

PARTNER COMMUNICATIONS CO LTD
Form 6-K
March 07, 2013

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 7, 2013

Partner Communications Company Ltd.
(Translation of Registrant's Name Into English)

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

(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 Statements on Form S-8 filed with the
Securities and Exchange Commission on December 4, 2002 (Registration No. 333-101652), September 5, 2006
(Registration No. 333-137102) and on September 11, 2008 (Registration No. 333-153419)

Enclosure: Materials for the Extraordinary General Meeting of Shareholders.

Rosh Ha'ayin, Israel
March 7, 2013

PARTNER COMMUNICATIONS COMPANY LTD.

NOTICE OF

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that a general meeting of shareholders constituting an Extraordinary General Meeting (the "EGM") of Partner Communications Company Ltd. (the "Company", "Partner" or "we") will be held on Thursday April 11 2013 at 10:00 a.m. (Israel time), at our offices, 8 Ha'amal Street, Rosh Ha'ayin, Israel or at any adjournment thereof.

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

- (1) to approve and ratify the compensation terms of several directors; to approve and ratify (subject to the adoption of Resolution 4 below) indemnification of several directors and that these directors benefit from the Company's D&O insurance policy;
- (2) to approve and ratify a "Run-Off" insurance policy for directors and other office holders of the Company;
- (3) to approve amendments to provisions of the Company's Articles of Association regarding: (i) required majority; (ii) insurance; (iii) indemnification; (iv) release; (v) prospective legal amendments; (vi) shareholders limited liability; and (vii) miscellaneous provisions;
- (4) to approve and ratify the grant of Indemnification Letters to the following directors: (i) Mr. Shlomo Rodav, (ii) Mr. Arie Saban, (iii) Mr. Adam Chesnoff, (iv) Mr. Fred Gluckman, (v) Mr. Elon Shalev, (vi) Mr. Sumeet Jaisinghani, (vii) Mr. Yoav Rubinstein, (viii) Mr. Ilan Ben Dov, and (ix) Mr. Yahel Shachar; and
- (5) to approve and ratify as a "framework transaction" an extension of the agreement to purchase handsets, accessories, spare parts and repair services from Scailex Corporation Ltd.

The vote of the holders of a majority of the Ordinary Shares, par value NIS 0.01 per share (the "Ordinary Shares") participating at the EGM and voting on the matter is required for the approval of any of items no. 1, 2 and 4(i)-4(ix) on the agenda; provided, that one of the following conditions is fulfilled: (i) the majority of votes in favor of the matter shall include at least a majority of the votes of shareholders not constituting Controlling Parties (as stated in the Israeli Companies Law (1999), as amended (the "Israeli Companies Law"), "Controlling Parties") in the Company, or these having a Personal Interest (as defined in the Israeli Companies Law, a "Personal Interest") in the approval of the pertinent item, participating in the vote; which votes shall not include abstaining votes; or (ii) the total number of objecting votes of the shareholders mentioned in clause (i) does not exceed 2% of the total voting rights in the Company.

The vote of holders of at least seventy five percent (75%) of the Ordinary Shares participating at the EGM and voting on the matter is required for the approval of any of items no. 3(i)-3(vii) on the agenda; provided, that solely with respect to amendment of any of items no. 3(i)-3(v) on the agenda, one of the following conditions is also fulfilled: (i) the majority of votes in favor of the matter shall include at least a majority of the votes of shareholders not having a Personal Interest in the approval of the pertinent item participating in the vote; which votes shall not include abstaining votes; or (ii) the total number of objecting votes of the shareholders mentioned in clause (i) does not exceed 2% of the total voting rights in the Company.

The vote of the holders of a majority of the Ordinary Shares participating at the EGM and voting on the matter will be required for the approval of item no. 5 on the agenda; provided, that one of the following conditions is fulfilled: (i) the majority of votes in favor of the matter shall include at least a majority of the votes of shareholders not having a Personal Interest in the approval of this item participating in the vote; which votes shall not include abstaining votes; or (ii) the total number of objecting votes of the shareholders mentioned in clause (i) does not exceed 2% of the total voting rights in the Company.

Only shareholders of record at the close of business on March 13, 2013 (the "Record Date") will be entitled to participate in and 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.

The Israeli Companies Regulations (Deeds of Vote and Position Notices) of 2005 state that shareholders who will not attend the EGM in person may vote with respect to items no. 1-2, 3(i)-3(v), and 4-5 on the agenda by completing the second part of a Hebrew form of Deed of Vote (ktav hatzba'a). For the shareholders' convenience, items no. 3(vi)-3(vii) on the agenda are also included in the Deed of Vote (although said items are not subject to the provisions of such regulations), and an English convenience translation of the Deed of Vote is included. Under such regulations, the shareholders may also submit a position notice (hodaat emda) to the Company's office (envelope marked clearly as "position notice", to the Company's Company Secretary, at the address stated above) in respect of items no. 1-2, 3(i)-3(v), and 4-5 on the agenda, no later than ten days following the Record Date (March 23, 2013). The deadline for submission of the Board of Directors' response to such position notices is March 30, 2013. The Hebrew form of the Deed of Vote and of position notices (if any) are available on the websites: www.magna.isa.gov.il or www.maya.tase.co.il; and a convenience translation of the documents into English is available on Form 6-K at the U.S. Securities and Exchange Commission's EDGAR System <http://www.sec.gov/edgar.shtml>.

Shareholders who will not attend the EGM in person are requested to complete, date and sign the aforementioned form of Deed of Vote (either the English or the Hebrew version) distributed herewith and to return it promptly (and in any event at least seventy two hours prior to the time of the EGM) to the Company at its address above.

The Company's Articles of Association also allow shareholders registered in the Company's Shareholders Register to appoint a proxy to vote in their stead (whether personally or by means of a Deed of Vote) at the EGM, by means of a Deed of Authorization in the form attached to this Proxy Statement, so long as the Deed of Authorization is delivered to the Company at least seventy two hours prior to the time of the EGM. Shareholders may revoke their Deeds of Authorization by written notice received at the offices of the Company prior to the commencement of the EGM, and vote their shares in person.

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 the Company a Deed of Vote, will constitute a lawful quorum at the EGM. Should no lawful quorum be present one half hour following the time set for the EGM, the EGM shall be adjourned to April 18, 2013, at the same time and place.

A shareholder is entitled to contact the Company directly and receive the text of the Deed of Vote (ktav hatzba'a) and the Position Notices (hodaot emda).

A shareholder, whose shares are registered with a member of the Tel-Aviv Stock Exchange Ltd. (the "Exchange"), is required to prove his share ownership to vote at the EGM. Such shareholder shall provide the Company with an ownership certificate (as of the Record Date) from that Exchange member and is entitled to receive the ownership certificate in the branch of the Exchange member or by mail to his address (in consideration of mailing fees only), if the shareholder so requested. Such a request will be made in advance for a particular securities account.

A shareholder, whose shares are registered with an Exchange member, is entitled to receive from the Exchange member who holds the share on the shareholder's behalf, by e-mail, for no charge, a link to the text of the Deed of Vote and to the Position Notices posted on the Israel Securities Authority website, unless the shareholder notified that the shareholder is not so interested; provided, that the notice was provided with respect to a particular securities account, prior to the Record Date.

Copies of the proposed resolutions are available at our offices, 8 Ha'amal Street, Rosh Ha'ayin, Israel, every business day from 9 a.m. to 5 p.m. (Israel time), following coordination at telephone number +972-54-7814191.

By Order of the Board of Directors

ROLY KLINGER, ADV.
Company Secretary

PARTNER COMMUNICATIONS COMPANY LTD.

8 Ha'amal Street

Rosh Ha'ayin 48103, 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", "Partner" or "we") in connection with the solicitation by the Board of Directors of proxies for use at a general meeting of shareholders constituting an Extraordinary General Meeting (the "EGM"), to be held on April 11, 2013 commencing at 10:00 a.m. (Israel time), at our offices, 8 Ha'amal Street, Rosh Ha'ayin, Israel, or at any adjournment thereof.

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

- (1) to approve and ratify the compensation terms of several directors; to approve and ratify (subject to the adoption of Resolution 4 below) indemnification of several directors and that these directors benefit from the Company's D&O insurance policy;
- (2) to approve and ratify a "Run-Off" insurance policy for directors and other office holders of the Company;
- (3) to approve amendments to provisions of the Company's Articles of Association regarding (i) required majority; (ii) insurance; (iii) indemnification; (iv) release; (v) prospective legal amendments; (vi) shareholders limited liability; and (vii) miscellaneous provisions;
- (4) to approve and ratify the grant of Indemnification Letters to the following directors: (i) Mr. Shlomo Rodav, (ii) Mr. Arie Saban, (iii) Mr. Adam Chesnoff, (iv) Mr. Fred Gluckman, (v) Mr. Elon Shalev, (vi) Mr. Sumeet Jaisinghani, (vii) Mr. Yoav Rubinstein, (viii) Mr. Ilan Ben Dov, and (ix) Mr. Yahel Shachar; and
- (5) to approve and ratify as a "framework transaction" an extension of the agreement to purchase handsets, accessories, spare parts and repair services from Scailex Corporation Ltd.

A form of a Deed of Vote (English and Hebrew versions) for use at the EGM (either the English or the Hebrew version) is distributed herewith. With respect to Items no. 1-2, 3(i)-3(v), and 4-5 on the agenda, the Deed of Vote shall also be deemed as a Deed of Vote (Ktav Hatzba'a) under the Israeli Companies Law of 1999, as amended (the "Israeli Companies Law") and Israeli Companies Regulations (Deeds of Vote and Position Notices) of 2005. Shareholders may withdraw their Deed of Vote by contacting the Company at its address above and duly proving their identity, at least 24 hours prior to the EGM and vote their shares in person. Ordinary Shares represented by any Deed of Vote in the English or the Hebrew version distributed herewith, if properly executed and delivered to the Company at the address above at least seventy two hours prior to the time of the EGM, will be voted as indicated on the form.

In parallel to distribution of this Notice and Proxy Statement, the aforementioned Hebrew version of a Deed of Vote (ktav hatzba'a) per Israeli requirements and an English version of a Deed of Vote will be distributed among the shareholders. The shareholders are requested to send only one version of a Deed of Vote (an English version or a Hebrew version, but not both). If both versions will be sent by shareholders, in case of contradiction between the two versions (as determined by the Company's Secretary), the vote shall be disqualified.

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 13, 2013, will be entitled to participate in and vote at the EGM. Proxies are being mailed to non-registered shareholders on or about March 7, 2013 and will be solicited primarily by mail; however, certain of our officers, directors, employees and agents, none of whom will receive additional compensation therefor, may solicit proxies by telephone, e-mail or other personal contact. Partner 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 March 5, 2013, the Company had outstanding 155,645,708 Ordinary Shares, excluding 4,467,990 treasury shares. The holder of each Ordinary Share is entitled to one vote upon each of the matters to be presented at the EGM.

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 Shareholders Register.

Holders of ADSs are not registered in the Company's Shareholders Register but may instruct the Depository, Citibank, N.A., as to the exercise of the voting rights pertaining to the Ordinary Shares evidenced by their ADSs in the manner and to the extent provided in the Depository Agreement governing the ADSs.

* * * * *

ITEM 1

APPROVAL OF CERTAIN DIRECTORS' COMPENSATION AND RELATED MATTERS

Under the Israeli Companies Law, the directors of the Company (other than the external directors (Dahatzim) who generally serve for three year terms) shall be appointed at the annual general meeting unless otherwise provided in the Company's Articles of Association.

Under the Company's Articles of Association, the Board of Directors has the right to elect any person as a director and to fill an office which became vacant. Any director elected in such manner shall serve in office until the coming annual meeting, and may be re-elected. Accordingly, following the completion of the Change of Control Transaction (as defined below), certain directors resigned from Partner's Board of Directors and the Board of Directors has elected on January 29, 2013, Messrs Shlomo Rodav, Arie Saban, Adam Chesnoff, Fred Gluckman, Elon Shalev, Sumeet Jaisinghani and Yoav Rubinstein, as directors of the Company (the "New Directors"). The service of the New Directors was recommended by S.B. Israel Telecom Ltd., an Israeli company ("SB Telecom"), which is an affiliate of Saban Capital Group, Inc. As reported in 2012 by Scailex Corporation Ltd. ("Scailex"), SB Telecom and Scailex (and their respective affiliates) are generally voting in a unified manner (according to a majority vote among them). Additionally, subject to the provisions of any law, SB Telecom and Scailex agreed to take all action, including their voting power in the shareholders meetings of Partner, to ensure that the composition of Partner's Board of Directors will generally be: a majority of candidates recommended by SB Telecom and two candidates recommended by Scailex (as long as the cumulative holdings of Scailex and its related parties in Partner is equal to 10% or more of Partner's share capital, or one if such holdings are less than 10% but equal to or greater than 5%, or none if such holdings are less than 5%).

The Board of Directors has determined that the board should include at least three directors who are "accounting and financial experts" under the Israeli Companies Law and regulations promulgated thereunder. Mr. Shlomo Rodav, Mr. Adam Chesnoff, Mr. Fred Gluckman, Mr. Sumeet Jaisinghani, Mr. Yoav Rubinstein, Mr. Ilan Ben Dov, Dr. Michael Anghel, Mr. Barry Ben-Zeev (Woolfson), Ms. Osnat Ronen, Mr. Yahel Shachar and Mr. Arie Steinberg were determined by the Board of Directors to be "accounting and financial experts" under the Israeli Companies Law and regulations promulgated thereunder. Dr. Anghel, Mr. Ben-Zeev (Woolfson), Ms. Ronen and Mr. Steinberg also qualify as independent directors according to U.S. law. Mr. Steinberg was also determined by the Audit Committee to be an independent (biltiy taluy) director under the Israeli Companies Law and regulations promulgated thereunder.

The Compensation Committee and Board of Directors have considered several factors in connection with the proposed resolutions (partly in line with recent Amendment No. 20 to the Israeli Companies Law), including the following: (a) that other than the Chairman of the Board of Directors (to be considered in the future), the directors compensation should, generally, be in unified amounts (or calculated in a unified manner according to number of meetings, as the case may be) (as customary), and it is not appropriate to adjust it separately to the circumstances of each director; (b) that the Compensation (as defined below) proposed to the directors is appropriate considering their role, the responsibility imposed on them and considering the education, qualifications, expertise and professional accomplishments of each of the directors; (c) that the Compensation should be set according to quantifiable criteria; (d) that as the directors are not having a full-time position in the company and the final amount of part of the Compensation is not yet known (calculated based on participation in meetings), it is irrelevant to compare the Compensation to compensation of Company's employees; (e) that the Compensation currently payable to directors does not include capital or variable components; (f) that it is meaningless to require a director to repay the Company amounts paid to him based on data that was later restated in the Company's financial statements, as the Compensation is dependent only on the number of meetings; and (g) following approval of the Compensation by the shareholders, it is not appropriate that the directors will have discretion to reduce or otherwise change their own compensation without shareholders' approval.

The Compensation Committee and Board of Directors have noted that paying the proposed Compensation is important to enable the directors to promote the Company's objectives, its business plan and policy in the long term and to create proper and balanced incentives to the directors considering, among other things, the Company's risk-management policy, size and nature of activities. They also noted that paying the proposed Compensation is essential to ensure the recruitment and service of appropriate directors, having the qualifications, expertise and experience relevant to serving on the Company's Board of Directors, considering the high exposure faced today by directors in public companies and moreover in companies with securities publicly listed in the USA and in Israel.

The Compensation Committee and Board of Directors have noted the respective personal interests of the New Directors, Mr. Ilan Ben Dov and Mr. Yahel Shachar in the resolutions below. The Compensation Committee and Board of Directors have further resolved and recommended to the shareholders at the EGM, (a) to approve and ratify a compensation for Messrs Arie Saban, Adam Chesnoff, Fred Gluckman, Elon Shalev, Sumeet Jaisinghani and Yoav Rubinstein, commencing from their appointment on January 29, 2013 (the date of the Change of Control Transaction) and approve and ratify a compensation for Messrs Ilan Ben Dov and Yahel Shachar commencing from January 29, 2013 (the date of the Change of Control Transaction), for their respective services to the Company as directors, equal to: (i) an annual fee of NIS 180,000 (one hundred and eighty thousand NIS); and (ii) an attendance fee of NIS 4,000 (four thousand NIS) per meeting, applicable from the fifth meeting per year (100% thereof for participation in person, 60% thereof by means of communication, or 50% thereof in writing), in each such case, linked to the Israeli Consumer Price Index published for December 2007, but in any event no less than an aggregate amount per annum equal to U.S. \$50,000 (U.S. Dollars fifty thousand, payable according to the representative exchange rate on the payment date) as previously approved by the shareholders, (the "Compensation"); and (b) to approve and ratify the reimbursement of reasonable expenses in connection with the performance of role of the New Directors and Messrs Ilan Ben Dov and Yahel Shachar.

The Compensation Committee and Board of Directors have approved, and recommended to the shareholders at the EGM, to approve that (i) subject to the adoption of the pertinent part of Resolution 4 below, each of the New Directors, Mr. Ilan Ben Dov and Mr. Yahel Shachar will be granted an indemnification letter; and (ii) that these directors benefit from the Company's D&O insurance policy.

Set forth below is certain information regarding each of the New Directors.

Name	Position
Mr. Shlomo Rodav	Director and Chairman of the Board of Directors
Mr. Arieh Saban	Director
Mr. Adam Chesnoff	Director
Mr. Fred Gluckman	Director
Mr. Elon Shalev	Director
Mr. Sumeet Jaisinghani	Director
Mr. Yoav Rubinstein	Director

Mr. Shlomo Rodav was appointed as a director in the Company in January 2013, and serves as Chairman of the Board of Directors of the Company. He is currently a member of the Security Committee. He has served since 1990 and until 2007 as Chairman of the Board of Directors and as of 2007 as a director of Kerur Holdings Ltd., Jafora-Tabori Ltd., Tapugan Industries Ltd. (in Tapugan until 2011) and Israel Lighterage & Supply Co. Ltd. and as a director on the Board of Directors of Metzad Ateret Ltd. From 1994 until 2011 he served as a director and CEO of Waste Management Israel Ltd. and from 2000 until 2003 as a director and CEO of InirU Israel Ltd. and InirU Wireless Inc. From 2003 to 2005, Mr. Rodav served as Chairman of the Board of Directors and CEO (CEO during 2004-2005) of Gilat Satellite Networks Ltd. Between 2007 and 2011, he served as Chairman of the Board of Directors of Bezeq Israel Telecommunication Company Ltd., Pelephone Communications Ltd., Bezeq International Company Ltd., Bezeq Online Ltd., DBS Satellite Service (1998) Ltd. (YES) and Walla Ltd. and between 2011 and 2012 as Chairman of the Board of Directors of Tnuva Ltd. and its subsidiaries. Mr. Rodav holds a BA in Economics from Tel-Aviv University and an MBA degree from Columbia University. To the best knowledge of the Company and the Company's Directors, Mr. Rodav is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company.

Mr. Arieh Saban was appointed as a director in the Company in January 2013. He has served since 2010 as Chairman of the Board of Directors of Saban Brands Israel Ltd. From 1983 until 2002 Mr. Saban served as the CEO of Israel Audio-Visual Corporation, a media distribution, licensing and merchandising agency that he founded. From 2000 until 2002 he served as Chairman of the Board of Directors of Fox Kids Israel, a joint venture with Fox Kids Europe. From 2005 until 2012 Mr. Saban served on the Boards of Directors of the following companies: Keshet Broadcasting Ltd., Pelephone Communications Ltd., Yes, Bezeq Israel Telecommunication Company Ltd. and Bezeq International Company Ltd. To the best knowledge of the Company and the Company's Directors, Mr. Saban is a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company.

Mr. Adam Chesnoff was appointed as a director in the Company in January 2013. He is the President and Chief Operating Officer of Saban Capital Group, Inc., responsible for overseeing the company's investment and business activities, including private equity and public market investments. Mr. Chesnoff is a member of the Board of Directors of Univision Communications Inc., the largest Spanish-language media company in the United States; a member of the Board of Directors of Celestial Tiger Entertainment Ltd., an owner and operator of pay television channels across Asia; a member of the Board of Commissioners of MNC Ltd., an Indonesian media company; and of MNC Sky Vision Ltd., Indonesia's largest pay television operator. In addition, Mr. Chesnoff served as Vice-Chairman of the Board of Directors of ProSiebenSat.1 Media AG from 2003 until 2007. From 2005 to 2010, Mr. Chesnoff served on the Board of Directors of Bezeq Israel Telecommunication Company Ltd. Mr. Chesnoff holds a BA in Economics and Business from Tel-Aviv University and an MBA from UCLA's Anderson School of Business. To the best knowledge of the Company and the Company's Directors, Mr. Chesnoff is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company.

Mr. Fred Gluckman was appointed as a director in the Company in January 2013. He is the Chief Financial Officer of Saban Capital Group, Inc. In this position, Mr. Gluckman is responsible for all financial, accounting and tax functions of the firm, and has been an active member of the firm's investment team since joining the firm in 2003. Mr. Gluckman is a member of the Board of Directors of Celestial Tiger Entertainment (CTE) and serves on its Audit Committee. Mr. Gluckman's experience prior to Saban Capital Group includes international and domestic advisory work in the London and Southern California practices of Deloitte. Mr. Gluckman is actively engaged in the community, serving on multiple boards of national and local charitable organizations. Mr. Gluckman is a CPA and holds a BS in Economics from Wharton Business School and studied at Hebrew University in Jerusalem. To the best knowledge of the Company and the Company's Directors, Mr. Gluckman is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company.

Mr. Elon Shalev was appointed as a director in the Company in January 2013. He serves as the Chairman of the Board of Directors of SHL Telemedicine Ltd. and as a senior advisor to the Saban Capital Group. Mr. Shalev was the founder of Channel 2 news and from 1993 to 1995 served as its Chief Executive Officer. From 1996-1999, he served as Editor in Chief of "Yediot Aharonot", and in 2000-2001 he served as Executive Vice President of Discount Investment Corporation Ltd. of the IDB group. From 2004-2012, Mr. Shalev served as Chairman of the Board of Directors of Logia Ltd., a mobile content solutions provider. Mr. Shalev served in the past as a director of the Board of Directors of Bezeq Israel Telecommunication Company Ltd., DBS Satellite Service (1998) Ltd. (YES) and Bezeq International Company Ltd. Mr. Shalev holds a BA degree in Political Science from Tel Aviv University. To the best knowledge of the Company and the Company's Directors, Mr. Shalev is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company.

Mr. Sumeet Jaisinghani was appointed as a director in the Company in January 2013. He is a Director at Saban Capital Group. Mr. Jaisinghani is responsible for Saban's principal investment activities in Asia and is head of the firm's Hong Kong office. In addition to being on the Board of Directors of Partner, Mr. Jaisinghani is a member of the Board of Directors of Celestial Tiger Entertainment (CTE) and an observer on the Board of Directors of Taomee. Mr. Jaisinghani played a key role in Saban's investments in Partner, Media Nusantara Citra, MNC Sky Vision, CTE and Taomee. Mr. Jaisinghani was also involved with Saban's controlling investment in Bezeq Telecommunications Company Ltd. until its sale in April 2010. Prior to joining Saban, Mr. Jaisinghani worked as an investment banker in the Mergers & Acquisitions Group of J.P. Morgan in New York. Mr. Jaisinghani holds a BS in Finance and Management, with high distinction, from Indiana University's Kelley School of Business. To the best knowledge of the Company and the Company's Directors, Mr. Jaisinghani is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company.

Mr. Yoav Rubinstein was appointed as a director in the Company in January 2013. He joined SHL Telemedicine Ltd. as Senior Vice President, Head of Global Business Development in March 2012. Previously, Mr. Rubinstein served as an investment professional at Apax Partners for nine years and as Senior Advisor to Saban Capital Group. Mr. Rubinstein holds a B.A. in Business Administration from the Interdisciplinary Center in Herzliya. To the best knowledge of the Company and the Company's Directors, Mr. Rubinstein is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company.

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

(i) RESOLVED, to approve and ratify (A) the Compensation of Messrs Arie Saban, Adam Chesnoff, Fred Gluckman, Elon Shalev, Sumeet Jaisinghani, Yoav Rubinstein, Ilan Ben Dov and Yahel Shachar, commencing from January 29, 2013, and (B) the reimbursement of expenses of each of these directors and Mr. Shlomo Rodav;

RESOLVED, to approve and ratify (A) subject to the adoption of the pertinent part of Resolution 4 below, the grant of an indemnification letter to each of the New Directors, Mr. Ilan Ben Dov and Mr. Yahel Shachar, and (B) that these directors benefit from the Company's D&O insurance policy; and

(iii) RESOLVED, that these resolutions are in the best interest of the Company.”

The vote of the holders of a majority of the Ordinary Shares participating at the EGM and voting on the matter is required for the approval of item no. 1 on the agenda; provided, that one of the following conditions is fulfilled: (i) the majority of votes in favor of the matter shall include at least a majority of the votes of shareholders not constituting Controlling Parties (as stated in the Israeli Companies Law, "Controlling Parties") in the Company, or these having a Personal Interest (as defined in the Israeli Companies Law, a "Personal Interest") in the approval of this item, participating in the vote; which votes shall not include abstaining votes; or (ii) the total number of objecting votes of the shareholders mentioned in clause (i) does not exceed 2% of the total voting rights in the Company.

A shareholder shall notify the Company at the address above at least seventy two hours prior to the time of the EGM, whether the shareholder has a Personal Interest in the approval of item no. 1 on the agenda or not, or the shareholder is a Controlling Party in the Company, as a condition for that shareholder's right to vote and be counted with respect to this item. A shareholder voting, by means of a Deed of Vote, may include said notice regarding a Personal Interest on the Deed of Vote (to be submitted to the Company at least seventy two hours prior to the time of the EGM).

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

ITEM 2

APPROVAL AND RATIFICATION OF A "RUN-OFF" INSURANCE POLICY FOR DIRECTORS AND OTHER OFFICE HOLDERS OF THE COMPANY

The Israeli Companies Law and the Company's Articles of Association authorize the Company (subject to certain exceptions) to enter into an insurance contract, and to arrange and pay all premiums in respect of an insurance contract, for the insurance of the liability of directors and other Office Holders (as such term is defined in the Israeli Companies Law, each an "Office Holder") of the Company for liabilities he or she incurs as a result of a direct or indirect action or inaction undertaken by such person (or together with other directors or officers of the Company) in his or her capacity as a director or officer of the Company for any of the following:

- (i) The breach of the duty of care towards the Company or towards any other person;
- (ii) The breach of the duty of loyalty towards the Company provided that the Office Holder has acted in good faith and had reasonable grounds to assume that the action would not harm the Company;
- (iii) A financial liability imposed on him or her in favor of another person; and
- (iv) Any other matter in respect of which it is permitted or will be permitted under any law to insure the liability of an Office Holder in the Company.

The shareholders of the Company have approved on May 5, 2011 a D&O Insurance Policy (the "D&O Policy") commencing from February 1, 2012, with a limit of up to US \$50 Million covering liability of the Company's directors, officers and employees acting in their managerial and/or supervisory capacity for wrongful acts committed after October 28, 2009 (the date of acquisition of control by Scailex (the "Prior Change of Control Closing Date")) for a period of up to three years (or for several periods, not exceeding three years in the aggregate), subject to the conditions specified in the shareholders resolution. On January 29, 2013, upon consummation of SB Telecom's purchase of 47,833,333 Ordinary Shares of the Company from Scailex (the "Change of Control Transaction"), the D&O Policy then in effect was cancelled and replaced by another D&O Policy acquired pursuant to the conditions specified in the above shareholders resolution, in respect of wrongful acts committed subsequent to the Change of Control Transaction.

It is proposed to adopt a "Run-Off" insurance policy for a period of seven years from the date of the Change of Control Transaction (the "Run-Off Policy") with a limit of US \$50 million covering liability of the Company's directors, officers and employees acting in their managerial and/or supervisory capacity for acts, errors or omissions committed during the period between the Prior Change of Control Closing Date (October 28, 2009) and the date of closing of the Change of Control Transaction (January 29, 2013). The premium to be paid by the Company for the said seven year policy is U.S. \$675,950. The terms of the Run-Off Policy equally apply to all of the Company's directors, officers and employees as aforesaid.

It should be noted that further to the shareholders' approval on October 22, 2009, with effect from the Prior Change of Control Closing Date (October 28, 2009), a seven year "Run-Off" insurance policy was effected with a limit of US \$100 Million covering liability of the relevant directors, officers and employees of the Company for acts, errors or omissions committed prior to the Prior Change of Control Closing Date.

The Compensation Committee, the Audit Committee and the Board of Directors have resolved to approve and ratify and to recommend to the shareholders at the EGM to approve and ratify, the Run-Off Policy and resolved that the Run-Off Policy is in the best interest of the Company.

The Compensation Committee and Board of Directors have considered several factors in connection with the proposed resolutions (partly in line with recent Amendment No. 20 to the Israeli Companies Law as described above). The Directors have noted that the directors who served in that role prior to the Change of Control Transaction have a Personal Interest in this matter.

As announced in 2012 by Scailex, SB Telecom and Scailex (and their respective affiliates) are generally voting in a unified manner (according to a majority vote among them).

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

(i) "RESOLVED, to approve and ratify the Run-Off Policy and the payment of a premium therefor in the amount of U.S. \$675,950, effective as of the consummation of the Change of Control Transaction (January 29, 2013).

(ii) RESOLVED, that the resolution is in the best interest of the Company."

The vote of the holders of a majority of the Ordinary Shares participating at the EGM and voting on the matter is required for the approval of item no. 2 on the agenda; provided, that one of the following conditions is fulfilled: (i) the majority of votes in favor of the matter shall include at least a majority of the votes of shareholders not constituting Controlling Parties in the Company, or these having a Personal Interest in the approval of this item participating in the vote; which votes shall not include abstaining votes; or (ii) the total number of objecting votes of the shareholders mentioned in clause (i) does not exceed 2% of the total voting rights in the Company.

A shareholder shall notify the Company at the address above at least seventy two hours prior to the time of the EGM, whether the shareholder has a Personal Interest in the approval of item no. 2 on the agenda or not, or the shareholder is a Controlling Party in the Company, as a condition for that shareholder's right to vote and be counted with respect to this item. A shareholder voting, by means of a Deed of Vote, may include said notice regarding a Personal Interest on the Deed of Vote (to be submitted to the Company at least seventy two hours prior to the time of the EGM).

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

ITEM 3

AMENDMENT OF THE ARTICLES OF ASSOCIATION

In recent years, the Israeli Companies Law has undergone extensive amendments. The Company proposes to amend its Articles of Association to reflect certain provisions of the Israeli Companies Law and regulations promulgated thereunder, certain amendments of the Israeli Securities Law of 1968 (as amended) (the "Israeli Securities Law"), and other updates.

The full text of the proposed amendments is annotated on the amended Articles of Association attached hereto as Annex "A". The summary below is qualified in its entirety by reference to the full text of the annotated Articles of Association attached hereto as Annex "A". The proposed amendments include the following matters:

- (i) Required Majority. Under the Israeli Companies Law, a proposed resolution shall be adopted in any shareholders meeting, if it receives an ordinary majority or any other majority of votes set by law. The Company's Articles of Association currently require a Special Majority (a 75% majority) for certain resolutions (e.g., amendment of the Articles of Association and a merger). We propose amending certain Articles (as annotated on the attached Annex "A") to conform to the Israeli Companies Law. For the avoidance of doubt, any resolution which required a Special Majority under the Articles of Association and is so amended, shall no longer require the same Special Majority.

(ii) Insurance. The Israeli Securities Law was recently amended to permit a company to insure its Office Holders for (A) payment to the injured party as set forth in Section 52.54(a)(1)(a) of the Israeli Securities Law, and (B) expenses incurred in connection with a proceeding under Chapters H3, H4 or I1 of the Israeli Securities Law, or under Chapter 4 of Part 9 of the Israeli Companies Law, in connection with any affairs including reasonable legal expenses (e.g., attorney fees). We propose adding Article 33.2.5 to conform to these amendments of the Israeli Securities Law.

(iii) Indemnification. The Israeli Companies Law was amended to permit a company to also indemnify its Office Holders for liability or expense he incurs or that is imposed on him in his capacity as an Office Holder in the Company, for reasonable legal expenses incurred by the Office Holder in connection with a financial sanction ("itzum caspi").

The Israeli Securities Law was recently amended to permit a company to indemnify its Office Holders for (A) payment to the injured party as set forth in Section 52.54(a)(1)(a) of the Israeli Securities Law (including by indemnification in advance); and (B) expenses incurred in connection with a proceeding under Chapters H3, H4 or I1 of the Israeli Securities Law, or under Chapter 4 of Part 9 of the Israeli Companies Law, in connection with any affairs including reasonable legal expenses (e.g., attorney fees), including by indemnification in advance.

We propose amending Articles 34.2 and 34.3 to conform to these amendments of the Israeli Companies Law and the Israeli Securities Law.

(iv) Release. The Israeli Companies Law prohibits a company from releasing its Office Holders from liability resulting, inter alia, from (A) a breach of the duty of loyalty towards the company; (B) a breach of the duty of care made intentionally or recklessly ("pezizut") other than if made only by negligence; (C) an act intended to unlawfully yield a personal profit; (D) a fine ("knass"), a civil fine ("knass ezrahi"), a financial sanction ("itzum caspi") or a penalty ("kofer") imposed on him; and (E) the breach of the duty of care in a Distribution ("haluka"). We propose amending Article 35.3 to conform to the Israeli Companies Law.

(v) Prospective Legal Amendments. We wish to add a clarification to our Articles of Association stating that any amendment to the Israeli Companies Law, the Israeli Securities Law or any other applicable law adversely affecting the right of any Office Holder to be indemnified, insured or released pursuant to Articles 33 to Article 35 (inclusive), shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify, insure or release an Office Holder for any act or omission occurring prior to such amendment, unless otherwise expressly provided under the Israeli Companies Law, the Israeli Securities Law or such other applicable law. We propose adding Article 35A to reflect this clarification.

(vi) Shareholders Limited Liability. The Company's Articles of Association state that the liability of the shareholders of the Company is limited, each one up to the full amount the shareholder undertook to pay for the shares allotted to the shareholder, at the time of the allotment. We propose amending Article 5 mainly to clarify that the aforementioned liability is limited only to the par value of these shares, to the extent unpaid.

(vii) Miscellaneous Provisions.

(A) The Convening of an Extraordinary Meeting. The Israeli Companies Law allows shareholders holding alone or together (i) at least 5% of the issued share capital of the Company and at least 1% of the voting rights in the Company; or (ii) at least 5% of the voting rights in the Company, to demand the Board of Directors to convene an extraordinary shareholders meeting. Our Articles of Association currently grants this demand right to shareholders holding at least 4.99% of the issued share capital of the Company. We propose amending Article 16.2 to conform to the Israeli Companies Law.

(B) Remaining Amendments. The remaining amendments annotated on Annex "A" attached hereto.

The Audit Committee and Board of Directors have approved, and recommended to the shareholders at the EGM to approve, the amendments to the Articles of Association, detailed in the form annotated on Annex "A" attached hereto, and that these amendments are in the best interest of the Company. The directors have noted that they all have a Personal Interest in the insurance, indemnification and release Articles (items (ii) - (v) above) and the directors Messrs Shlomo Rodav, Arie Saban, Adam Chesnoff, Fred Gluckman, Elon Shalev, Sumeet Jaisinghani, Yoav Rubinstein, Ilan Ben Dov and Yahel Shachar have noted that for the sake of being cautious they may be deemed to have a Personal Interest in the required majority amendments (item (i) above) (collectively, the "Specified Articles").

As announced in 2012 by Scailex, SB Telecom and Scailex (and their respective affiliates) are generally voting in a unified manner (according to a majority vote among them).

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

"RESOLVED, that the amendments to the Articles of Association, substantially in the form annotated on Annex "A" attached hereto, are hereby approved, as follows:

- (i) with respect to the majority required for shareholders resolutions, as described in item 3(i) above;
- (ii) with respect to insurance, as described in item 3(ii) above;
- (iii) with respect to indemnification, as described in item 3(iii) above;
- (iv) with respect to release, as described in item 3(iv) above;
- (v) with respect to the prospective legal amendments, as described in item 3(v) above;
- (vi) with respect to the shareholders limited liability, as described in item 3(vi) above; and
- (vii) with respect to the miscellaneous provisions, as described in item 3(vii) above.

RESOLVED, that these resolutions are in the best interest of the Company."

The vote of holders of at least seventy five percent (75%) of Ordinary Shares participating at the EGM and voting on the matter is required for the approval of any of items no.