
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

F O R M 6-K

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

For the month of September 2013

INTERNET GOLD-GOLDEN LINES LTD.

(Name of Registrant)

2 Dov Friedman Street, Ramat Gan 52503, Israel

(Address of Principal Executive Office)

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 if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

Indicate by check mark whether by furnishing the information contained in this Form, the registrant 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- _____

INTERNET GOLD-GOLDEN LINES LTD.

The following exhibits are attached:

- 99.1 Proxy Statement for the Extraordinary General Meeting of Shareholders to be held November 7, 2013.
 - 99.2 Exhibit A to the Proxy Statement - Compensation Policy
 - 99.3 Form of Proxy Card.
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Internet Gold-Golden Lines Ltd.
(Registrant)

By: /s/ Doron Turgeman
Doron Turgeman
Chief Executive Officer

Date: September 30, 2013

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
99.1	Proxy Statement for the Extraordinary General Meeting of Shareholders to be held November 7, 2013.
99.2	<u>Exhibit A</u> to the Proxy Statement - Compensation Policy
99.3	Form of Proxy Card.

INTERNET GOLD – GOLDEN LINES LTD.
2 Dov Friedman Street
Ramat Gan 52503, Israel

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We cordially invite you to an Extraordinary General Meeting of Shareholders to be held on Thursday, November 7, 2013 at 1:00 p.m. (Israel time) at our offices at 2 Dov Friedman Street, Ramat Gan 52503, Israel. At the Meeting, shareholders will be asked to adopt the following resolutions, as further detailed in the attached proxy statement:

1. To approve the compensation policy for our directors and officers; and
2. To approve an updated compensation arrangement for our chief executive officer in accordance with amendment no. 20 to the Israeli Companies Law.

The Board of Directors recommends that you vote in favor of the proposals, which are described in the attached Proxy Statement.

Shareholders of record at the close of business on October 7, 2013 are entitled to notice of and to vote at the meeting. You can vote either by mailing in your proxy or in person by attending the meeting. If voting by mail, the proxy must be received by our transfer agent or at our registered office in Israel at least forty-eight (48) hours prior to the appointed time of the meeting to be validly included in the tally of ordinary shares voted at the meeting. If you attend the meeting, you may vote in person and your proxy will not be used. Detailed proxy voting instructions are provided both in the Proxy Statement and on the enclosed proxy card.

Sincerely,

Shaul Elovitch
Chairman of the Board of Directors

September 30, 2013

INTERNET GOLD – GOLDEN LINES LTD.

2 Dov Friedman Street
Ramat Gan 52503, Israel

PROXY STATEMENT

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

This Proxy Statement is being furnished in connection with the solicitation of proxies on behalf of the Board of Directors of Internet Gold - Golden Lines Ltd. to be voted at the Extraordinary Meeting of Shareholders, or the Meeting, and at any adjournment thereof, pursuant to the accompanying Notice of Extraordinary General Meeting of Shareholders. The Meeting will be held at 11:00 a.m. (Israel time) on Thursday, November 7, 2013, at our offices at 2 Dov Friedman Street, Ramat Gan 52503, Israel.

This Proxy Statement, the attached Notice of Extraordinary General Meeting and the enclosed proxy card are being mailed to shareholders on or before October 10, 2013.

Purpose of the Extraordinary General Meeting

At the Meeting, shareholders will be asked to vote upon the following matters: (i) the approval of the compensation policy for our directors and officers; and (ii) the approval of an updated compensation arrangement for our chief executive officer in accordance with amendment no. 20 to the Israeli Companies Law.

We are not aware of any other matters that will come before the Meeting. If any other matters properly come before the Meeting, the persons designated as proxies intend to vote on such matters in accordance with the judgment and recommendation of the Board of Directors.

Recommendation of the Board of Directors

Our Board of Directors recommends a vote FOR the proposals set forth in this Proxy Statement.

Proxy Procedure

Only holders of record of our ordinary shares, par value of NIS 0.01 per share, as of the close of business on October 7, 2013 are entitled to notice of, and to vote in person or by proxy at, the Meeting. As of September 30, 2013, there were 19,203,186 outstanding ordinary shares, which number of ordinary shares is not expected to change through October 7, 2013, the record date for determination of shareholders entitled to vote at the Meeting.

- ***Voting in Person.*** If your shares are registered directly in your name with our transfer agent (i.e. you are a “registered shareholder”), you may attend and vote in person at the Meeting. If you are a beneficial owner of shares registered in the name of your broker, bank, trustee or nominee (i.e. your shares are held in “street name”), you are also invited to attend the Meeting; however, to vote in person at the Meeting as a beneficial owner, you must first obtain a “legal proxy” from your broker, bank, trustee or nominee authorizing you to do so.
 - ***Voting by Mail.*** You may submit your proxy by mail by completing, signing and mailing the enclosed proxy card in the enclosed, postage-paid envelope, or, for shares held in street name, by following the voting instructions provided by your broker, bank trustee or nominee. The proxy must be received by our transfer agent or at our registered office in Israel at least forty-eight (48) hours prior to the designated time for the Meeting to be validly included in the tally of ordinary shares voted at the Meeting.
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You may send us a position statement on the issues that will be discussed at the Meeting. Such position statements must be received no later than October 25, 2013.

Change or Revocation of Proxy

If you are a registered shareholder, you may change your vote at any time prior to the exercise of authority granted in the proxy by delivering a written notice of revocation to our Corporate Secretary, by granting a new proxy bearing a later date, or by attending the Meeting and voting in person. Attendance at the Meeting will not cause your previously granted proxy to be revoked unless you specifically so request.

If your shares are held in street name, you may change your vote by submitting new voting instructions to your broker, bank, trustee or nominee or, if you have obtained a legal proxy from your broker, bank, trustee or nominee giving you the right to vote your shares, by attending the Meeting and voting in person.

Quorum

The presence, in person or by proxy, of shareholders holding or representing, in the aggregate, at least one third of our company's voting rights will constitute a quorum at the Meeting. No business will be considered or determined at the Meeting unless the requisite quorum is present within half an hour from the time designated for the Meeting. If within half an hour from the time designated for the Meeting a quorum is not present, the Meeting will stand adjourned to the same day in the following week, at the same time and place. If within half an hour from the time designated for the adjourned Meeting a quorum is not present, any number of shareholders present will constitute a quorum. This notice will serve as notice of such reconvened meeting if no quorum is present at the original date and time and no further notice of the reconvened meeting will be given to shareholders.

Abstentions and broker non-votes will be counted towards the quorum. Ordinary shares represented in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for purposes of determining whether a quorum exists. "Broker non-votes" are shares held in a street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote because the nominee does not have discretionary voting power with respect to a particular matter and has not received instructions from the beneficial owner on that particular matter. On all matters considered at the Meeting, abstentions and broker non-votes will be treated as neither a vote "for" nor "against" the matter, although they will be counted as present in determining if a quorum is present. Unsigned or unreturned proxies, including those not returned by banks, brokers, or other record holders, will not be counted for quorum or voting purposes.

Voting Rights

Each ordinary share entitles the holder to one vote, except as otherwise described below.

Exceptional Holdings. Our Articles of Association require each shareholder that wishes to participate in the Meeting to certify to us prior to the vote, or if the shareholder is voting by proxy, in the proxy card, as to whether or not his or her holdings in our company or his or her vote requires the approval of the Prime Minister of Israel and Israeli Minister of Communications pursuant to the Israeli Communications Law (Telecommunications and Broadcasting), 1982, or the Communications Law, or the Communications Order (Determination Of Essential Service Provided By "Bezeq" The Israeli Telecommunications Corp., Limited), 5757-1997, or the Communications Order. If a shareholder does not provide such certification, such shareholder will not be entitled to vote at the Meeting and such shareholder's vote will not be counted for quorum purposes.

Under the Communications Order, no person may hold, directly or indirectly, "significant influence" over Bezeq - The Israeli Telecommunications Corp., or Bezeq, or 5% or more of any particular class of means of control in Bezeq, nor may any person, together with any other person, appoint, elect or dismiss the general manager of Bezeq or cause the election, appointment or dismissal of any director of Bezeq, without the prior written consent of the Prime Minister of Israel and the Israeli Minister of Communications. Subject to certain exceptions, prior written approval of such ministers is also required to increase the holdings or other rights in excess of those determined in the initial approval, including by means of an agreement (including a voting agreement). Furthermore, under the Communications Order, no person may transfer control, "significant influence" or means of control in Bezeq to another, if, as a result of the transfer, the holdings of the transferee would require approval pursuant to the Communications Law or Communications Order and the transferee is not in possession of the requisite approval. Any such unauthorized acquisition is referred to as "Exceptional Holdings." For the foregoing purposes, "significant influence" means the ability to significantly influence the activity of a corporation, whether alone or together with or through others, directly or indirectly, other than as a result of holding "means of control" in that corporation or in another corporation, and including ability derived from the corporation's articles of association, a written, oral or other kind of agreement, or from any other source. In this context, the right to appoint an officer and holding 25% of our "means of control" is presumed to confer significant influence. "Means of control" means the right to vote at a general meeting of the company, to appoint a director or general manager of the company, to participate in the profits of the company or a share of the remaining assets of the company after payment of its debts upon liquidation.

In compliance with the Communications Law and Communications Order following our acquisition of the controlling interest in Bezeq, our Articles of Association provide that Exceptional Holdings will not entitle the holder to any rights in respect of such holdings, unless and to the extent permitted under the Communications Order. Accordingly, Exceptional Holdings will not have any voting rights at a general meeting of shareholders. In addition, no director may be appointed, elected or removed from office by virtue of the vote of a holder of Exceptional Holdings. If a director is appointed, elected or removed from office by virtue of the vote of a holder of Exceptional Holdings, such appointment, election or removal from office shall have no effect.

Under our Articles of Association, any person holding a number of our shares that requires approval under the Communications Order must notify us, Bezeq, the Prime Minister of Israel and the Israeli Minister of Communications of such holdings in writing, no later than 48 hours from the date of acquiring such holdings.

Principal Shareholder Notification. Our Articles of Association include reporting requirements applicable to “Principal Shareholders,” meaning a holder, directly or indirectly, of 5% of our issued and outstanding share capital. Any person who, after acquiring, directly or indirectly, shares in our company becomes a “Principal Shareholder,” is required, no later than 48 hours after becoming a Principal Shareholder, to notify us in writing, specifying the number of our shares held by such shareholder and the date on which such shareholder became a Principal Shareholder. In addition, a Principal Shareholder is required to notify us in writing of any aggregate change in its holdings of our shares in an aggregate amount equal to 1% or more of our outstanding share capital compared to the last notice of holdings submitted by such Principal Shareholder, no later than 48 hours after such change. In the event a Principal Shareholder fails to provide any required notice, as discussed above, then until such Principal Shareholder provides us with the requisite notice, the Principal Shareholder will not be entitled to any rights in respect of such shares and the provisions of the Communications Order with respect to the exercise of rights underlying Exceptional Holdings will apply, and the undisclosed holdings shall also be deemed “dormant shares,” as defined under the Israeli Companies Law.

The control permit issued to us in connection with our acquisition of the controlling interest in Bezeq includes a provision permitting shareholders that are not members of the Eurocom Group to hold up to 15% of our outstanding share capital, subject to certain conditions set forth in the control permit. An English translation of the relevant provision in our control permit may be viewed on our website at www.igld.com.

Majority Vote Standard

An affirmative vote of the holders of a majority of the ordinary shares represented at the Meeting, in person or by proxy, entitled to vote and voting thereon, is required to approve each of the proposals, except as otherwise stated in the proposal.

In tabulating the voting results for any particular proposal, shares that constitute broker non-votes and abstentions are not considered votes cast on that proposal. Unsigned or unreturned proxies, including those not returned by banks, brokers, or other record holders, will not be counted for voting purposes.

Eurocom Communications Ltd., or Eurocom Communications, which beneficially owns approximately 78.97% of our issued and outstanding ordinary shares, has indicated that it presently intends to vote in favor of the resolutions to be acted upon at the Meeting.

Cost of Soliciting Votes for the Meeting

We will bear the cost of soliciting proxies from our shareholders. Proxies will be solicited by mail and may also be solicited in person, by telephone or electronic communication, by our directors, officers and employees. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their expenses in accordance with the regulations of the Securities and Exchange Commission, or SEC, concerning the sending of proxies and proxy material to the beneficial owners of our shares.

Voting Results of the Meeting

We will publish the final results of the Meeting in a Form 6-K filed with the SEC promptly following the Meeting. You may obtain a copy of the Form 6-K through any of the following means:

- reviewing our SEC filings under the heading “SEC Filings” within the Investors section of our website at www.igld.com; or
- reviewing our SEC filings through the SEC’s EDGAR filing system at www.sec.gov or through the Tel-Aviv Stock Exchange filings at www.tase.co.il or through the Tel-Aviv Stock Exchange filings at <http://www.magna.isa.gov.il/>.

Security Ownership of Certain Beneficial Owners and Management

Eurocom Communications owned 15,164,929, or approximately 78.97%, of our outstanding ordinary shares as of September 30, 2013. Eurocom Communications is controlled by Mr. Shaul Elovitch, the chairman of our board of directors and the chairman of the board of directors of Eurocom Communications. Accordingly, Mr. Shaul Elovitch may be deemed to have the sole voting and dispositive power over our ordinary shares beneficially owned by Eurocom Communications.

The following table sets forth certain information as of September 30, 2013 regarding the beneficial ownership by all shareholders known to us to beneficially own 5% or more of our outstanding ordinary shares:

Name	Number of Ordinary Shares	
	Beneficially Owned (1)	Percentage of Ownership (2)
Eurocom Communications (3)	15,164,929	78.97%

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Ordinary shares relating to options currently exercisable or exercisable within 60 days of the date of this table are deemed outstanding for computing the percentage of the person holding such securities, but are not deemed outstanding for computing the percentage of any other person. Except as indicated by footnote, and subject to community property laws where applicable, the persons named in the table above have sole voting and investment power with respect to all shares shown as beneficially owned by them.

(2) The percentages shown are based on 19,203,186 ordinary shares issued and outstanding (which excludes 5,862,615 ordinary shares held as treasury shares) as of September 30, 2013.

- (3) Mr. Shaul Elovitch, Mr. Yossef Elovitch, Eurocom Communications, Eurocom Holdings Ltd., Eurocom Communication Holdings 2005 Ltd., Eurocom Technologies Management (2005) Ltd., Eurocom Assets Ltd. and Eurocom Assets Holdings Ltd. are the beneficial owners of 15,164,929 ordinary shares of the Issuer that are held directly by Eurocom Communications. Mr. Shaul Elovitch and his brother, Mr. Yossef Elovitch, own 80% and 20%, respectively, of Eurocom Holdings. (Mr. Shaul Elovitch and Mr. Yossef Elovitch own 75% and 25%, respectively, of Eurocom Holdings' management shares). Eurocom Communications is 50.33% owned by Eurocom Holdings and 49% of its shares are held by four holding companies (Eurocom Communication Holdings 2005 Ltd., Eurocom Technologies Management (2005) Ltd., Eurocom Assets Ltd. and Eurocom Assets Holdings Ltd.). The four holding companies are 80% owned by Mr. Shaul Elovitch and 20% owned by Mr. Yossef Elovitch, respectively. Therefore Eurocom Holdings, Eurocom Communication Holdings 2005 Ltd., Eurocom Technologies Management (2005) Ltd., Eurocom Assets Ltd. and Eurocom Assets Holdings Ltd., together, hold 99.33% of Eurocom Communications. The remaining 0.67% interest in Eurocom Communications is directly owned by Mr. Shaul Elovitch. Accordingly, Mr. Shaul Elovitch may be deemed to have the sole voting and dispositive power as to the ordinary shares of the Issuer held of record by Eurocom Communications.

Mr. Shaul Elovitch may also be deemed to be the beneficial holder of 26,893 ordinary shares of our company held of record by his wife, Mrs. Iris Elovitch. In addition, 10,650 ordinary shares are held by other family members of Mr. Shaul Elovitch. Other than Mr. Shaul Elovitch and Mr. Doron Turgeman, our chief executive officer, who beneficially owns 7,555 of our ordinary shares, none of our directors or executive officers beneficially owns any of our ordinary shares.

Board of Directors

According to the Israeli Companies Law and our articles of association, the management of our business is vested in our board of directors. Our board of directors may exercise all powers and take all actions that are not specifically granted to our shareholders. Our executive officers are responsible for our day-to-day management and have individual responsibilities established by our chief executive officer and the board of directors. Executive officers are appointed by and serve at the discretion of our board of directors, subject to any applicable agreements.

Mr. Shaul Elovitch, Mr. Felix Cohen, Mr. Amikam Shorer, Ms. Anat Winner and Mr. Yossef Elovitch will serve as directors until our 2014 annual general meeting of shareholders. Ms. Orly Guy and Ms. Ronit Gottlieb will each serve as an outside director pursuant to the provisions of the Israeli Companies Law for a third three-year term until August 2014. Mr. Shaul Elovitch and Mr. Yossef Elovitch are brothers. There are no other family relationships among our directors or executive officers. For more information about our directors and their resumes, see Item 6A – “*Directors, Senior Management and Employees – Directors and Senior Management*” of our annual report for the year ended December 31, 2012, filed on Form 20-F with the SEC on April 24, 2013, which may be viewed through the EDGAR website of the SEC at www.sec.gov or via a link from our website at www.igld.co.il. The contents of our website do not form part of the proxy solicitation material.

Our Board of Directors has established a compensation committee. Pursuant to a recent amendment to the Israeli Companies Law, or the Compensation Amendment, which became effective on December 12, 2012, a compensation committee must be comprised of no fewer than three members and must include all of the outside directors, whom must also constitute a majority of its members. All other members of the compensation committee must be directors who receive compensation that is in compliance with regulations promulgated under the Israeli Companies Law. In addition, the chairperson of the compensation committee must be an outside director. Directors who are not qualified to serve on the audit committee may not serve on the compensation committee. Our compensation committee consists of three members of our Board of Directors who satisfy the respective “independence” requirements of the SEC, NASDAQ and Israeli law for audit committee members. Our current compensation committee members are Ms. Orly Guy and Ms. Ronit Gottlieb, our outside directors under Israeli law, and Ms. Winner. Ms. Guy serves as the chairperson of the compensation committee.

I. APPROVAL OF A COMPENSATION POLICY FOR OUR DIRECTORS AND OFFICERS

(Item 1 on the Proxy Card)

On December 12, 2012, amendment no. 20 to the Israeli Companies Law, or Amendment No. 20, became effective. Amendment No. 20 requires the board of directors of a public company to adopt a policy with respect to the terms of service and employment of office holders, or the Compensation Policy, after taking into consideration the recommendations of the compensation committee of the board of directors. Amendment No. 20 further provides for the approval of the Compensation Policy by the company's shareholders with the "special majority" requirement set forth below.

A Compensation Policy for a period exceeding three years is required to be approved (under the same process) every three years. In addition, the board of directors is required to periodically examine the Compensation Policy and the need for adjustments in the event of a material change in the circumstances prevailing during the adoption of the Compensation Policy or for other reasons.

Amendment No. 20 provides that the Compensation Policy will be determined and later reevaluated, among other things, in accordance with the following considerations: (i) the advancement of the company's goals, its work plan and its policy with a long term view; (ii) the creation of appropriate incentives for the office holders of the company, considering, among other things, the risk management policy of the company; (iii) the size of the company and the nature of its operations; and (iv) in connection with the Terms of Service and Employment that include variable components – the contribution of the office holder to the achievement of the company's goal and to the maximization of its profits, all with a long term view and in accordance with the position of the office holder.

In addition to the abovementioned considerations, in determining the company's compensation policy, our Board of Directors and compensation committee, also considered the following principles:

- The belief that the human capital of the company across all ranks and positions, and particularly in its management, is important to the company's success. Therefore, the company believes it is crucial to develop an appropriate compensation policy for its office holders by, among other things, creating incentives to promote the company's goals, long term plans and policies, taking into account the office holders' responsibilities and the company's risks.
- The company's specific characteristics, business strategy and goals, and its policy to attract and retain high quality personnel.
- The importance in aligning the interests of the office holders and the company.
- The importance in increasing the morale, satisfaction and motivation of the office holders.
- The compensation policy provides for an appropriate balance between variable components and fixed components. The ratio between fixed and variable compensations maintains a reasonable balance and prevents incentive for excessive or unreasonable risks by management.
- The fixed base salary is intended to compensate the office holder for his/her position and takes into account the relevant experience, education, abilities requirements and the responsibilities of the office holder. The fixed base salary will be determined according to, among other things, a comparative market survey made by an independent consultant, comparing the terms offered by the company to those offered to office holders by similar companies in the relevant market.
- The variable component is an annual bonus contingent on the performance of the office holder in a specific year. The Board of Directors has the discretion to determine whether the office holder is entitled for the annual bonus for his achievements and contribution to the company's performance for the long term. Also, the compensation committee and the Board of Directors may set pre-defined objectives, financial or others, to receive the annual bonus, taking into account the company's goals and the responsibilities of the specific office holder.
- Some of the additional terms of employment of the company's office holders, such as termination, are subject to statutory limitations; some terms are affected by market practices; and some terms are supplemental to the compensation provided by the fixed and variable components.
- The ratio between the compensation of office holders and other employees of the company, including the average and median compensations is reasonable and appropriate, and it is not expected to affect the employment relations within the company.

In light of the above and following the recommendation of the compensation committee, our Board of Directors approved the Compensation Policy attached hereto as Exhibit A, determined that it is appropriate for our company and reflects, among other things, its specific characteristics, goals, structure, business status and employment structure. Therefore, our Board of Directors recommends that our shareholders approve the Compensation Policy at the Meeting.

The proposed Compensation Policy reflects the goals that our compensation committee and Board of Directors believe should be achieved by the structure and content of executive compensation. The terms of the proposed Compensation Policy are intended to provide a compensation package for each of our directors and officers that will adequately incentivize them to assist us in reaching our long-term goals and assist in aligning their interests with the interests of our shareholders. The guidelines and balances among fixed and variable compensation set forth in the proposed Compensation Policy will also enable us to maintain and recruit qualified senior officers and to enhance their motivation.

It is therefore proposed that at the Meeting the following resolution be adopted:

“RESOLVED, to approve the Compensation Policy attached to the Proxy Statement as Exhibit A.”

The Board of Directors recommends a vote FOR the foregoing resolution.

The affirmative vote of the holders of a majority of the ordinary shares represented at the Meeting, in person or by proxy, entitled to vote and voting on the matter, is required to approve the foregoing resolution; provided that at least one of the following “special majority” requirements is met: (i) the shares voting in favor of the matter include at least a majority of the shares voted by shareholders who are not controlling shareholders and who do not have a personal interest in the approval of the Compensation Policy or (ii) the total number of shares voted against the Compensation Policy by shareholders referenced under (i) does not exceed 2% of our outstanding voting rights.

A “controlling shareholder” for purposes of the requisite majority is defined as a shareholder that has the ability to direct the activity of the company, other than an ability resulting only from serving as a director or having another position in the company. Mr. Shaul Elovitch, our Chairman of the Board, may be deemed to be our “controlling shareholder” for purposes of the required “special majority” and may also be deemed to have a “personal interest” in the approval of the Compensation Policy due to the position he holds.

The Israeli Companies Law requires that each shareholder voting on this proposal indicate whether or not the shareholder has a personal interest in the proposal. Otherwise, the shareholder is not eligible to vote on this proposal and his or her vote will not be counted for the purposes of this proposal. Under the Israeli Companies Law, a “personal interest” of a shareholder in an act or transaction of a company (i) includes a personal interest of (x) any relative of the shareholder; (y) a company with respect to which the shareholder (or any such relative) serves as a director or the chief executive officer, owns at least 5% of the shares or has the right to appoint a director or the chief executive officer; and (y) a person acting as a proxy for the shareholder (even if the shareholder himself does not have a personal interest), and (ii) excludes an interest arising solely from the ownership of shares. The term “relative” means a spouse, sibling, parent, grandparent and child, and child, sibling or parent of a spouse or the spouse of any of the foregoing.

Under Amendment No. 20, the board of directors may approve a Compensation Policy even in the event it was not approved by the shareholders; provided that the compensation committee and the board of directors resolved, after an additional discussion concerning the Compensation Policy, that the approval of the Compensation Policy in spite of the objection of the company’s shareholders is beneficial to the company.

**II. APPROVAL OF AN UPDATED COMPENSATION ARRANGEMENT FOR OUR CHIEF
EXECUTIVE OFFICER**
(Item 2 on the Proxy Card)

Mr. Doron Turgeman has served as our chief executive officer since October 2011. Mr. Turgeman also serves as the chief executive officer of our principal subsidiary, B Communications Ltd., or B Communications, and the chief financial officer of our parent, Eurocom Communications. Previously, Mr. Turgeman served as the chief financial officer of both our company and B Communications and served as a member of B Communications' board of directors from January 2008 to February 2010. Mr. Turgeman holds a B.A. degree in Economics and Accounting from the Hebrew University of Jerusalem and is a certified public accountant in Israel.

Under his current compensation arrangement, Mr. Turgeman receives a monthly salary of NIS 34,667 (linked to the Israeli consumer price index) from each company, plus reasonable expenses, including cell phone and other communications expenses. In addition, Mr. Turgeman is entitled to have use of a car with a market value of up to NIS 300,000 and is reimbursed for maintenance and fuel charges (divided among the three companies). In addition, each of the three companies agreed to pay Mr. Turgeman a retention bonus of up to NIS 1 million in the event that he stays with such company until 2016 or a lower amount in the event he leaves prior to that date, which is payable at certain milestones. Mr. Turgeman's current compensation arrangement also provides that each of the three companies, subject to their judgment and individual considerations, may pay Mr. Turgeman an annual bonus in the amount of up to four times his monthly salary, or the Discretionary Annual Bonus. Accordingly, at our 2013 annual general meeting, our shareholders approved the payment of a bonus in the amount of NIS 138,700 (approximately \$40,000) to Mr. Turgeman for his services to our company in 2012.

Our compensation committee and Board of Directors have made a thorough review of Mr. Turgeman's compensation arrangement, taking into account his position and responsibilities, the accompanying challenges and the core operation of our company as a holding company.

The compensation committee and Board of Directors concluded that Mr. Turgeman's compensation arrangement should be revised to reflect a more balanced structure of fixed and variable compensation and accordingly the committee determined to increase the weight given to Mr. Turgeman's fixed monthly salary. The compensation committee and Board of Directors reached this conclusion for the following reasons:

- As a holding company, our company's results of operations are substantially linked to those of our main asset, Bezeq. Therefore, the results of our company's operations are not necessarily a reliable benchmark to measure the performance of our chief executive officer.
- Our chief executive officer's role is extremely challenging and they believe his compensation should be heavily weighted toward a base salary that is appropriate for the challenging position.
- A substantial portion of the activities and responsibilities of our management is fixed, and well-defined, which elements have little variability and do not change from year to year. For instance, one of Mr. Turgeman's main responsibilities is the preservation of our company's financial stability and the maintenance of our long term relationships with large and sophisticated financial institutions, which is an ongoing activity. In addition, our chief executive officer is in charge of the analysis and review of financial reports, supervising and negotiating financial agreements, managing our investment policy and other ongoing responsibilities, all or which do not vary from year to year.

Together with the increased weight given to Mr. Turgeman's fixed monthly salary, the compensation committee determined that there is great value in preserving the variable portion of his compensation arrangement in order to promote additional positive incentives and to further align his interests with those of the company. The variable portion of Mr. Turgeman's compensation will be revised so that it will be based on his achievement of pre-determined specific challenging goals.

The compensation committee and Board of Directors concluded that Mr. Turgeman's base fixed monthly salary should be increased to reflect his contributions to our company to date and his abilities and unique experience that are essential for our company's development in the future. Mr. Turgeman has extensive managerial experience and specific experience in the core fields required by our company, including among other things, leading complex financial processes, dealing with our lending institutions and facilitating capital raising. Mr. Turgeman has taken a lead role in the success of our company. In addition, as described above, an increased fixed monthly salary would reflect a more balanced structure of fixed and variable compensation taking into account Mr. Turgeman's position and responsibilities, the accompanying challenges and the core operations of our company as a holding company.

In light of the above considerations, our compensation committee recommended, and our Board of Directors approved, the adoption of a revised compensation scheme, or the New Compensation Arrangement, for Mr. Turgeman, under which:

(a) The Annual Discretionary Bonus of up to 4 months' salary in Mr. Turgeman's arrangement will be canceled; instead, the variable portion of Mr. Turgeman's compensation will be lowered to provide for an annual bonus of up to two months' salary, according to a bonus plan with milestones which will be effective for three years (2013-2015). Mr. Turgeman's eligibility to receive the bonus under such three year plan will be determined by pre-defined objectives, which the compensation committee believes to be aggressive and challenging and best reflect Mr. Turgeman's performance. The pre-defined objectives are structured by the compensation committee to capture Mr. Turgeman's long term achievements and to reflect actions that require continued efforts over a significant time frame. The terms are as follows:

- 50% of the bonus will be paid if the effective financing ratio (finance expenses divided by the total debt) will be 95% or lower than the expected financing ratio for that year according to the planned budget approved by our Board of Directors. This objective directly reflects Mr. Turgeman's actions and achievements in lowering the company's debt load and exposure to financing expenses. This goal represents Mr. Turgeman's activities in the capital markets and his management of the company's debt structure. The effective financing ratio is an indicator of the company's financial strength and may be reflected in the share price and in the investors' confidence in our company;
- 40% of the bonus will be paid if the company or one of its publicly traded debentures receives a higher rating from a recognized credit rating agency, compared to the rating given in the previous year by the rating agency. The credit rating is an acceptable and essential measurement of the company's financial strength and flexibility over the long term. The rating is a good measurement of Mr. Turgeman's performance as it is determined, in large part, by his everyday activities. In providing their credit ratings, the rating agencies take into account the company's financial flexibility, risk and debt management and management's ability to refinance and negotiate financing terms with creditors, etc., all of which are routinely performed by Mr. Turgeman; and
- 10% of the bonus will be paid if the company duly files its financial reports and its annual reports with the U.S. Securities and Exchange Commission within the time schedule set by the Board of Directors and in an appropriate manner.

(b) Mr. Turgeman's monthly fixed salary will be increased to NIS 44,207 plus VAT (linked to the Israeli consumer price index), to better reflect his contribution and importance to the company;

(c) For 2013, Mr. Turgeman will be entitled to receive an additional payment of NIS 8,841 for each month in which he received the lower (previous) monthly fixed salary, in order to reflect the new revised compensation scheme which has a more balanced structure of fixed and variable compensation taking into account Mr. Turgeman's position and responsibilities, the accompanying challenges and the core operations of our company as a holding company; and

(d) Mr. Turgeman's retention bonus will remain unchanged. Our compensation committee recommends that Mr. Turgeman's retention bonus of up to NIS 1 million be maintained for the following reasons:

- The current retention arrangement, under which Mr. Turgeman will receive NIS 1 million in the event that he remains with the company until 2016 or a lower amount in the event he leaves prior to that date, incentivizes him to remain with our company for the long term. Our compensation committee believes that it is in the company's best interest that Mr. Turgeman continues to lead it in the future because of his proven skills and experience.
- The activities of a chief executive officer in a company such as ours require specific expertise and relevant experience. Our compensation committee believes that Mr. Turgeman's experience and expertise would be difficult to replace.
- Retaining the same chief executive officer for a long period of time enhances the company's stability and improves its continuing relationships with investors, financial institutions and other business relationships. This contributes to the company's financial stability and improves its performance for the long run.
- Our compensation committee and Board of Directors believe that together with the objectives' based bonus, the retention bonus creates a balance between the variable and the fixed portions of Mr. Turgeman's overall compensation arrangement.
- The retention plan is also aligned with the new recommendations of Amendment No. 20 to take into account long term considerations of the company.

Our Board of Directors and compensation committee believe that the New Compensation Arrangement better reflects Mr. Turgeman's role and responsibility in our company. In approving the New Compensation Arrangement, our compensation committee and Board of Directors took into account, among other things, the following considerations:

- Mr. Turgeman has extensive managerial experience and specific experience in the core fields required for our company, including among other things, leading complex financial processes, dealing with our lending institutions and facilitating capital raising. The total compensation amount under the New Compensation Arrangement is reasonable taking into account Mr. Turgeman's responsibility and added value to our company.
- Mr. Turgeman has demonstrated extraordinary managerial capabilities over a long period of time, which helped the company to achieve superior performance. His recent successful activities include: (i) managing the company's interface with financial institutions and his activities in the capital markets; (ii) leading the transaction with Norisha Holdings Ltd., which significantly improved the company's financial stability; (iii) his efforts that resulted in the company maintaining its credit rating; (iv) managing the company's stable investment policy which resulted in our investment portfolio experiencing lower volatility than other benchmark portfolios while earning higher returns; and (v) building a productive and efficient working relationship with Bezeq and its subsidiaries at all levels of management.
- The compensation committee hired an independent accountant to perform a market analysis. The research concluded that the total compensation amount under the New Compensation Arrangement is not unusual compared to other officers in similar positions in publicly traded companies, including in companies engaged in the same industry. In addition, the ratio between Mr. Turgeman's compensation and the compensation of other tenured employees in our company is not extraordinary and the compensation committee and Board of Directors believe that the ratio is reasonable considering Mr. Turgeman's responsibilities and the added value he provides to our company.
- Increasing the fixed portion of Mr. Turgeman's compensation will better align his interests with those of the company. Such compensation structure emphasizes the importance of the ongoing and everyday challenges that characterize the work of a chief executive officer in a holding company and the significance of the long term preservation of the company's relationship with investors, financial institutions and other working interfaces.

- Revising the remaining variable portion of Mr. Turgeman's compensation from a bonus based on the discretion of the Board of Directors to a bonus based on his achievement of pre-fixed goals will better incentivize him to pursue such goals and will better define the expectations of our Board of Directors. In addition, there is no practical concern that these goals will cause him to take excessive risks.
- The New Compensation Arrangement is also aligned with the new recommendations of Amendment No. 20 to strengthen fixed elements in officers' compensation.

It is therefore proposed that at the Meeting the following resolution be adopted:

"RESOLVED, that the compensation arrangement with Mr. Doron Turgeman, our chief executive officer, shall be amended as described under the New Compensation Arrangement in the Proxy Statement for the Extraordinary General Meeting of Shareholders held on November 7, 2013, that all other terms of his employment will remain unchanged, and that the arrangement with our subsidiary, B Communications, and our parent, Eurocom Communications, to share the cost of Mr. Turgeman's management services is hereby ratified."

Our Compensation Committee and Board of Directors recommend a vote FOR the approval of the revised compensation arrangement with our Chief Executive Officer.

The affirmative vote of the holders of a majority of the shares present, in person or by proxy, and voting on the matter is required to approve the foregoing resolution, provided that at least one of the following conditions is met: (i) the shares voting in favor of the matter include at least a majority of the shares voted by shareholders who are not controlling shareholders and who do not have a personal interest in the resolution or (ii) the total number of shares voted against the resolution by shareholders referenced under (i) does not exceed 2% of the company's outstanding voting rights. Votes will not be counted unless the shareholder has specified whether he or she has a personal interest.

The Board of Directors decided that it does not consider this transaction as an extraordinary transaction, as defined in the Israeli Companies Law, among other things, because (a) the cost of the transaction and Mr. Turgeman's employment will not have a material effect on the company's overall profit, assets, liabilities or results of operations; (b) the agreement with Mr. Turgeman is being made in the ordinary course of business; and (c) the transaction is being made in market terms and prices.

III. OTHER MATTERS

The Board of Directors does not intend to bring any matters before the Meeting other than those specifically set forth in the Notice of the Meeting and knows of no matters to be brought before the Meeting by others. If any other matters properly come before the Meeting, it is the intention of the persons named in the accompanying proxy to vote such proxy in accordance with the judgment and recommendation of the Board of Directors.

By Order of the Board of Directors,

Shaul Elovitch
Chairman of the Board of Directors

Date: September 30, 2013



OFFICERS' COMPENSATION POLICY
INTERNET GOLD – GOLDEN LINES LTD.

OFFICERS' COMPENSATION POLICY

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This is a translation of the compensation policy published by the Company in Hebrew. The Hebrew version was submitted by the Company to the relevant authorities pursuant to Israeli law and represents the binding version and the only one having legal effect. This translation was prepared for convenience purposes only.

1. **General Background**

- 1.1 This Compensation Policy (hereinafter: the "**Compensation Policy**"), as defined in the Companies Law, 5759 – 1999 (hereinafter: the "**Companies Law**" or the "**Law**") is a policy regarding the terms of office and employment of the officers of Internet Gold – Golden Lines Ltd. (hereinafter: the "**Company**"). The "**Officers**" and "**Terms of Office and Employment**" – as this term is defined in the Law from time to time.
- 1.2 The Compensation Policy takes into account the Company's characteristics, its business strategy and its objectives, the characteristics of the area of its activities and the Company's policy to ensure the recruitment and retention of top-quality officers at the Company.
- 1.3 Compensation Policy Approval Proceeding: at its meetings held on March 10, 2013, August 5, 2013 and September 15, 2013, the Compensation Committee discussed the proposal for the Compensation Policy which had been formulated by the Company's management, with the assistance of professional entities, and after the discussions, during which the members of the Committee made comments, asked questions and received answers from the Company's management on various matters contained in the Compensation Policy, the Compensation Committee recommended that the Board of Directors of the Company approve the Compensation Policy. At its meeting held on September 30, 2013, the Board of Directors of the Company approved the Compensation Policy, after considering the Compensation Committee's recommendations.
- 1.4 It should be clarified that the rules set forth in this Policy form an upper threshold for the Officers' Terms of Office and Employment. It should be emphasized that the Company is not obligated to grant the Officers all of the components set forth in this Policy, nor is it obligated to grant the maximum rate in any of the components of the Terms of Office and Employment set forth in this Policy. The contents of this Policy do not create any right for any officer whatsoever of the Company, and the rights of each Officer shall be those set forth in the employment agreement applicable between the said Officer and the Company.

2. **Objectives of the Compensation Policy**

- 2.1 The Company attaches great importance to devising a correct and appropriate Compensation Policy for the Company's Officers, *inter alia*, by creating appropriate incentives for the Company's Officers, promoting the Company's objectives, its work plans and its policy, for both the long and short term, taking into consideration, *inter alia*, the Officers' areas of responsibility, and also the risks applicable to the Company's activities.

2.2 **Emphases Regarding the Company's Activities**

The Company attaches the utmost importance to retaining the Company's Officers. As of the present date, the Company has only two officers, whose activities require expertise, professional stability, extensive know-how, extensive experience in working with the Group's interfaces, and so forth. Beyond this, the activities of the Officers at the Company require the management of a stable, efficient and productive work interface with the "Bezeq" Group (which constitutes the Company's underlying asset, and held by the Company's subsidiary), both at the level of the numerous interfaces that exist with regard to the groups' financial systems, and also at the level of the various management interfaces between the Company and the "Bezeq" Group. These activities require stability and preservation over time. Beyond this, the Company's activities involve providing support for capital/debt-raising and issue processes, providing support for various processes with the capital markets, providing support for complex financing processes, and also providing continuous support, on a day-to-day basis, of the management of the Group's activities with the financing entities and the Company's capital market interfaces, which require skill, extensive experience and know-how which have been acquired over the years. In view of this, the Company attaches the utmost importance to and places a vital emphasis on retaining the Company's Officers.

It should be noted that in view of the parallel nature and activities of B Communications Ltd. ("BCOM"), the Company's subsidiary, and of the Company *per se*, which manage many similar and parallel activity interfaces, at the level of fiscal management, financial management, activities in the capital markets, corporate headquarter activities, etc., the activities of the Company's Officers are divided equally between BCOM and the Company, both in terms of the division of time and resources and also in terms of the division of the Officers' salary. This being the case, the Officers' salary is, generally speaking, low, on average. In addition, the scope of office of the Officers is divided equally between the Company and BCOM, and therefore the compensation data presented in this Policy reflect the said division, and create significant savings in the costs of the two companies.

2.3 The Company has formulated the Compensation Policy for its Officers, whilst considering the following objectives:

2.3.1 Enhancing the Officers' sense of identification with the Company and with its activities.

- 2.3.2 Increasing the Officers' satisfaction and motivation, for the purpose of advancing the Company's business and improving the Company's financial capabilities.
- 2.3.3 Retaining the top-quality officers at the Company for the long-term.
- 2.4 In addition, the Compensation Policy is designed to create a uniform and clear general framework for setting a personal compensation plan for each one of the Officers, based on joint principles and whilst making the relevant adjustments to the Officer's experience, the characteristics of his job and the manner of performance of the position by him.

3. **Guiding Considerations in Setting the Compensation Policy**

- 3.1 In accordance with the provisions of section 267b(a) of the Companies Law, below are the considerations that guided the Company in setting the Compensation Policy:
 - 3.1.1 Promoting the Company's objectives, its work plan and its policies, from a long-term perspective.
 - 3.1.2 Creating appropriate incentives for the Officers of the Company, taking into consideration, *inter alia*, the Company's risk management policy.
 - 3.1.3 The high degree of responsibility required of Officers in their work with the reporting authorities in Israel and in the USA.
 - 3.1.4 The size of the Company, its profits and the nature of its activities.
 - 3.1.5 As regards Terms of Office and Employment which contain variable components – the Officer's contribution to the achievement of the Company's targets and the maximization of the Company's profits, all from a long-term perspective and in accordance with the Officer's position.
- 3.2 In addition, at the time of determining the terms of compensation for the Officers, the Compensation Committee and the Board of Directors may set additional, relevant criteria, besides the guiding considerations set forth above, and they may also refer to additional data besides the data set forth below, taking into consideration the Company's best interests, its situation and its plans.

4. **Key Elements of the Compensation Policy**

4.1 **Components of the Compensation**

The total compensation of the Company's Officers comprises a number of components (in whole or in part)¹:

4.1.1 Fixed monthly salary (for details, see section 5 below).

4.1.2 Related terms and conditions – such as officers' liability insurance, indemnity and release from liability (for details, see section 7.2 below); various social benefits (except for directors) such as contributions to executives' insurance policies and continuing education funds; sick days, vacation days and convalescence days, a company car or the reimbursement of car maintenance expenses (for details, see section 7 below).

4.1.3 **Variable Compensation:**

1. "Retention" components – i.e., payment of a bonus which is contingent upon the amount of time the Officer has served and stayed at the Company, during such period as determined.

It should be clarified that in view of the unique nature of the Company's operations, it has been determined that the Compensation Policy will comprise the incorporation of long-term retention compensation, with the aim of providing an incentive to the Officers to maintain their activities and the quality of their work at the Company (such as the retention plans).

It is worth noting that the Company's results as a holding company are primarily derived from the results of the Bezeq Group, and therefore, there is an inherent difficulty in imposing a direct connection between the Company's financial results and the Officers' compensation. On the other hand: the Officers' work at the Company is intensive, it demands expertise and extensive acquired experience, and it also entails extremely significant challenges which require, in the opinion of the Company's management, the formulation of stable employment agreements, with long-term retention attributes.

¹ It should be noted that in view of the parallel nature and activities of BCOM, and of the Company, which manage many similar and parallel activity interfaces, at the level of fiscal management, financial management, activities in the capital markets, corporate headquarter activities, etc., the activities of the Company's Officers are divided equally between BCOM and the Company, both in terms of the division of time and resources and also in terms of the division of the Officers' salary. This being the case, the Officers' salary is, generally speaking, low, on average. In addition, the scope of office of the Officers is divided equally between the Company and BCOM, and therefore the compensation data presented in this Policy reflect the said division.

Moreover, the character of the professional activities of the Company's Officers is designed, for the most part, to preserve the Company's stability, by implementing various stable work interfaces with financing entities, institutional investors, etc. These activities, by nature, require the Company to act in order to retain its Officers, *inter alia*, for the purpose of reinforcing such work interfaces on a proper and stable basis.

2. In addition, the Company may determine a particular scope of bonuses on an annual basis – bonuses which are contingent upon the achievement of specific targets at the level of the Company, based on the Company's strategy, as reflected in the Company's budget and/or bonuses which are contingent upon the achievement of personal targets, which are defined for each Officer in accordance with his position and his contribution to the Company, and in accordance with the Company's strategy and its targets (for details, see section 6 below).

4.2 The Data to be Examined

In their examination and approval of the Terms of Office and Employment of an Officer, and on a case-by-case basis, the Compensation Committee and the Board of Directors shall address the following matters:

- 4.2.1 All of the compensation components, including monthly salary, related terms and conditions, employment termination bonuses (bonus, payment, remuneration, compensation or any other benefit granted to the Officer in connection with the termination of his position at the Company, including the advance notice period), and also any benefit, payment or payment undertaking or grant of such benefit, if any, which are granted in respect of such office or employment.
- 4.2.2 The economic value of the total compensation package, including all the components thereof, whilst taking into consideration the Company's business results, and if the compensation package is based on targets – the examination of these targets.
- 4.2.3 The compensation components will be challenging, however, they will not encourage the taking of risks beyond the range of risk desired by the Company, and they shall not cause the Officer to act against the Company's interests.

- 4.2.4 In order to ensure consistency between all of the compensation components set forth in the Policy, all of the components of the Officer's compensation package shall be presented to the Company's organs, during their discussion of the approval of each of the compensation components for an Officer of the Company. In addition, the ranges of the salary and the rest of the Terms of Office and Employment of the Company's Officers shall be determined, *inter alia*, in accordance with comparative data for officers of companies with similar characteristics to those of the Company, as set forth below and insofar as practicable ("**Comparative Data for Similar Companies**"). The Comparative Data for Similar Companies will address the entirety of the components of the Terms of Office and Employment, or part thereof, as the case may be, insofar as practicable and provided that the information is available. The Comparative Data for Similar Companies will be prepared by the Company internally, or through an external consultant, in the discretion of the Compensation Committee, in accordance with such methodology as the Company shall deem appropriate and reasonable. In addition, the Comparative Data for Similar Companies will be prepared whilst relating to the base salary separately, and also, whilst relating to the total compensation, insofar as relevant, and if such information exists.
- 4.2.5 As far as practicable, the comparison shall be made in relation to the compensation granted to an officer in a similar position at three public companies and/or private companies, at least, which are comparable in terms of at least two of the following characteristics:
- (a) Their total assets are similar to the Company's total assets.
 - (b) Their market value is similar to the Company's market value.
 - (c) Their scopes of managed debt are similar to the Company's scopes of managed debt.
 - (d) The companies are committed to the level of reporting of dual-listed companies, in terms of the degree of detail and liability, i.e., they are subject to the SEC's rules and regulations.
- 4.2.6 The Officer's education, qualifications, expertise, professional experience and his activities and contribution to the achievement of the Company's business targets and the Company's compliance with its work plans (in his current or previous position), based on data pertaining to the Company's operating results in various aspects relating to the Officer's areas of responsibility and the market conditions existing at the time of and prior to the examination.

- 4.2.7 The Officer's position, his areas of responsibility and previous salary agreements signed with him. In addition, insofar as relevant, comparative data shall be presented regarding former or current officers at the Company in the same position or in similar positions, in relation to all of the components of the Terms of Office and Employment. In addition, if relevant, any material changes that have taken place in his powers and in his areas of responsibility during the year, if any – will be taken into account.
- 4.2.8 The ratio between the Officers' Terms of Office and Employment and the salary² of the rest of the Company's employees, and in particular, the ratio to the average salary and to the median salary of such employees, and the effect of the disparities between the said salary data on the employment relations at the Company. The Compensation Committee and the Board of Directors will examine the ratio between the Terms of Office and Employment of each Officer and the salary of the rest of the Company's employees, and they will note whether, in their opinion, it is a reasonable and appropriate ratio taking into consideration, *inter alia*, the Company's nature, its size, the mix of the personnel employed by the Company, and the area of its business, and they will check that these ratios will not be detrimental to the employment relations at the Company.
- 4.2.9 As of the date of approval of this Compensation Policy, the current ratio between the base salary of the various Officers of the Company and the average and median salary of the rest of the Company's employees, and the ratio between the Terms of Office and Employment (cost of salary, including bonuses) of each one of the Officers and the cost of the average salary and the median salary of the rest of the Company's employees, are as set forth below:

Position	Ratio of Base Salary to Average Salary	Ratio of Base Salary to Median Salary	Ratio of Cost of Salary to Average Cost of Salary	Ratio of Cost of Salary to Median Cost of Salary
CEO	1:3	1:4	1:3	1:4
CFO	1:2	1:2	1:2	1:2

² "Salary" – as this term is defined in the Companies Law from time to time; as of the present time – the income in respect of which National Insurance payments are made pursuant to Chapter O of the National Insurance Law [Consolidated Version], 5755 – 1995.

In determining these ratios the Company took into account the salary of the officers.

According to the assessment of the Compensation Committee and the Board of Directors, the above-mentioned ratios are appropriate and reasonable, taking into consideration the Company's characteristics, and they will not be detrimental to the employment relations at the Company, particularly in view of the fact that only five employees are employed at the Company, including the two Officers, and the position of the other three employees is relatively minor, to a significant extent, to the Officers' position.

Should the Company deviate (upwards) from the ratio, in a scope exceeding 30% of the discrepancies described above, then the matter shall be brought for further discussion by the Compensation Committee and the Board of Directors, and they shall examine whether any changes are necessary in view of the said deviation, and the Company shall make disclosure to this effect, insofar as the deviation is material. Any deviation within these limits has been defined by the Company's organs as reasonable.

- 4.2.10 The ratio between the variable components and the fixed components to be granted to the Officer shall be determined, in any event, in a manner that will not encourage the taking of unreasonable risks.

The desired ratio between the variable components and the fixed components of the various Officers at the Company for any given year shall be as set forth below:

Position	Fixed Components (including related terms) (%)	Variable Components (bonuses and payments based on retention targets) (%)
CEO	65% – 100%	0% – 35%
CFO	78% – 100%	0% – 22%

It should be emphasized that the intention is to the planned ratio only, assuming receipt of the target bonus, as stated in this Policy. The actual ratio in any given year between the components of the compensation package may vary, due to underperformance or due to over performance, which might affect the variable compensation as stated in this Policy. In addition, it should be clarified that in view of the unique nature of the Company's operations and the importance of preserving the many permanent work interfaces at the Company, the Company attaches, as a matter of principle, importance to strengthening the fixed compensation components for the Officers, and accordingly, the aforesaid ratios have been determined as part of the entirety of the total considerations.

Should the Company deviate from the ratio from the ratio, in a scope exceeding 30% of the discrepancies described above, then the matter shall be brought for further discussion by the Compensation Committee and the Board of Directors, and they shall examine whether any changes are necessary in view of the said deviation, and the Company shall make disclosure to this effect, insofar as the deviation is material. Any deviation within these limits has been defined by the Company's organs as reasonable.

5. **Salary Component**

The salary to which the Officer is entitled is a fixed component which shall be determined, insofar as practicable, by the date of commencement of his service in the relevant position at the Company, and shall be updated from time to time in accordance with the Compensation Policy.

5.1 **Salary of CEO and Officers (who are not directors)**

- 5.1.1 The amount of the salary of the Company's CEO and the other Officers shall be determined in accordance with the relevant considerations and criteria, as enumerated in sections 2, 3 and 4 above, and it shall be approved by the Company's competent organs, in accordance with the provisions of the law.
- 5.1.2 Based on the relevant considerations and criteria, as enumerated in sections 2, 3 and 4 above, the levels of the base monthly salary have been determined for the Company's Officers, as set forth below¹:

Position	Maximum (in NIS) (gross, not cost value) per month, and assuming retention of scopes of office and divisions of office as of the present time ³	Maximum (in NIS) (gross, not cost value) per month, assuming full scope of position
CEO	60,000	120,000
CFO	20,000	40,000

These ranges shall be examined by the Compensation Committee and the Board of Directors in the course of the annual examination of the Compensation Policy in accordance with section 11 below, and they shall be updated insofar as necessary, *inter alia*, in keeping with the Comparative Data for Similar Companies and in keeping with the Company's business situation and the personnel employed at the Company or in accordance with other considerations.

³ As described above, as of the present time, the office of the Company's CFO is divided between the Company's subsidiary, BCOM, and the Company, in identical shares (each company has 50% of the office). In addition, as of the present time, the office of the Company's CEO is divided between B. Communications and the Company (in a scope of 33% for each company, and the Company's CEO also serves as an officer of Eurocom Communications Ltd.).

Any deviation beyond the ranges specified above shall be brought for approval by the Company's competent organs, in accordance with the provisions of the law.

5.2 **Directors' Fees**

- 5.2.1 Directors of the Company (both outside directors and others) shall be paid annual remuneration, participation remuneration and the reimbursement of expenses in accordance with the provisions determined in the Companies Regulations (Rules Regarding Remuneration and Expenses for Outside Directors), 5760 – 2000 (hereinafter: the "**Remuneration Regulations**"), in accordance with the rank at which the Company is classified pursuant to the said Regulations. The fees to be determined shall not exceed the maximum remuneration permitted in the Remuneration Regulations⁴.
- 5.2.2 Notwithstanding the foregoing, a waiver by a director (who is not an outside director) of the remuneration due to him pursuant to the Remuneration Regulations shall not be deemed to be a deviation from this Policy⁵.

6. **Variable Bonus⁶**

Variable Compensation, Retention:

- 6.1 In view of the unique nature of the Company's operations and the importance of retaining the Company's Officers, the Company's Board of Directors and Compensation Committee may set "retention bonuses" for the Company's Officers, in a total amount of up to: (a) NIS 1,000,000 for the Company's CEO, which shall be accumulated gradually over a period of up to 5 years; (b) NIS 100,000 for the Company's CFO, which shall be accumulated gradually over a period of up to 5 years; and all in view of the reasons specified above. It shall be clarified that in any event, the situation shall not arise where several retention plans exist, concurrently, for the same Officer.

⁴ As of the present time, the Company pays to the two outside directors and to an additional director of the Company (unrelated) annual remuneration and participation remuneration in accordance with the "Determined Amount" in the Remuneration Regulations, as per the Company's rank.

⁵ As of the present time, the rest of the directors in the Company do not receive a fee in respect of their term in office as directors of the Company, and the Company shall be entitled to approve such fees in accordance to the law and this policy.

⁶ For officers who are not directors. The Company's results shall be pursuant to the Company's audited financial statements.

Designated Annual Bonus:

It is clarified that section 6.2-6.8 relates to annual bonuses beyond the retention bonuses.

- 6.2 So as to create a correlation between the Officers' variable compensation and the Company's results and its performance from a long-term perspective, taking into consideration the Company's best interests, its situation and its plans, an annual bonus plan may be devised for the Company's Officers (except for the directors). The annual bonus will be contingent upon compliance with targets to be set by the Board of Directors, subsequent to the Compensation Committee's recommendation, in accordance with a bonus plan which shall be brought each year, or on a multi-annual basis, for approval by the Compensation Committee and the Board of Directors. The bonus plan, if any, will be devised in accordance with that stated in this Compensation Policy, including the threshold conditions and the restrictions specified below, and in accordance with the relevant considerations and criteria, as enumerated in sections 2, 3 and 4 above.
- 6.3 Should an annual bonus plan be devised, the Company's Officers (as of the present time, the CEO and the CFO) shall be entitled to an annual bonus based on measurable quantitative targets, which are contingent upon the achievement of the Company's objectives and business targets, from a long-term perspective. The targets shall include, *inter alia*, the following components:
- 6.3.1 Quantitative targets at the level of the Company.
- 6.3.2 Measurable, personal targets, which shall be set for each Officer personally, in accordance with his job and the extent of the Officer's contribution to the Company's business, and in accordance with the Company's strategy and work plan, and from a long-term perspective.
- 6.3.3 The internal division between the relative weight of the quantitative estimates, based on the Company's targets, and the personal quantitative targets, shall be adjusted to suit each Officer separately, in accordance with the characteristics of his position, the areas of his responsibility, and his degree of influence over the achievement of the Company's targets and its profits. A relative weight in the variable bonus component shall be set for each target.
- 6.3.4 The evaluation of performance by the Company's Board of Directors which shall address, *inter alia*, the Officer's contribution and performance, and also criteria which cannot be objectively quantified. The qualitative indices (the evaluation by the Board of Directors) shall constitute 25%, at the most, of the basis for the annual bonus, thus representing, in the opinion of the Compensation Committee and the Board of Directors, a substantial part, as compared with the total variable components granted to the Officers.

Below are several examples, in principle, of the above-mentioned targets (without derogating from the right of the Board of Directors to determine additional targets, in accordance with the criteria as set forth in this Policy):

- (a) A target for the decrease in the Company's financing expenses, as a percentage of the Company's financial debt (effective financing rate), in the year in which the measurement shall be made. The financing expenses mean: the amount of the Company's full financing expenses, net. The calculation shall include all of the full financing costs, less the financing income and the income from securities. The financial debt: the average, gross balance of the Company's full financial debt. Notwithstanding the foregoing, the financing expenses shall be in real terms – i.e., net of any index effects;
- (b) A target for the decrease in the Company's net financial debt, as compared with the Company's budget in the relevant year in respect of which the measurement was made. This target is a derivative of the Company's net cash flow, plus dividends received by the Company – and net of financing expenses, current expenses, etc.
- (c) The Company's net profit target in the year in which the measurement was made. The measurement of this target shall be performed according to the net profit stated in the Company's consolidated financial statements.
- (d) An improvement in the Company's rating level; the rating of the companies/ the debt, is vital for all of the companies' investors, shareholders and bondholders alike, for the purpose of measuring the Company's strength, its financial flexibility and the economic projections regarding the long-term. Generally speaking, a significant part of the rating is frequently based on the activities directly performed by the Company's managers directly. The rating companies examine the manner of management of the Company's debt, its financial flexibility, its ability to make improvements regarding financing, its ability to refinance debt, and so forth. All of these activities are activities which are performed by the Company directly, and by the Company's managers.
- (e) Meeting the time schedules for the filing of reports, financial statements, success in the annual audit conducted on companies of the same type as the Company, by the SEC. As far as the Company's organs are concerned, success in the periodic audits conducted by the regulator, as aforesaid, is an important index.

These targets shall be set, based on the Company's strategy, as reflected in its annual budget, as devised and approved each year by the Board of Directors of the Company (hereinafter: the "**Annual Budget**"), and they shall be adjusted to the Company's performance in the course of the year for which the bonus is being paid.

- 6.4 The Board of Directors shall determine the text of the targets in advance, whilst determining the various components thereof.
- 6.5 The Company's targets, as aforesaid, shall be determined whilst taking the following principles into consideration:
 - 6.5.1 Compliance with these targets provides an incentive for achieving the Company's objectives, targets, business plans and strategies, and for increasing the Company's future profits.
 - 6.5.2 Compliance with these targets will give rise to an improvement in the Company's performance from a long-term perspective.
 - 6.5.3 The Company aspires to reward its Officers, in a fair and appropriate manner, for their contribution and their achievements, as reflected in the Company's results and in its long-term business development.
 - 6.5.4 The remuneration based on the Company's targets is in keeping with the Company's best interests, the advancement of its business objectives and its work plan, and there are no concerns that the said targets will create an incentive for managers to take unnecessary risks.
- 6.6 Furthermore, in addition to the annual bonus as stated above, the Board of Directors may, subsequent to the Compensation Committee's recommendation, decide that the Company shall pay to any of the Officers, including at the end of a relevant calendar year, but without derogating from the provisions of section 6.8.7 below, a bonus in respect of special projects or special achievements, as arise from their activities and their contribution to the Company, in accordance with the Company's long-term work plan (such as: the achievement of strategic objectives, special issues, special financing agreements or the signing of material agreements for the Company's operations, etc.) (hereinafter: the "**Special Bonus**"). It should be clarified that in addition to the foregoing, the Special Bonus is subject to the rest of the provisions of this Compensation Policy, and, *inter alia*, to the threshold conditions and to the restrictions set forth in section 6.

6.7 **Threshold Conditions for Payment of the Annual Bonus**

Notwithstanding that stated in this section 6 above and below, the annual bonus shall not be distributed to any of the Officers of the Company in any of the events set forth below:

- 6.7.1 In respect of the achievement of a target which is lower than the minimum rate to be determined each year for compliance with each one of the targets (the lower limit).
- 6.7.2 If payment of the bonuses would place the Company in a situation that constitutes cause for immediate payment of any series of bonds that has been or shall be issued by the Company.
- 6.7.3 Upon approval of the bonus plan, if approved, the Compensation Committee and the Board of Directors may determine additional threshold conditions, whether quantitative or otherwise, taking into consideration the Company's targets, its strategy and its situation – whereby upon satisfaction of the said conditions, the annual bonus shall not be distributed to any of the Officers of the Company.

6.8 **Restrictions Regarding the Annual Bonus**

Furthermore, the annual bonus, if determined, shall be subject to the restrictions set forth below:

- 6.8.1 The Officer's entitlement to those parts of the annual bonus attributed to each one of the targets to be determined for the Officers, may be determined (a) on an "absolute" basis, i.e., failure to comply with any target whatsoever shall not entitle the Officer to compensation in respect thereof; or (b) the entitlement may be determined in accordance with the degree of the Officer's compliance with the various targets to be determined for him, relative to the targets as approved in the Company's budget for the relevant year, in a linear manner, so that precise compliance with 100% of a specific target to be defined for the Officer in the relevant year – shall entitle the said Officer to the full amount of the bonus in respect of this target, and partial compliance with the said target (whilst "marking" a lower target) – shall entitle the said Officer to a relative part of the amount of the bonus attributed to this target, all pursuant to the terms and conditions determined in the bonus plan for the said year. In addition, the rate shall be determined out of the bonus to be paid in respect of the achievement of the target at the lower limit and also a ceiling for the amount of the bonus (the higher limit, which constitutes the "excellence" target, beyond the threshold of 100% of the compensation).

6.8.2 The total amount of the annual bonus shall be limited as set forth below:

- (a) **CEO** - shall not exceed four salaries (including the Special Bonus as set forth in section 6.6 above).
- (b) **CFO** - shall not exceed four salaries.

According to the assessment of the Compensation Committee and the Board of Directors, the ceiling for the annual bonus reflects targets which do not create an incentive to take increased risks.

- 6.8.3 The amount of the annual bonuses for all of the Officers of the Company in respect of a particular year, as shall be actually distributed, shall not exceed 0.2% of the Company's income. In the event of a deviation from the threshold determined – *a pari passu* distribution shall be implemented.
- 6.8.4 An annual bonus may be given to Officers who have worked or provided services to the Company for at least 12 (twelve) months prior to the approval of the financial statements for the said year, except in the event that the Officer resigned or was dismissed due to circumstances which negate the entitlement to receive severance pay. Notwithstanding the foregoing, in the event of a new officer who has worked for less than 12 months at the Company, the Board of Directors may, at the recommendation of the Company's CEO, determine his entitlement to a bonus *pro rata* to the said Officer's period of employment at the Company.
- 6.8.5 The grant of an annual bonus to the Officers of the Company is subject to the discretion of the Board of Directors of the Company, which may decide to reduce the amount of the bonus or not to distribute a bonus at all to any of the Officers of the Company, in a particular year, at any time as it shall choose during the said year, including after termination thereof, should the Board of Directors find that there relevant considerations, such as financial or other considerations, which, paying heed to the Company's situation at the said time, justify, in the opinion of the Board of Directors, the reduction or cancellation of the bonuses of the Company's Officers, even if retroactively
- 6.8.6 Any Officer entitled to a bonus based on any financial data whatsoever undertakes to reimburse the Company for any amounts paid to him, if any, based on data which transpired to be erroneous and which were restated in the Company's financial statements. Such an Officer shall sign his consent that the Company may offset the amount due to it from him, from any amount which he is entitled to receive from the Company, subject to the provisions of the law.

- 6.8.7 The annual bonus, if determined, shall be paid to the Officers once a year, after approval of the audited financial statements of the relevant year by the Board of Directors of the Company, and in accordance with the Company's actual results for the said year, and in the event that data needs to be calculated – in accordance with the financial statements of the said relevant year.
- 6.8.8 In special cases, the CEO (or the Board of Directors, in the event of an advance payment to the CEO) may approve the acceleration of payment on account of the bonus due to any Officer, provided that the advance payment shall not exceed two salaries. For the sake of caution it is hereby clarified that if, in the said year, it is determined that the said Officer is not entitled to a bonus or is entitled to a bonus which is lower than the amount of the advance payment, the Company shall demand that the Officer refund the advance payment made as aforesaid.
- 6.8.9 In addition to that stated in this section 6 above, the bonus plan may include additional provisions pursuant to which a mechanism shall be determined for the scheduling or conditioning of part of the payment of the annual bonuses, based on the achievement of a measurable long-term target/ measurable long-term targets during a period of two or three calendar years, and also rules for the calculation of the entitlement to the said multi-annual bonus, at the end of the multi-annual period of measurement. The rules and the conditions for the said multi-annual bonus, if applicable, shall be determined and brought for approval by the Company's competent organs, in accordance with the provisions of the law.

7. **Related Terms and Benefits**

Should an Officer's Terms of Office and Employment include provisions regarding the matters set forth below, they shall be determined in accordance with the relevant considerations and criteria, as enumerated in sections 2, 3 and 4 above, and in accordance with the terms and conditions set forth below:

7.1 **Related Benefits Granted to All The Officers (except for directors)**

- 7.1.1 The Officers employed at the Company are entitled to contributions for managers' insurance, disability insurance and a continuing education fund, in keeping with standard practice at the Company.

- 7.1.2 The Officers employed at the Company are entitled to sick days, vacation days and convalescence days in keeping with standard practice at the Company for senior employees and in accordance with their length of service at the Company, and in any event, not less than that set forth in the law, and not more than 28 vacation days per year of work.
- 7.1.3 The Company may provide any Officer with a car, for the purpose of performing his duties. Should a company car be provided to the Officer, as aforesaid, the Company shall bear the fixed expenses entailed in use, for the maintenance of the car, in keeping with the procedures generally applied at the Company. The Officer shall undertake to bear any fines or tickets in respect of use of the car, if any. The Company may gross up the value of use of the vehicle for tax purposes.
- 7.1.4 Should the Officer's Terms of Office and Employment include a cell phone, the Officer shall be entitled to the reimbursement of cell phone expenses, as per the Company's decision, and in its sole discretion. The Officer shall bear the payment of any tax that may be applicable to him due to use of the cell phone. The Company may gross up the value of use for tax purposes.
- 7.1.5 Should the Officer's Terms of Office and Employment include the reimbursement of expenses, the Officer shall be entitled to the reimbursement of reasonable expenses as incurred by him in the course of performance of his duties, against presentation of receipts, and in accordance with the Company's policy.
- 7.1.6 Should the Officer's Terms of Office and Employment include *per diem* expenses for trips overseas, the Company shall bear the payment of the *per diem* expenses for the Officer during the period of his stay overseas for work purposes, in keeping with the Company's procedures.
- 7.1.7 The Company's Officers may be entitled, in accordance with and subject to their personal terms of employment, to the payment of full severance pay at the time of the termination of the employer – employee relationship for any reason whatsoever, including following resignation, except in the event of dismissal under "grave circumstances" as defined below, or to the payment of severance pay pursuant to the provisions of section 14 of the Severance Pay Law, 5723 – 1963.

7.2 Insurance, Release and Indemnity

The Company has insurance to cover the liability of officers and directors who are serving and/or shall serve at the Company from time to time, including directors who have control, or a relative thereof, and also letters of release from liability and an undertaking to indemnify officers and directors of the Company (who are not controlling shareholders, or a relative thereof).

The terms and conditions of the Company's insurance policy as of the date of approval of this Policy are as set forth below: the policy is in effect up until November 30, 2014; the amount of the coverage per individual claim and in the aggregate is up to an amount of US\$ 10,000,000 per claim and in the aggregate for the insurance period. In addition, reasonable legal costs shall be paid beyond the limit of liability in accordance with the provisions of section 66 of the Insurance Contract Law, 5741 – 1981; the premium for payment for the policy, for the entire insurance period, i.e., 18 months, amounts to approximately US\$ 87,580 throughout the insurance period.

According to the assessment of the Compensation Committee and the Board of Directors, and also in reliance upon the recommendation of the Company's insurance consultants, the terms of engagement in connection with the insurance of the liability of the Company's Officers are upon market conditions, they are appropriate in accordance with the generally accepted standard for the insurance of Israeli companies traded on the Tel Aviv Stock Exchange Ltd. and Nasdaq, and they are not likely to be materially affected by the Company's profits, property or liabilities.

The Compensation Committee may approve, from time to time, and as long as this Compensation Policy remains in full force and effect, the Company's engagement in an insurance policy to cover the liability of its officers and directors, who are serving or shall serve at the Company or at the subsidiaries of the Company from time to time, provided that the total annual coverage under the policy for a particular year shall not exceed an amount representing a deviation of 15% each year, as compared to the amount of the total annual coverage under the policy for the previous year, and the total annual premium to be paid by the Company for the policy for a particular year shall not exceed an amount representing a 35% increase over the total premium paid by the Company under the policy in the previous year. The letters of indemnity undertaking are consistent with the provisions of the Company's Articles, and they are in an identical form and upon identical conditions for all of the Officers, including directors who have control, or a relative thereof, except as regards the release from liability in respect of a breach of the duty of care, as approved at the general meeting of the shareholders of the Company, which was held on December 15, 2011.

In accordance with the provisions of the Company's Articles, the maximum amount of indemnity for all of the Officers shall not exceed US\$ 10 million.

8. **Terms of Termination of Office**

- 8.1 An Officer shall be entitled to advance notice at the time of termination of employment, as shall be determined in the employment agreement or in the agreement for the provision of services between the Company and the Officer, in accordance with that set forth below (in such a manner that shall not be less than the minimum required by law):

Position	Maximum Period
CEO	Up to 6 months
CFO	Up to 4 months

- 8.2 The advance notice period shall be determined in accordance with the relevant considerations and criteria, as enumerated in sections 2, 3 and 4 above, and it shall be approved by the Company's competent organs, in accordance with the provisions of the law.
- 8.3 The Officers employed at the Company may be entitled to receive the full benefits pursuant to the employment agreement or the redemption thereof, as if they had continued to be employed at the Company, even if the advance notice period (or part thereof) is redeemed.
- 8.4 During the advance notice period, the Officer is required to continue to perform his duties at the Company (as per the Company's decision).

8.5 **Termination Bonus**

- 8.5.1 In addition to the foregoing, it is proposed to determine that the Company may approve for the CEO/CFO a termination bonus/ an adjustment bonus in an amount of up to 6 salaries and of up to 3 salaries (respectively), in the event of dismissal by the Company (except in the event of dismissal under grave circumstances) or in the event of resignation, respectively. The amount of the termination bonus shall be solely the amount of the component of the Officer's monthly salary (exclusive of related benefits, bonus, etc.), multiplied by the number of months granted to the said Officer. This bonus is similar to the situation that exists at present.

8.5.2 The termination bonuses shall be brought for the approval of the competent organs at the Company, in accordance with the provisions of the law, prior to the execution of the employment agreement or the agreement for the provision of services, and the bonuses shall be determined in accordance with the relevant considerations and criteria, as enumerated in sections 2, 3 and 4 above, and subject to the Officer's compliance with all of the following terms and conditions:

8.5.2.1 He was employed at the Company or he provided services to the Company for at least three years.

8.5.2.2 During the period of his employment, he made a significant contribution to the advancement of the Company's business and the maximization of its profits.

8.5.2.3 The circumstances of the termination of the Officer's employment do not justify the negation of severance pay.

9. **Commercial Protections**

The employment agreements and the agreements for the provision of services by the Officers shall contain provisions whose purpose is to protect the Company's intellectual property rights and also confidentiality and non-competition stipulations, and the wording thereof shall be adjusted to suit the relevant Officer, in accordance with the sensitivity of his position and his importance to the Company.

10. **Additional General Terms and Conditions**

10.1 The Officers who are subject to the Compensation Policy may be employees of the Company or independent contractors who provide services to the Company. In the event that the Officer provides services to the Company as an independent contractor, the provisions of the Compensation Policy shall apply to him *mutatis mutandis*, the compensation for the said Officer shall be paid against an invoice, and the compensation components shall be normalized, so that from a total economic point of view, they shall be consistent with that stated in this Policy, provided that this shall not be detrimental to the Company's best interests, its situation or its plans.

10.2 The provisions of this Compensation Policy shall not derogate from any provision which exists and/or provision which shall be determined in any law (including, without derogating from the generality of the foregoing, the provisions of the Companies Law and/or the regulations and/or orders pursuant thereto), and any concession and/or exemption and/or additional exercise of discretion to any of the Company's organs as shall be determined in any such statutory provision, including after the approval of this Policy, shall apply to the Company and shall be deemed to form part of this Compensation Policy, after the Compensation Committee or the Board of Directors shall resolve to add them, in whole or in part, to this Policy – without it requiring the approval of the Company's shareholders' meeting.

10.3 In addition to any authority under this policy the Compensation Committee and the Board of Directors may approve a deviation of up to 5% per calendar year from any ceiling, restriction or any other provision set forth in this policy document, and such a deviation shall be deemed to be in compliance with the Compensation Policy.

11. **Validity**

The Compensation Policy shall be in full force and effect for three years from the date of approval thereof by the general meeting as aforesaid, in accordance with the provisions of section 267a (d) of the Law.

Notwithstanding the foregoing, the Board of Directors of the Company shall examine from time to time, and at the latest, each year, the Compensation Policy and also its consistency with the provisions of the law, insofar as any material change shall take place in the circumstances which existed at the time of determination hereof or for other reasons. Subject to that stated in section 10.2 above, changes to the Compensation Policy, if any, shall be approved in accordance with the provisions of the law.

In addition, the Compensation Committee shall examine the application of the Compensation Policy, from time to time; and should the Committee so deem fit, it shall recommend that the Board of Directors update the Compensation Policy.

מדיניות תגמול לנושאי משרה

אינטרנט גולד-קווי זהב בע"מ

תוכן עניינים
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1. רקע כללי

1.1. מדיניות תגמול זו (להלן: "**מדיניות התגמול**"), כהגדרתה בחוק החברות, התשנ"ט-1999 (להלן: "**חוק החברות**" או "**החוק**") הינה מדיניות לעניין תנאי כהונה והעסקה של נושאי משרה באינטרנט גולד - קווי זהב בע"מ (להלן: "**החברה**"). "**נושאי משרה**" ו- "**תנאי כהונה והעסקה**" - כהגדרת מונח זה בחוק מעת לעת.

1.2. מדיניות התגמול לוקחת בחשבון את מאפייניה של החברה, האסטרטגיה העסקית שלה ויעדיה, מאפייני תחום הפעילות ומדיניות החברה לדאוג לגיוס ולשימור נושאי משרה איכותיים בה.

1.3. הליך אישור מדיניות התגמול: בשיבותיה מתאריכים 10 במרץ 2013, 5 באוגוסט 2013 ו- 15 בספטמבר 2013, דנה ועדת התגמול בהצעה למדיניות התגמול שגובשה על ידי הנהלת החברה, בסיוע גורמים מקצועיים, ולאחר דיונים במהלכם העירו חברות הועדה הערות, שאלו שאלות וקיבלו תשובות מהנהלת החברה בנושאים שונים הכלולים במדיניות התגמול, המליצה ועדת התגמול לדירקטוריון החברה לאשרה. בישיבתו מיום 30 בספטמבר 2013 אישר דירקטוריון החברה את מדיניות התגמול, לאחר ששקל את המלצות ועדת התגמול.

1.4. יובהר, כי הכללים הקבועים במדיניות זו מהווים רף עליון לתנאי הכהונה וההעסקה של נושאי המשרה. יודגש, כי החברה אינה מחויבת להעניק לנושאי המשרה את כל המרכיבים המפורטים במדיניות זו, ואינה מחויבת להעניק את השיעור המקסימאלי באיזה ממרכיבי תנאי הכהונה וההעסקה הקבועים במדיניות. אין באמור במדיניות זו כדי ליצור זכות לנושא משרה כלשהו בחברה וזכויותיו של כל נושא משרה יהיו אלה שבהסכם ההעסקה שיחול בינו לבין החברה.

2. מטרות מדיניות התגמול

2.1. החברה רואה חשיבות רבה בבניית מדיניות תגמול נכונה וראויה לנושאי המשרה בחברה, בין היתר, על ידי יצירת תמריצים ראויים לנושאי המשרה בחברה, קידום מטרות החברה, תכניות העבודה שלה ומדיניותה, לטווח הקצר והארוך, בהתחשב, בין השאר, בתחומי האחריות של נושאי המשרה וכן לסיכונים החלים על פעילות החברה.

2.2. דגשים באשר לפעילות החברה

החברה רואה חשיבות יתרה בשימור נושאי המשרה בה. נכון למועד זה, לחברה שני נושאי משרה בלבד, אשר פעילותם טעונה מומחיות, יציבות מקצועית, ידע רב, ניסיון רב בעבודה מול ממשקי הקבוצה, וכיו"ב. מעבר לכך, פעילות נושאי המשרה בחברה טעונה ניהול ממשק עבודה יציב, יעיל ופורה מול קבוצת "בזק" (המהווה את נכס הבסיס של החברה ומוחזקת על ידי חברת הבת של החברה) הן ברמת הממשקים הרבים הקיימים במישור מערכי הכספים של הקבוצה והן ברמת ממשקי הניהול השונים בין החברה לבין קבוצת "בזק". פעילות זו טעונה יציבות ושימור לאורך זמן. מעבר לכך, פעילותה של החברה, כרוכה בליווי תהליכי הנפקות וגיוסי הון/חוב, ליווי תהליכי שונים מול שוק ההון, ליווי תהליכי מימון מורכבים, וכן ליווי שוטף יום-יומי של ניהול פעילות הקבוצה אל מול גורמי מימון וממשקי שוק ההון של החברה, המצריכים מיומנות, ניסיון רב וידע הנצברים לאורך שנים. לאור כך רואה החברה חשיבות יתרה ודגש חיוני על שימור נושאי המשרה בה.

יצוין כי לאור מהותן ופעילותן המקבילה של בי קומיוניקיישנס בע"מ ("**ביקום**"), חברת הבת של החברה, ושל החברה כשלעצמה, המנהלות ממשקי פעילות מקבילים ודומים רבים, הן ברמת הניהול הכספי, הניהול הפיננסי, פעילות שוק ההון, מטה וכיו"ב, אזי פעילות נושאי המשרה בחברה נחלקת באופן שווה בין ביקום לבין החברה, הן בהתייחס למישור חלוקת הזמן והמשאבים והן במישור חלוקת שכר נושאי המשרה. מעצם כך, שכר נושאי המשרה הנו נמוך לרוב באופן ממוצע. כמו כן, היקף המשרה של נושאי המשרה נחלק באופן שווה בין החברה וביקום, ולפיכך נתוני התגמול המובאים במדיניות זו, משקפים את חלוקה זו, ומייצרים חיסכון משמעותי בעלויות שתי החברות.

2.3. החברה קבעה את מדיניות התגמול לנושאי המשרה בשים לב למטרות הבאות:

2.3.1. הגברת תחושת ההזדהות של נושאי המשרה עם החברה ועם פעילותה.

2.3.2. העלאת שביעות הרצון והמוטיבציה של נושאי המשרה לצורך קידום עסקיה של החברה ושיפור יכולותיה הפיננסיות של החברה.

2.3.3. שימור נושאי משרה איכותיים בחברה לטווח ארוך.

2.4. כמו כן, מדיניות התגמול נועדה ליצור מסגרת כללית אחידה וברורה לקביעת תכנית תגמול אישית לכל אחד מנושאי המשרה, על בסיס עקרונות משותפים ותוך התאמה לניסיונו של נושא המשרה, מאפייני התפקיד שלו ואופן ביצוע התפקיד על ידו.

3. השיקולים המנחים בקביעת מדיניות התגמול

3.1. בהתאם להוראות סעיף 267ב(א) לחוק החברות, אלו הם השיקולים אשר הנחו את החברה בקביעת

מדיניות התגמול:

- 3.1.1. קידום מטרות החברה, תכנית העבודה שלה ומדיניותיה בראייה ארוכת טווח.
- 3.1.2. יצירת תמריצים ראויים לנושאי המשרה בחברה, בהתחשב, בין השאר, במדיניות ניהול הסיכונים של החברה.
- 3.1.3. רמת האחריות הגבוהה הנדרשת מנושאי המשרה מול רשויות הדיווח בארץ ובארצות הברית.
- 3.1.4. גודל החברה, רווחיותה ואופי פעילותה.
- 3.1.5. לעניין תנאי כהונה והעסקה הכוללים רכיבים משתנים - תרומתו של נושא המשרה להשגת יעדי החברה ולהשאת רווחיה, והכל בראייה ארוכת טווח ובהתאם לתפקידו של נושא המשרה.
- 3.2. בנוסף, בעת קביעת תנאי התגמול לנושאי המשרה, יהיו ועדת התגמול והדירקטוריון רשאים לקבוע קריטריונים נוספים רלוונטיים מעבר לשיקולים המנחים המפורטים לעיל וכן להתייחס לנתונים נוספים מעבר לנתונים המפורטים להלן, בהתחשב בטובת החברה, מצבה ותכניותיה.

4. עיקרי מדיניות התגמול

4.1. רכיבי התגמול

התגמול הכולל של נושאי המשרה בחברה מורכב ממספר רכיבים (כולם או חלק מהם):¹

- 4.1.1. שכר חודשי קבוע (לפירוט ראו סעיף 5 להלן).
- 4.1.2. תנאים נלווים - כגון ביטוח אחריות נושאי משרה, שיפוי ופטור מאחריות (לפירוט ראו סעיף 7.2 להלן); הטבות סוציאליות שונות (פרט לדירקטורים) כגון הפרשות לביטוח מנהלים ולקרן השתלמות; ימי מחלה, ימי חופשה וימי הבראה, רכב צמוד או החזר הוצאות אחזקת רכב (לפירוט ראו סעיף 7 להלן).
- 4.1.3. תגמול משתנה:

1. מרכיבי "Retention" - קרי, תשלום מענק המותנה בוותק והישארות בחברה למשך תקופה שנקבעה.

יובהר כי לאור אופיה הייחודי של פעילות החברה, נקבע כי מדיניות התגמול תכלול שילוב תגמולי שימור ארוכי טווח אשר מטרתם במתן תמריץ לנושאי המשרה לשמר את פעילותם ואיכות עבודתם בחברה (כדוגמת תוכניות ה-Retention).

מן הראוי לציין כי תוצאותיה של החברה כחברת אחזקות, נגזרות בעיקר מתוצאות קבוצת "בזק" ולפיכך, קיים קושי מובנה בהטלת קשר ישיר בין תוצאותיה הכספיות של החברה לתגמול נושאי המשרה. מאידך גיסא: עבודת נושאי המשרה בחברה מאומצת, דורשת מומחיות וניסיון נרכש רב, וכן כרוכה באתגרים משמעותיים ביותר, המצריכים, לדעת הנהלת החברה, גיבוש הסכמי העסקה יציבים, תוך מאפייני שימור ארוכי טווח.

יתר על כן, פעילותם המקצועית של נושאי המשרה בחברה מאופיינת, בחלקה הניכר, בשימור יציבותה של החברה, תוך קיום ממשקי עבודה יציבים שונים מול גורמי מימון, משקיעים מוסדיים וכיו"ב. פעילות זו, מעצם טיבה, דורשת מן החברה לפעול לשם שימור נושאי המשרה בה, בין היתר, לצורך חיזוק ממשקי העבודה כאמור על בסיס יציב ותקין.

2. כמו כן, החברה תהיה רשאית לקבוע היקף מסוים של מענקים על בסיס שנתי - מענקים המותנים בהשגת יעדים ספציפיים ברמת החברה בהתבסס על אסטרטגיית החברה כפי שבאה לידי ביטוי בתקציב החברה ו/או מענקים המותנים בהשגת יעדים אישיים המוגדרים לכל נושא משרה בהתאם לתפקידו ותרומתו לחברה ובהתאם לאסטרטגיית החברה ויעדיה (לפירוט ראו סעיף 6 להלן).

4.2. הנתונים שייבחנו

בבואם לבחון ולאשר תנאי כהונה והעסקה של נושא משרה, ועל פי העניין, יתייחסו ועדת התגמול והדירקטוריון לעניינים הבאים:

4.2.1. כלל מרכיבי התגמול, לרבות שכר חודשי, תנאים נלווים, מענקי פרישה (מענק, תשלום, גמול, פיצוי או כל הטבה אחרת הניתנים לנושא המשרה בזיקה לסיום תפקידו בחברה, לרבות תקופת הודעה מוקדמת), וכן כל הטבה, תשלום או התחייבות לתשלום או מתן הטבה כאמור, ככל שישנם, הניתנים בשל כהונה או העסקה כאמור.

¹ יצוין כי לאור מהותן ופעילותן המקבילה של ביקום, ושל החברה, המנהלות ממשקי פעילות מקבילים ודומים רבים, הן ברמת הניהול הכספי, הניהול הפיננסי, פעילות שוק ההון, מטה וכיו"ב, אזי פעילות נושאי המשרה בחברה נחלקת באופן שווה בין ביקום לבין החברה, הן בהתייחס למישור חלוקת הזמן והמשאבים והן במישור חלוקת שכר נושאי המשרה. מעצם כך, שכר נושאי המשרה הנו נמוך לרוב באופן ממוצע. כמו כן, היקף המשרה של נושאי המשרה נחלק באופן שווה בין החברה וביקום, ולפיכך נתוני התגמול המובאים במדיניות זו, משקפים את חלוקה זו.

- 4.2.2. שווייה הכלכלי של חבילת התגמול כולה, על כל מרכיביה, תוך התייחסות לתוצאות העסקיות של החברה, וככל שחבילת התגמול מבוססת על יעדים, בחינתם של יעדים אלה.
- 4.2.3. מרכיבי התגמול יהיו מאתגרים, אך לא יעודדו נטילת סיכונים מעבר לטווח הסיכון שהחברה חפצה בו ולא יהיה בהם כדי לגרום לנושא המשרה לפעול בניגוד עניינים לחברה.
- 4.2.4. בכדי להבטיח הלימה בין כלל מרכיבי התגמול המפורטים במדיניות, יוצגו לאורגנים של החברה, בבואם לדון באישור כל אחד מרכיבי התגמול של נושא משרה בחברה, כלל מרכיבי חבילת התגמול של נושא המשרה. בנוסף, טווחי השכר ויתר תנאי הכהונה וההעסקה של נושאי המשרה בחברה ייקבעו, בין היתר, בהתאם לנתוני השוואה ביחס לנושאי משרה בחברות בעלות מאפיינים דומים לאלה של החברה, כמפורט להלן וככל שניתן ("נתוני השוואה לחברות דומות"). נתוני ההשוואה לחברות דומות יתייחסו לכלל רכיבי תנאי הכהונה וההעסקה, או לחלק מהם, לפי העניין, וזאת ככל שהדבר ניתן והמידע זמין. נתוני ההשוואה לחברות דומות יערכו בידי החברה באופן פנימי או באמצעות יועץ חיצוני לחברה, לפי שיקול דעת ועדת התגמול, בהתאם למתודולוגיה ראויה וסבירה להערכת החברה. כמו כן, נתוני ההשוואה לחברות דומות יערכו הן ביחס לשכר הבסיס בנפרד, והן ביחס לתגמול הכולל, ככל שרלוונטי וככל שקיים מידע כאמור.
- 4.2.5. ככל הניתן, ההשוואה תיעשה ביחס לתגמול הניתן לנושא משרה בתפקיד דומה בלפחות 3 חברות ציבוריות ו/או חברות פרטיות, שמתאימות לפחות לשני מאפיינים מתוך המאפיינים שלהלן:
- (א) סך הנכסים שלהן דומה לסך הנכסים של החברה.
- (ב) שווי השוק שלהן דומה לשווי השוק של החברה.
- (ג) היקפי החוב המנוהל שלהן דומים להיקפי החוב המנוהל של החברה.
- (ד) החברות מחויבות ברמת דיווח של חברות דואליות ברמת הפירוט ובהיבט האחריות, משמע כפופות SEC.
- 4.2.6. השכלה, כישורים, מומחיות, ניסיון מקצועי ופועלו ותרומתו של נושא המשרה להשגת יעדי העסקיים של החברה ועמידתה בתכניות העבודה (בתפקיד קיים או קודם), על רקע נתונים ביחס לתוצאות פעילותה של החברה בהיבטים שונים הקשורים לתחומי אחריותו של נושא המשרה ותנאי השוק הקיימים במועד הבחינה ועובר לה.
- 4.2.7. תפקידו של נושא המשרה, תחומי אחריותו והסכמי שכר קודמים שנחתמו עמו. כמו כן, ככל שרלוונטי, יובאו נתוני השוואה ביחס לנושאי משרה קודמים או קיימים בחברה באותו תפקיד או בתפקידים דומים, ביחס לכלל רכיבי תנאי הכהונה וההעסקה. כמו כן, ככל שרלוונטי, יובאו בחשבון שינויים מהותיים שחלו, ככל שחלו, בסמכויותיו ותחומי אחריותו במהלך השנה.
- 4.2.8. היחס שבין תנאי כהונה וההעסקה של נושאי המשרה לשכר² של שאר עובדי החברה, ובפרט היחס לשכר הממוצע ולשכר החציוני של עובדים כאמור והשפעת הפערים בין נתוני השכר האמורים על יחסי העבודה בחברה. ועדת התגמול והדירקטוריון יבחנו את היחס שבין תנאי הכהונה וההעסקה של כל נושא משרה לשכר של שאר עובדי החברה ויציינו האם לדעתם מדובר ביחס ראוי וסביר בהתחשב, בין היתר, באופיה של החברה, גודלה, תמהיל כוח האדם המועסק בה ותחום העיסוק שלה והאם אין ביחסים אלה כדי להביא לפגיעה ביחסי העבודה בחברה.
- 4.2.9. נכון למועד אישור מדיניות תגמול זו, היחס הקיים בין שכר הבסיס של נושאי המשרה השונים בחברה לבין השכר הממוצע והחציוני של שאר עובדי החברה והיחס בין תנאי הכהונה וההעסקה (עלות שכר, כולל מענקים) של כל אחד מנושאי המשרה לעלות השכר הממוצע והשכר החציוני של שאר עובדי החברה, הינו כדלקמן:

תפקיד	יחס שכר בסיס לממוצע שכר	יחס שכר בסיס לשכר חציוני	יחס עלות שכר לממוצע עלות שכר	יחס עלות שכר לעלות שכר חציוני
מנכ"ל החברה	1:3	1:4	1:3	1:4
מנהל כספים	1:2	1:2	1:2	1:2

לצורך קביעת היחסים דלעיל, שכר המנכ"ל ומנהל הכספים נלקחו בחשבון (בנוסף אליהם בחברה מועסקים 3 עובדים נוספים).

להערכת ועדת התגמול והדירקטוריון, היחסים הנ"ל ראויים וסבירים בהתחשב במאפייני החברה ואין בהם כדי להביא לפגיעה ביחסי העבודה בחברה, במיוחד לאור העובדה כי בחברה מועסקים חמישה עובדים בלבד כולל שני נושאי המשרה, כאשר תפקידם של שלושת העובדים האחרים הינו זוטרי יחסית משמעותית לתפקיד נושאי המשרה.

² "שכר" - כהגדרת מונח זה בחוק החברות מעת לעת; למועד זה - ההכנסה שבעדה משולמים דמי ביטוח לאומי לפי פרק ט"ו לחוק הביטוח הלאומי [נוסח משולב], התשנ"ה-1995.

ככל והחברה תחרוג מהיחס (כלפי מעלה) בהיקף העולה על 30% מן הפערים המתוארים לעיל, אזי יובא הדבר לדיון מחודש בועדת התגמול והדירקטוריון, ואלו יבחנו האם נדרשים שינויים בשל כך והחברה תיתן על כך גילוי ככל שהסטייה תהיה מהותית. סטייה בגבולות אלו, הוגדרו על ידי אורגני החברה כסבירה.

4.2.10. היחס בין הרכיבים המשתנים לבין הרכיבים הקבועים אשר יינתנו לנושא המשרה, יקבע בכל מקרה באופן שלא יעודד נטילת סיכונים בלתי סבירים.

היחס הרצוי בין הרכיבים המשתנים לבין הרכיבים הקבועים של נושאי המשרה השונים בחברה לשנה נתונה יהא כדלקמן:

<u>תפקיד</u>	<u>רכיבים קבועים (כולל תנאים נלווים) (%)</u>	<u>רכיבים משתנים (מענקים ותשלומים על בסיס יעדי שימור) (%)</u>
מנכ"ל החברה	65%-100%	0%-35%
מנהל כספים	78%-100%	0%-22%

יודגש, כי הכוונה היא ליחס המתוכנן בלבד, בהנחה של קבלת מענק המטרה כאמור במדיניות זו. היחס בפועל בשנה נתונה בין מרכיבי חבילת התגמול עשוי להיות שונה בשל תת ביצועים או בשל ביצועים עודפים אשר יכולים להשפיע על התגמול המשתנה כאמור במדיניות זו. כמו כן, יובהר כי לאור אופי פעילותה הייחודי של החברה, וחשיבות שימור ממשקי העבודה הקבועים הרבים בה, רואה החברה, באופן עקרוני, חשיבות בחיזוק רכיבי התגמול הקבועים של נושאי המשרה בה, ובהתאם, נקבעו היחסים האמורים לעיל כחלק ממכלול השיקולים הכולל.

ככל והחברה תחרוג מהיחס בהיקף העולה על 30% מן הפערים המתוארים לעיל, אזי יובא הדבר לדיון מחודש בועדת התגמול והדירקטוריון, ואלו יבחנו האם נדרשים שינויים בשל כך והחברה תיתן על כך גילוי ככל שהסטייה תהיה מהותית. סטייה בגבולות אלו, הוגדרו על ידי אורגני החברה כסבירה.

5. רכיב שכר

השכר לו זכאי נושא המשרה הינו רכיב קבוע אשר יקבע, ככל שניתן, עד למועד תחילת כהונתו בתפקיד הרלבנטי בחברה ויעודכן מעת לעת בהתאם למדיניות התגמול.

5.1. שכר מנכ"ל ונושאי משרה (שאינם דירקטורים)

5.1.1. גובה שכרם של מנכ"ל החברה ונושאי המשרה האחרים יקבע בהתאם לשיקולים ולקריטריונים הרלוונטיים המנויים בסעיפים 2-4 לעיל ויואשר על ידי האורגנים המוסמכים בחברה, בהתאם להוראות הדין.

5.1.2. על סמך השיקולים והקריטריונים הרלוונטיים המנויים בסעיפים 2-4 לעיל, נקבעו רמות שכר הבסיס החודשי לנושאי המשרה בחברה, כמפורט להלן¹:

<u>תפקיד</u>	<u>מקסימום (בש"ח) (ברוטו) לחודש, ובהנחה של שימור היקפי המשרה וחלוקות המשרה נכון למועד זה (לא שיעורי עלות, אלא ברוטו)³</u>	<u>מקסימום (בש"ח) (ברוטו) בהנחה של היקף משרה מלאה (לא שיעורי עלות, אלא ברוטו)</u>
מנכ"ל החברה	60,000	120,000
מנהל כספים	20,000	40,000

טווחים אלו ייבחנו על ידי ועדת התגמול והדירקטוריון במסגרת הבחינה השנתית של מדיניות התגמול בהתאם לסעיף 11 להלן ויעודכנו במידת הצורך, בין היתר, למול נתוני ההשוואה לחברות דומות ולמול מצבה העסקי של החברה וכוח האדם המועסק בה או בהתאם לשיקולים אחרים.

כל חריגה מעל לטווחים המפורטים לעיל תובא לאישור האורגנים המוסמכים בחברה, בהתאם להוראות הדין.

³ כפי שתואר לעיל, נכון למועד זה נחלקת משרתו של מנהל הכספים של החברה בין חברת הבת של החברה, בי קומיוניקיישנס לבין החברה בהיקף זהה (50% משרה לכל חברה). כמו כן, נכון למועד זה נחלקת משרתו של מנכ"ל החברה בין בי קומיוניקיישנס לבין החברה (בהיקף של 33% משרה לכל חברה, כאשר מנכ"ל החברה מכהן גם כנושא משרה בחברת יורקום-תקשורת בע"מ).

5.2. שכר דירקטורים

5.2.1. לדירקטורים בחברה (החיצוניים והאחרים), ישולם גמול שנתי, גמול השתתפות והחזר הוצאות בהתאם להוראות שנקבעו בתקנות החברות (כללים בדבר גמול והוצאות לדירקטור חיצוני), התש"ס-2000 (להלן: "תקנות הגמול"), בהתאם לדרגה שבה מסווגת החברה על פי התקנות האמורות. השכר שייקבע לא יעלה על הגמול המרבי המותר בתקנות הגמול⁴.

5.2.2. על אף האמור לעיל, לא יראו כחריגה ממדיניות זו ויתור של דירקטור (שאינו דירקטור חיצוני) על הגמול המגיע לו על פי תקנות הגמול⁵.

6. מענק משתנה⁶

תגמול משתנה, שימור:

6.1. לאור אופי פעילותה הייחודי של החברה וחשיבות שימור נושאי המשרה בה, דירקטוריון החברה וועדת התגמול של החברה רשאים לקבוע לנושאי המשרה בה מענקי הישארות, "Retention" בגובה סכום כולל של עד: א. 1,000,000 ש"ח למנכ"ל החברה אשר יצטברו באופן מדורג לאורך תקופה של עד 5 שנים; ב. 100,000 ש"ח למנהל הכספים של החברה אשר יצטברו באופן מדורג לאורך תקופה של עד 5 שנים. הכל לאור הנימוקים אשר פורטו לעיל. יובהר כי בכל מקרה, לא יחולו מספר תוכניות "שימור" מקבילות לאותו נושא משרה.

מענק שנתי ייעודי:

יובהר כי סעיפים 6.2-6.8 המתייחסים למענק שנתי, הנם מעבר לתגמול השימור ובנוסף לו.

6.2. על מנת ליצור קורלציה בין התגמול המשתנה של נושאי המשרה לבין תוצאות החברה וביצועיה בראייה ארוכת טווח, בהתחשב בטובת החברה, מצבה ותכניותיה, יכול שתיקבע תכנית למענק שנתי לנושאי המשרה בחברה (למעט הדירקטורים). המענק השנתי יותנה בעמידה ביעדים שייקבעו על ידי הדירקטוריון, לאחר המלצת ועדת התגמול, על פי תכנית מענקים אשר תובא מדי שנה או על בסיס רב שנתי לאישור ועדת התגמול והדירקטוריון. תכנית המענקים תיקבע, אם וככל שתיקבע, בהתאם לאמור במדיניות תגמול זו, ובכלל זה לתנאי סף ולהגבלות המפורטים להלן, ובהתאם לשיקולים ולקריטריונים הרלוונטיים המנויים בסעיפים 2-42 לעיל.

6.3. ככל שתיקבע תכנית למענק שנתי, יהיו נושאי המשרה בחברה (נכון להיום, המנכ"ל ומנהל הכספים) זכאים למענק שנתי על בסיס יעדים כמותיים הניתנים למדידה, המותנים בהשגת יעדיה העסקיים ומטרותיה של החברה בראייה ארוכת טווח. היעדים יכללו, בין היתר, רכיבים כדלקמן:

6.3.1. יעדים כמותיים ברמת החברה.

6.3.2. יעדים אישיים הניתנים למדידה, שיקבעו לכל נושא משרה באופן אישי, בהתאם לתפקידו ולמידת תרומתו של נושא המשרה לעסקי החברה ובהתאם לתכנית העבודה ואסטרטגיית החברה ובראייה ארוכת טווח

6.3.3. החלוקה הפנימית בין משקלם היחסי של האומדנים הכמותיים מבוססי יעדי חברה ליעדים הכמותיים האישיים תותאם לכל נושא משרה בנפרד, בהתאם למאפייני תפקידו, תחומי אחריותו ומידת ההשפעה שלו על השגת יעדי החברה ורווחיה. לכל יעד ייקבע משקל יחסי ברכיב המענק המשתנה.

6.3.4. הערכת ביצועים על ידי דירקטוריון החברה, אשר תתייחס, בין השאר, לתרומתו ולביצועיו של נושא המשרה וכן לקריטריונים שאינם ניתנים לכימות אובייקטיבי. המדדים האיכותיים (הערכת הדירקטוריון) יהיו 25% לכל היותר מבסיס המענק השנתי אשר להערכת ועדת התגמול והדירקטוריון מהווה חלק לא מהותי ביחס לכלל המרכיבים המשתנים המוענקים לנושאי המשרה.

להלן מספר דוגמאות עקרוניות ליעדים המפורטים לעיל (מבלי לגרוע מזכותו של הדירקטוריון לקבוע יעדים נוספים, בהתאם לקריטריונים האמורים במדיניות זו):

א. יעד קיטון בהוצאות המימון של החברה כאחוז מהחוב הפיננסי של החברה (שיעור מימון אפקטיבי), בשנה בה תבוצע המדידה. הוצאות מימון, קרי: סך הוצאות המימון המלאות של החברה, נטו. החישוב יכלול את כל עלויות המימון המלאות ובניכוי הכנסות מימון והכנסות מניירות ערך. חוב פיננסי: יתרת ברוטו ממוצעת של החוב הפיננסי המלא של החברה. על אף האמור, הוצאות מימון תהיינה על בסיס ריאלי - קרי מנוטרל השפעות מדד;

ב. יעד קיטון בחוב הפיננסי נטו של החברה, ביחס לתקציב החברה בשנה הרלוונטית לגביה בוצעה המדידה. יעד זה הנו נגזרת של תזרים המזומנים נטו של החברה בצירוף דיבידנדים המתקבלים בחברה - ובניכוי הוצאות מימון, הוצאות שוטפות וכיו"ב.

⁴ למועד זה, החברה משלמת לשתי הדירקטוריות החיצוניות ולדירקטורית נוספת בחברה (בלתי קשורה) גמול שנתי וגמול השתתפות בהתאם ל- "סכום הקבוע" בתקנות הגמול, בהתאם לדרגתה של החברה.

⁵ למועד זה, יתר הדירקטורים בחברה אינם מקבלים שכר בגין כהונתם כדירקטורים, אולם החברה תהא רשאית לאשר שכר כאמור בהתאם להוראות הדין ומדיניות תגמול זו.

⁶ לנושאי משרה שאינם דירקטורים. תוצאות החברה יהיו על פי הדוחות הכספיים המבוקרים של החברה.

- ג. יעד רווח נקי של החברה בשנה בה תבוצע המדידה. מדידת יעד זה תבוצע על פי הרווח הנקי בדוחותיה הכספיים המאוחדים של החברה.
- ד. שיפור ברמת הדירוג של החברה; דירוג החברות/החוב, חיוני לכל משקיעי החברות, הן בעלי המניות והן מחזיקי אגרות חוב, לצורך מדידת חוסנה של החברה, גמישותה הפיננסית והצפי הכלכלי לגביה בטווח הזמן הארוך. הדירוג מתבסס בדרך כלל בחלק מהותי ממנו, לא מעט על פעולות המבוצעות של ידי מנהלי החברה באופן ישיר. חברות הדירוג בוחנות את אופן ניהול החוב של החברה, גמישותה הפיננסית, יכולתה לבצע שינויים מטיבים בתחום המימון, יכולתה למחזר חוב וכיו"ב. כל הפעולות הללו הן פעולות המבוצעות על ידי החברה ובאופן ישיר על ידי מנהלי החברה.
- ה. עמידה בלוחות זמנים להגשת דיווחים, דוחות כספיים, הצלחה בביקורת שנתית הנערכת על חברות מסוגה של החברה על ידי ה- SEC. הצלחה בביקורות תקופתיות הנערכות על ידי הרגולטור כאמור הנו מדד חשוב לדעת אורגני החברה.
- יעדים אלה ייקבעו בהתבסס על אסטרטגיית החברה כפי שבאה לידי ביטוי בתקציב השנתי שלה כפי שייקבע ויאושר מדי שנה על ידי דירקטוריון החברה (להלן: "**התקציב השנתי**"), ויהיו מותאמים לביצועי החברה במהלך השנה עבורה משולם המענק.
- 6.4. הדירקטוריון יקבע את נוסח היעדים מראש, תוך קביעת רכיביהם השונים.
- 6.5. יעדי החברה האמורים ייקבעו בשים לב לעקרונות הבאים:
- 6.5.1. עמידה ביעדים אלה מתמרצת השגת מטרותיה, יעדיה ותכניותיה העסקיות והאסטרטגיות של החברה והגדלת רווחיה העתידיים.
- 6.5.2. עמידה ביעדים אלו תביא לשיפור ביצועי החברה בראייה ארוכת טווח.
- 6.5.3. החברה שואפת לתגמל את נושאי המשרה בה באופן ראוי והוגן עבור תרומתם והישגיהם, הבאים לידי ביטוי בתוצאות החברה והתפתחות עסקיה לטווח הארוך.
- 6.5.4. התגמול המבוסס על יעדי החברה עולה בקנה אחד עם טובת החברה, קידום מטרותיה העסקיות ותכנית העבודה שלה, ואין חשש כי היעדים האמורים ייצרו תמריץ למנהלים לנטילת סיכונים מיותרים.
- 6.6. כמו כן, בנוסף למענק השנתי כמפורט לעיל, רשאי הדירקטוריון, לאחר המלצת ועדת התגמול, להחליט כי החברה תשלם למי מבין נושאי המשרה לרבות בסיום שנה קלנדארית רלבנטית, אך מבלי לגרוע מהוראות סעיף 6.8.6 להלן, מענק בגין פרויקטים מיוחדים או הישגים מיוחדים, הנובעים מפעילותם ותרומתם לחברה, בהתאם לתכנית העבודה של החברה לטווח הארוך (כדוגמת: השגת יעדים אסטרטגיים, הנפקות מיוחדות, הסכמי מימון מיוחדים או חתימה על הסמכים מהותיים לפעילות החברה וכיו"ב) (להלן: "**מענק המיוחד**"). יובהר, כי מלבד האמור לעיל, המענק המיוחד כפוף לשאר הוראות מדיניות תגמול זו, ובכלל זה לתנאי הסף ולהגבלות המפורטים בסעיף 6 זה.
- 6.7. **תנאי סף לתשלום מענק שנתי**
- על אף האמור בסעיף 6 זה לעיל ולהלן, המענק השנתי לא יחולק למי מנושאי המשרה בחברה בכל אחד מהמקרים שלהלן:
- 6.7.1. בגין השגת יעד הנמוך מהשיעור המינימאלי שייקבע מדי שנה לעמידה בכל אחד מהיעדים (גבול תחתון).
- 6.7.2. אם תשלום המענקים יביא את החברה למצב שיהווה עילה לפירעון מידי של סדרה כלשהי של אגרות חוב שהונפקה או שתונפק על ידי החברה.
- 6.7.3. עם אישור תכנית מענקים, ככל שתאושר, יהיו רשאים ועדת התגמול והדירקטוריון לקבוע תנאי סף נוספים, כמותיים או אחרים, בהתחשב ביעדי החברה, האסטרטגיה שלה ומצבה - אשר בהתקיימם לא יחולק המענק השנתי למי מנושאי המשרה בחברה.
- 6.8. **הגבלות לגבי המענק השנתי**
- כמו כן, המענק השנתי, ככל שייקבע, יהא כפוף להגבלות המפורטות להלן:
- 6.8.1. זכאותו של נושא המשרה לחלקים מהמענק השנתי המיוחסים לכל אחד מהיעדים שייקבעו לנושאי המשרה, עשויה להיקבע א. על בסיס "מוחלט", קרי, אי עמידה ביעד כלשהו לא תזכה בתגמול בגינו או ב. ייתכן כי הזכאות תיקבע על פי מידת העמידה של נושא המשרה ביעדים השונים שייקבעו לו יחסית ליעדים כפי שאושרו בתקציב החברה לשנה הרלוונטית, באופן ליניארי, כאשר עמידה מדויקת ב- 100% מיעד מסוים שיוגדר לנושא המשרה בשנה רלוונטית - תזכה במלוא סכום המענק בגין יעד זה ועמידה חלקית ביעד כאמור (תוך "סימון" יעד תחתון) - תזכה אותו בחלק יחסי מסכום המענק המיוחס ליעד זה, הכל על פי התנאים שייקבעו בתכנית המענקים לאותה שנה. כמו כן, ייקבע השיעור מהמענק שישולם בגין השגת היעד בגבול התחתון וכן תקרה לגובה המענק (גבול עליון). אשר יהווה יעד "הצטיינות", מעל לרף של 100% מן התגמול.

6.8.2. גובהו הכולל של המענק השנתי יוגבל כדלקמן :

(א) **מנכ"ל** - לא יעלה על 4 משכורות (כולל המענק המיוחד כמפורט בסעיף 6.6 לעיל).

(ב) **מנהל כספים** - לא יעלה על 4 משכורות.

להערכת ועדת התגמול והדירקטוריון, התקרה למענק השנתי משקפת יעדים שאינם מתמרצים לקיחת סיכונים מוגברים.

6.8.3. סכום המענקים השנתיים לכלל נושאי המשרה בחברה בגין שנה מסוימת, כפי שיחולק בפועל, לא יעלה על 0.2% מהכנסות החברה. במקרה של חריגה מהרף שנקבע – תתבצע חלוקה פרי-פאסו.

6.8.4. מענק שנתי יינתן לנושאי משרה אשר עבדו או נתנו שירותים לחברה לפחות 12 (שנים עשר) חודשים טרם אישור הדוחות הכספיים של אותה השנה, ולמעט אם נושא המשרה התפטר או פוטר בשל נסיבות השוללות את הזכות לקבל פיצויי פיטורים. על אף האמור, נושא משרה חדש שעבד פחות מ-12 חודשים בחברה, יהיה הדירקטוריון רשאי, בהמלצת מנכ"ל החברה, לקבוע זכאותו למענק באופן יחסי לתקופת העבודה של נושא המשרה בחברה.

6.8.5. הענקת מענק שנתי לנושאי המשרה בחברה כפופה לשיקול דעת דירקטוריון החברה, אשר רשאי להחליט על הפחתת גובהו של המענק או על אי חלוקת מענק כלל למי מנושאי המשרה בחברה, בשנה מסוימת, בכל מועד שיבחר במהלך אותה שנה ואף לאחר סיומה, אם מצא כי ישנם שיקולים רלוונטיים, כגון שיקולים פיננסיים או אחרים, אשר בהתחשב במצבה של החברה, מצדיקים הפחתה או שלילה של המענקים מנושאי המשרה בחברה, גם אם באופן רטרואקטיבי.

6.8.6. כל נושא משרה שיהיה זכאי למענק המבוסס על נתונים כספיים כלשהם, יתחייב להחזיר לחברה, סכומים ששולמו, אם שולמו לו על בסיס נתונים שהתבררו כמוטעים והוצגו מחדש (restatement) בדוחות הכספיים של החברה. נושא משרה כאמור יחתום על הסכמתו שהחברה תהיה רשאית לקזז את הסכום שיגיע לה ממנו, מכל סכום שהוא זכאי לקבל מהחברה, בכפוף להוראות הדין.

6.8.7. המענק השנתי, ככל שייקבע, ישולם לנושאי המשרה אחת לשנה, לאחר אישור הדוחות הכספיים המבוקרים של השנה הרלבנטית על ידי דירקטוריון החברה ובהתאם לתוצאות החברה בפועל באותה שנה, וככל שמדובר בנתון שיש לחשוב - בהתאם לדוחות הכספיים של השנה הרלבנטית כאמור.

6.8.8. במקרים מיוחדים, רשאי המנכ"ל (או הדירקטוריון, במקרה של מקדמה למנכ"ל), לאשר הקדמת תשלום על חשבון המענק שיגיע לנושא משרה כלשהו, ובלבד שהמקדמה לא תעלה על שתי משכורות. למען הזהירות מובהר, שאם באותה שנה ייקבע שאותו נושא משרה אינו זכאי למענק או זכאי למענק נמוך מסכום המקדמה, תדרוש החברה מנושא המשרה את השבת המקדמה ששולמה כאמור.

6.8.9. בנוסף לאמור בסעיף 6 זה לעיל, תכנית המענקים תוכל לכלול הוראות נוספות לפיהן ייקבע מנגנון לפריסה או התניה של חלק מתשלום המענקים השנתיים בהתבסס על השגת יעדים/מדידים ארוך/כי-טווח בתקופה של שנתיים או שלוש שנים קלנדריות וכן כללים לחישוב הזכאות לאותו מענק רב-שנתי, בתום תקופת המדידה הרב-שנתית. הכללים והתנאים למענק-רב שנתי כאמור, אם וככל שיחול, ייקבעו ויובאו לאישור האורגנים המוסמכים בחברה, בהתאם להוראות הדין.

7. **תנאים נלווים והטבות**

ככל שתנאי כהונתו והעסקתו של נושא משרה יכללו הוראות בקשר עם הנושאים המפורטים להלן, הם ייקבעו בהתאם לשיקולים ולקריטריונים הרלוונטיים המנויים בסעיפים 2-4 לעיל, ובהתאם לתנאים המפורטים להלן :

7.1. **הטבות נלוות הניתנות לכלל נושאי המשרה (פרט לדירקטורים)**

7.1.1. נושאי המשרה המועסקים בחברה זכאים להפרשות לביטוח מנהלים, לביטוח אבדן כושר עבודה ולקרן השתלמות כנהוג בחברה.

7.1.2. נושאי המשרה המועסקים בחברה זכאים לימי מחלה, ימי חופשה וימי הבראה כמקובל בחברה עבור עובדים בכירים ובהתאם לוותק שלהם בחברה, ובכל מקרה לא פחות מהקבוע בדין ולא יותר מ- 28 ימי חופשה לשנת עבודה.

7.1.3. יכול שהחברה תעמיד לרשות כל נושא משרה רכב לצרכי מילוי תפקידו. במידה שהועמד לרשות נושא המשרה רכב כאמור, תישא החברה בהוצאות הקבועות הכרוכות בשימוש לאחזקת הרכב, כל זאת לפי הנהלים הנהוגים בחברה. נושא המשרה יתחייב לשאת בכל הקנסות או הדוחות בגין השימוש ברכב, ככל שיהיו. החברה תהא רשאית לגלם את שווי השימוש ברכב לצרכי מס.

7.1.4. ככל שתנאי הכהונה וההעסקה של נושא המשרה יכללו טלפון נייד, נושא המשרה יהיה זכאי להחזר הוצאות טלפון נייד, בהתאם להחלטת החברה ועל פי שיקול דעתה הבלעדי. נושא המשרה יישא בתשלום כל מס שעשוי לחול עליו בשל השימוש בטלפון נייד. החברה תהא רשאית לגלם את שווי המס.

7.1.5. ככל שתנאי הכהונה וההעסקה של נושא המשרה יכללו החזר הוצאות, נושא המשרה יהיה זכאי להחזר הוצאות סבירות שהוצאו על ידו במסגרת מילוי תפקידו, וזאת כנגד הצגת קבלות, ובהתאם

למדיניות החברה.

7.1.6. ככל שתנאי הכהונה וההעסקה יכללו אש"ל עבור נסיעות לחו"ל, תישא החברה בתשלום דמי אש"ל לנושא המשרה בתקופת שהותו בחו"ל לצרכי עבודה, בהתאם לנהלי החברה.

7.1.7. נושאי המשרה בחברה עשויים להיות זכאים בהתאם ובכפוף לתנאי העסקתם האישיים, לתשלום פיצויי פיטורים מלאים בעת סיום יחסי עובד מעביד מכל סיבה שהיא, לרבות עקב התפטרות ולמעט במקרה של פיטורים "בנסיבות חמורות" כמוגדר להלן או לתשלום פיצויי פיטורים לפי הוראות סעיף 14 לחוק פיצויי פיטורים, התשכ"ג-1963.

7.2. ביטוח, פטור ושיפוי

לחברה ביטוח לכיסוי אחריותם של דירקטורים ונושאי משרה המכהנים ו/או יכהנו בה מעת לעת, לרבות דירקטורים שהינם בעל השליטה או קרובו וכן כותבי פטור מאחריות והתחייבות לשיפוי נושאי משרה ודירקטורים בחברה (שאינם בעל השליטה או קרובו).

תנאי פוליסת הביטוח של החברה למועד אישור מדיניות זו הינם כדלקמן: הפוליסה בתוקף עד ליום 30 בנובמבר, 2014; סך הכיסוי לכל תביעה בודדת ובסך הכל הנו עד גובה של 10,000,000 דולר ארה"ב לתביעה ובסה"כ לתקופת הביטוח. בנוסף ישולמו הוצאות משפט סבירות מעבר לגבול האחריות בהתאם להוראות סעיף 66 לחוק חוזה הביטוח, התשמ"א-1981; הפרמיה לתשלום עבור הפוליסה, עבור כל תקופת הביטוח, קרי, 18 חודשים, עומדת על כ- 87,580 דולר ארה"ב, לאורך תקופת הביטוח.

להערכת ועדת התגמול והדירקטוריון, וגם בהסתמך על המלצת יועצי הביטוח של החברה, תנאי ההתקשרות בקשר לביטוח אחריותם של נושאי המשרה בחברה היא בתנאי שוק, נאותה בהתאם לסטנדרט המקובל ביחס לביטוח חברות ישראליות הנסחרות בבורסה לניירות ערך בתל-אביב בע"מ ובנאסד"ק ואינה עשויה להשפיע באופן מהותי על רווחיות החברה, רכושה או התחייבויותיה.

ועדת התגמול תהא רשאית לאשר, מעת לעת וכל עוד מדיניות תגמול זו הינה בתוקף, התקשרות החברה בפוליסת ביטוח לכיסוי אחריותם של נושאי משרה ודירקטורים, המכהנים או שיכהנו בחברה ובחברות בנות של החברה מעת לעת, ובלבד שהכיסוי השנתי הכולל במסגרת הפוליסה לשנה מסוימת לא יעלה על סכום המייצג סטייה של 15% בכל שנה, בהשוואה לסכום הכיסוי השנתי הכולל במסגרת הפוליסה בשנה שקדמה לה וסך הפרמיה השנתית שתשולם על ידי החברה בעבור הפוליסה לשנה מסוימת לא יעלה על סכום המייצג עליה של 35% מסך הפרמיה ששולם על ידי החברה במסגרת הפוליסה בשנה שקדמה לה. כותבי ההתחייבות לשיפוי תואמים את הוראות התקנון של החברה, והינם בנוסח ובתנאים זהים לכלל נושאי המשרה, לרבות דירקטורים שהינם בעל השליטה או קרובו, למעט לעניין פטור מאחריות בגין הפרת חובת הזהירות, כפי שאושר באסיפה הכללית של בעלי המניות של החברה שנתקיימה ביום 15.12.2011.

בהתאם להוראות תקנון החברה, סכום השיפוי המרבי לכל נושאי המשרה לא יעלה על 10 מיליון דולר ארה"ב.

8. תנאי סיום כהונה

8.1. נושא משרה יהיה זכאי להודעה מוקדמת בעת סיום העסקה, כפי שייקבע בהסכם ההעסקה או ההסכם למתן שירותים שבין החברה לנושא המשרה, בהתאם למפורט להלן (באופן שלא יפחת מהמינימום לפי דין):

תפקיד	תקופה מקסימאלית
מנכ"ל	עד 6 חודשים
מנהל כספים	עד 4 חודשים

8.2. תקופת ההודעה המוקדמת תיקבע בהתאם לשיקולים ולקריטריונים הרלוונטיים המנויים בסעיפים 2-4 לעיל ותאושר על ידי האורגנים המוסמכים בחברה, בהתאם להוראות הדין.

8.3. נושאי המשרה המועסקים בחברה עשויים להיות זכאים לקבל את מלוא ההטבות על פי הסכם ההעסקה או פדיון שלהן, כאילו המשיכו להיות מועסקים בחברה גם אם תקופת ההודעה המוקדמת (או חלקה) תיפדה.

8.4. במהלך תקופת ההודעה המוקדמת מחוייב נושא המשרה להמשיך ולמלא את תפקידו בחברה (בהתאם להחלטת החברה).

8.5. מענק פרישה

8.5.1. בנוסף לאמור לעיל, מוצע לקבוע כי החברה תהיה רשאית לאשר למנכ"ל החברה/מנהל הכספים מענק פרישה/הסתגלות בסך של עד 6 משכורות ועד - 3 משכורות (בהתאמה), במקרה של פיטורים על ידי החברה (למעט במקרה של פיטורים בנסיבות חמורות) או במקרה של התפטרות, בהתאמה. גובה מענק הפרישה יהיה בגובה רכיב השכר החודשי בלבד של נושא המשרה (ללא תנאים נלווים, מענק וכו') מוכפל במספר החודשים שהוענקו לאותו נושא משרה. מענק זה דומה למצב הקיים כיום.

8.5.2. מענקי הפרישה יובא לאישור האורגנים המוסמכים בחברה, בהתאם להוראות הדין, טרם החתימה

עמוד 10 מתוך 11

על הסכם ההעסקה או ההסכם למתן השירותים, וייקבעו בהתאם לשיקולים ולקריטריונים הרלוונטיים המנויים בסעיפים 2-4 לעיל ובכפוף לעמידתו של נושא המשרה בכל התנאים הבאים:

8.5.2.1. היה מועסק בחברה או נתן שירותים לחברה במשך 3 שנים לפחות.

8.5.2.2. במהלך תקופת העסקתו, תרם תרומה מהותית לקידום עסקי החברה ולהשאת רווחיה.

8.5.2.3. נסיבות הפרישה של נושא המשרה אינן מצדיקות שלילת פיצויי פיטורים.

9. הגנות מסחריות

הסכמי ההעסקה וההסכמים למתן שירותים של נושאי המשרה יכללו הוראות שמטרתן להגן על זכויות הקניין הרוחני של החברה וכן תניות סודיות ואי תחרות ונוסחן יותאם לנושא המשרה הרלוונטי בהתאם לרגישות תפקידו ולחשיבותו לחברה.

10. הוראות כלליות נוספות

10.1. נושאי המשרה עליהם תחול מדיניות התגמול יכול שיהיו עובדיה של החברה או קבלנים עצמאיים המספקים לה שירותים. ככל שנושא המשרה יספק שירותים לחברה כקבלן עצמאי, יחולו הוראות מדיניות התגמול בשינויים המחויבים, התגמול לנושא המשרה ישולם כנגד חשבונית ומרכיבי התגמול ינורמלו, כך שמבחינה כלכלית כוללת הם יתאמו את האמור במדיניות זו, ובלבד שלא יהיה בכך כדי לפגוע בטובת החברה, מצבה ותכניתיה.

10.2. הוראות מדיניות תגמול זו, לא תגרענה מכל הוראה קיימת ו/או הוראה שתיקבע בכל דין (לרבות, מבלי לגרוע מכלליות האמור, בהוראות חוק החברות ו/או בתקנות ו/או צווים על פיו) וכל הקלה ו/או פטור ו/או מתן שיקול דעת נוסף למי מהאורגנים בחברה אשר יקבעו בכל הוראת דין כאמור, גם לאחר אישור מדיניות זו, יחולו על החברה ויחשבו כחלק ממדיניות תגמול זו, לאחר שועדת התגמול או דירקטוריון החברה יחליטו על הוספתם, כולם או חלקם, למדיניות זו - מבלי שיהא צורך באישור אסיפת בעלי המניות של החברה.

10.3. מעבר לאמור במדיניות זו, ועדת התגמול והדירקטוריון רשאים לאשר חריגה של עד 5% לשנה קלנדארית מכל תקרה, הגבלה או הוראה אחרת הקבועים במסמך מדיניות זה, וחריגה כאמור תיחשב עמידה במדיניות התגמול.

11. תוקף

מדיניות התגמול תהיה בתוקף למשך שלוש שנים ממועד אישורה באסיפה הכללית כאמור, בהתאם להוראות סעיף 267א(ד) לחוק.

על אף האמור לעיל, דירקטוריון החברה יבחן מעת לעת ולכל המאוחר כל שנה, את מדיניות התגמול וכן את התאמתה להוראות הדין, ככל שחל שינוי מהותי בנסיבות שהיו קיימות בעת קביעתה או מטעמים אחרים. בכפוף לאמור בסעיף 10.2 לעיל, שינויים במדיניות התגמול, ככל שיהיו, יאושרו בהתאם להוראות הדין.

כמו כן, ועדת התגמול תבחן את יישום מדיניות התגמול, מעת לעת; ואם תמצא הוועדה לנכון, תמליץ לדירקטוריון לעדכן את מדיניות התגמול.

INTERNET GOLD-GOLDEN LINES LTD.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Ehud Yahalom attorney of the undersigned, for and in the name(s) of the undersigned, with power of substitution and revocation in each to vote any and all ordinary shares, par value NIS 0.01 per share, of Internet Gold-Golden Lines Ltd. (the "Company"), which the undersigned would be entitled to vote as fully as the undersigned could if personally present at the Extraordinary General Meeting of Shareholders of the Company to be held on November 7, 2013 at 1:00 p.m. (Israel time) at the offices of the Company, 2 Dov Friedman Street, Ramat Gan 52503, Israel and at any adjournment or adjournments thereof, and hereby revoking any prior proxies to vote said shares, upon the following items of business more fully described in the Notice of and Proxy Statement for such Extraordinary General Meeting, or the Proxy Statement, (receipt of which is hereby acknowledged):

THIS PROXY WILL BE VOTED AS SPECIFIED ON THE REVERSE. IN THE ABSENCE OF SUCH SPECIFICATION, THE SHARES REPRESENTED BY THIS PROXY CARD WILL BE VOTED FOR ITEMS 1 AND 2 SET FORTH ON THE REVERSE. ON ANY OTHER BUSINESS THAT MAY PROPERLY COME BEFORE THE MEETING, THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE JUDGMENT OF THE PERSON NAMED ABOVE AS PROXY.

VOTES WILL NOT BE COUNTED UNLESS "YES" OR "NO" HAS BEEN SPECIFIED AS TO WHETHER THE HOLDINGS IN OUR COMPANY OR THE VOTE REQUIRES THE APPROVAL OF THE PRIME MINISTER OF ISRAEL AND ISRAELI MINISTER OF COMMUNICATIONS (AS DESCRIBED IN THE PROXY STATEMENT).

VOTES CAST FOR ITEMS 1 AND 2 WILL NOT BE COUNTED UNLESS "YES" OR "NO" HAS BEEN SPECIFIED AS TO WHETHER THE SHAREHOLDER IS A CONTROLLING SHAREHOLDER OR HAS A PERSONAL INTEREST (AS DEFINED IN THE PROXY STATEMENT) WITH RESPECT TO THE PROPOSAL.

(Continued and to be signed on the reverse side)

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF

INTERNET GOLD-GOLDEN LINES LTD.

November 7, 2013

**Please date, sign and mail
your proxy card in the
envelope provided as soon
as possible.**

Please detach along perforated line and mail in the envelope provided.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ITEMS 1 AND 2. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

Pursuant to Israeli law, in order to ensure specific majority requirements we are required to ask if you are (a) a controlling shareholder of the Company; or (b) do you have a personal interest in (as described in the Proxy Statement) Items 1 and 2 on the proxy card.

1. To approve the compensation policy for the Company's directors and officers.

☐ FOR ☐ AGAINST ☐ ABSTAIN

Are you (a) a controlling shareholder of the Company; or (b) do you have a personal interest in the approval of the Company's compensation policy?

☐ YES ☐ NO

2. To approve an updated compensation arrangement for Company's chief executive officer in accordance with amendment no. 20 to the Israeli Companies Law, and to approve that the arrangement with the Company's subsidiary, B Communications, and the Company's parent, Eurocom Communications, to share the cost of Mr. Turgeman's management services is hereby ratified.

☐ FOR ☐ AGAINST ☐ ABSTAIN

Are you (a) a controlling shareholder of the Company; or (b) do you have a personal interest in the approval of the updated compensation arrangement for its chief executive officer?

☐ YES ☐ NO

3. Do your holdings in the Company or vote on the Proposals above require the approval of the Prime Minister of Israel and Israeli Minister of Communications pursuant to the Communications Law and Communications Order, or defined as "Exceptional Holdings" and/or in "Undisclosed Holdings" as defined in the Proxy Statement?
- ☐ YES ☐ NO

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method. ☐

Signature of Shareholder _____ Date _____ Signature of Shareholder _____ Date _____

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.
