regulations (Alleviation for Public Companies whose Shares are Traded on a Stock Exchange Outside of Israel), 2002) or a remuneration relative to the remuneration of Other Directors (as defined in the Compensation Regulations) ( **Relative Remuneration** ).

As the Company has less than 2 Other Directors, it may, under clause 8A(c) to the Compensation Regulations, set a Relative Remuneration for an external director at its discretion.

In light of the above, the Company wishes to set for Mr. Anghel, who is also qualified as an independent director according to US law, a remuneration which is the same as the remuneration proposed under Item 5 of this EGM to Mr. Erez Gissin, who is also qualified as an independent director.

The Audit Committee and the Board of Directors of the Company resolved to approve and to recommend to the shareholders at the next EGM to approve the remuneration for Mr. Anghel, as mentioned in Item 5 above, from the date of his appointment as an External Director of the Company.

It is proposed, in accordance with the Companies Law, that at the EGM the following resolutions be adopted:

**RESOLVED**, to approve the payment of the following remuneration to Mr. Anghel, from the date of his appointment as an External Director of the Company:

- i. annual remuneration of US\$50,000.00; and
- ii. reimbursement of certain expenses, as permitted under the Compensation Regulations, as may be amended from time to time ; and

**RESOLVED**, that the foregoing resolutions do not harm the interests of the Company .

The affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval thereof.

**The Board of Directors recommends a vote FOR approval of these proposed resolutions.**

**ITEM 7 ADJUSTMENT OF THE REMUNERATION OF THE  
CURRENT EXTERNAL DIRECTOR**

According to clauses 4(c) and 8(c) to the Compensation Regulations, the remuneration of all external directors should be the same, and a company may adjust the remuneration for the benefit of a current external director, upon the appointment of a new external director.

Subject to the appointment of Mr. Anghel as the new External Director under item 6(A) of this EGM, the Company wishes to adjust the remuneration of Mr. Moshe Vidman, the current External Director, to match the remuneration approved for the new External Director.

The Audit Committee and the Board of Directors of the Company resolved to approve and to recommend to the shareholders at the next EGM to approve adjustment of the remuneration of the current External Director, to match the remuneration of the new External Director.

It is proposed, in accordance with the Companies Law, that at the EGM the following resolutions be adopted:

**RESOLVED**, to approve the payment of the following remuneration to the current External Director, from the date of appointment of the new External Director of the Company:

- i. annual remuneration of US\$50,000.00; and
- ii. reimbursement of certain expenses, as permitted under the Compensation Regulations, as may be amended from time to time ; and

**RESOLVED**, that the foregoing resolution does not harm the interests of the Company .

The affirmative vote of the holders of a majority of the Ordinary Shares present, in person or by proxy, and voting on the matter is required for the approval thereof.

**The Board of Directors recommends a vote FOR approval of these proposed resolutions.**

**RESTRICTIONS ON VOTING RIGHTS**

Partner conducts its operations pursuant to a license granted to Partner by the Minister of Communications of the State of Israel. Partner's Articles of Association and, with respect to shareholders other than shareholders of Partner prior to its public offering, Partner's license contain provisions that may cause the suspension of voting rights of the holders of Ordinary Shares or ADSs if such voting rights would breach the ownership limits contained in our license. These limits prohibit the transfer or acquisition of 10% or more of Partner's means of control and acquisition of control of the Company without the consent of the Minister of Communications in Israel, and restrict cross-control and cross-ownership of other mobile telephone operators in Israel, and shareholdings and agreements which may reduce or harm competition. Ordinary Shares or Ordinary Shares represented by ADSs held in breach of these limits may be considered as dormant shares. Notwithstanding anything to the contrary in this Proxy Statement, dormant shares will not bear any rights to which the holders would otherwise be entitled, other than the right to receive dividends and other distributions to shareholders (including the right to participate in rights offerings). Specifically, the holders of dormant shares will not have voting rights with respect to their dormant shares, nor will they have the right to participate in EGM of shareholders.

Any shareholder seeking to vote at the EGM must notify the Company prior to the vote, or, if the vote is by deed of vote, must so indicate on the deed of vote, if any of the shareholder's holdings in Partner or the shareholder's vote requires the consent of the Minister of Communications due to a breach by the shareholder of the restrictions on the transfer or acquisition of means of control or acquisition of control of Partner, or the provisions regarding cross-ownership or cross-control of other mobile telephone operators in Israel, in each case as specified in sections 21 and 23 of Partner's license. If a shareholder does not provide such notification, the shareholder shall not vote and, if the shareholder has voted, his or her vote shall not be counted.

**By Order of the Board of Directors**

**ROLY KLINGER, ADV.**  
**Vice President**

**Chief Legal Counsel and**  
**Joint Company Secretary**

Dated: March 2, 2006

Annex A

**Articles of Association**

of

**Partner Communications Company Ltd.**

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## Chapter One General

### 1. Definitions and Interpretation

1.1. The following terms in these Articles of Association bear the meaning appearing alongside them below:

<i>Articles of Association</i>	The Articles of Association of the Company, as set forth herein or as amended, whether explicitly or pursuant to any Law.
<i>Business Day</i>	Sunday to Thursday, inclusive, with the exception of holidays and official days of rest in the State of Israel.
<i>Companies Law</i>	The Companies Law, 1999.
<i>Companies Ordinance</i>	The Companies Ordinance [New Version], 1983.
<i>Companies Regulations</i>	Regulations issued pursuant to the Companies Ordinance or Companies Law.
<i>Director</i>	A Director of the Company in accordance with the definition in Section 1 of the Companies Law, including an Alternate Director or an empowered representative.
<i>Document</i>	A printout and any other form of written or printed words, including documents transmitted in writing, via facsimile, telegram, telex, e-mail, on a computer or through any other electronic instrumentation, producing or allowing the production of a copy and/or an output of a document.
<i>Founding Shareholder</i>	A "founding shareholder or its substitute" as defined in Section 21.8 of the License.
<i>Founding Israeli Shareholder</i>	A Founding Shareholder who also qualifies as an "Israeli Entity" as defined for purposes of Section 22A of the License.
<i>Financial Statements</i>	The balance sheet, profit and loss statement, statement of changes in the share capital and cash flow statements, including the notes attached to them.
<i>Law</i>	The provisions of any law ("din") as defined in the Interpretation Law, 1981.