UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 2)

Partner Communications Company Ltd.
(Name of Issuer)

American Depositary Shares, each representing one Ordinary Share, par value NIS 0.01 per share
(Title of Class of Securities)

70211M109
(CUSIP Number)

Scailex Corporation Ltd.
48 Ben Zion Galis Street
Segula Industrial Area
Petach Tikva 49277, Israel
Attn: Yahel Shachar, CEO

With a copy to:

Rona Bergman Naveh, Adv.
Gross, Kleinhendler, Hodak, Halevy & Greenberg & Co.
1 Azrieli Center, Tel-Aviv, Israel
+972-3-607-4444

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

November 30, 2012
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box ☐.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSON: **Ilan Ben-Dov**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☒ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **BK, WC, OO**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Israel**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: **0**
		8	SHARED VOTING POWER: **71,498,719***
		9	SOLE DISPOSITIVE POWER: **0**
		10	SHARED DISPOSITIVE POWER: **71,498,719***
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **71,498,719***		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **45.9%****		
14	TYPE OF REPORTING PERSON: **IN**		

* Ilan Ben-Dov, Ben-Dov Holdings Ltd. and Suny Electronics Ltd. may be deemed to be the beneficial owners of 69,325,593 ordinary shares of the Issuer that are owned directly by Scailex Corporation Ltd., and Ilan Ben-Dov and Ben-Dov Holdings Ltd. may be deemed to be the beneficial owners of an additional 2,173,126 ordinary shares of the Issuer that are owned directly by Suny Electronics Ltd. Ben-Dov Holdings Ltd., a company wholly-owned by Ilan Ben-Dov, directly owns 55.16% of the ordinary shares of Suny Electronics Ltd. Ben-Dov Holdings Ltd., together with (x) E. Ben-Dov Investments Ltd., and Harmony (Ben-Dov) Ltd. (each wholly-owned by Ilan Ben-Dov) and (y) Tao Tsuot Ltd. (an Israeli public company; Ilan Ben-Dov beneficially owns 69.66% of Tao Tsuot Ltd.'s shares) (Ben-Dov Holdings, E. Ben-Dov Investments Ltd., Harmony (Ben-Dov) Ltd. and Tao Tsuot Ltd. are collectively referred to as the "Ben-Dov Companies"), collectively own 80.56% of the ordinary shares of Suny Electronics Ltd. However, because 8.91% of the ordinary shares of Suny Electronics Ltd. are owned by Suny Telecom (1994) Ltd., a wholly-owned subsidiary of Suny Electronics Ltd., the Ben-Dov Companies effectively hold 88.45% of the voting rights of Suny Electronics Ltd. Suny Electronics Ltd. owns 78.71% of the outstanding ordinary shares of Scailex Corporation Ltd. and owns a principal amount of NIS 6,559,244 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 0.33% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Ilan Ben-Dov indirectly owns 3.63% of the outstanding ordinary shares of Scailex Corporation Ltd. through Ben-Dov Holdings Ltd. and indirectly owns through E. Ben-Dov Investments Ltd. and Ben-Dov Holdings Ltd. a principal amount of NIS 21,280,000 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 1.08% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Accordingly, Ilan Ben-Dov may be deemed to have the shared voting and dispositive power with respect to 71,498,719 ordinary shares of the Issuer in the aggregate, owned directly by Scailex Corporation Ltd. and Suny Electronics Ltd. Pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended, Ilan Ben-Dov disclaims beneficial ownership of all ordinary shares of the Issuer reported in this Schedule 13D/A, except to the extent of any pecuniary interest therein.

** In accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and based on 155,645,708 ordinary shares of the Issuer outstanding as of September 30, 2012 (not taking into account 4,467,990 dormant shares of the Issuer which are held by the Issuer) (as disclosed in a Form 6-K submitted by the Issuer to the Securities and Exchange Commission on November 21, 2012).

1	NAME OF REPORTING PERSON: **Ben-Dov Holdings Ltd.**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☒ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **BK, WC, OO**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Israel**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: **0**
		8	SHARED VOTING POWER: **71,498,719**
		9	SOLE DISPOSITIVE POWER: **0**
		10	SHARED DISPOSITIVE POWER: **71,498,719**
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **71,498,719***		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **45.9%****		
14	TYPE OF REPORTING PERSON: **CO**		

* Ilan Ben-Dov, Ben-Dov Holdings Ltd. and Suny Electronics Ltd. may be deemed to be the beneficial owners of 69,325,593 ordinary shares of the Issuer that are owned directly by Scailex Corporation Ltd., and Ilan Ben-Dov and Ben-Dov Holdings Ltd. may be deemed to be the beneficial owners of an additional 2,173,126 ordinary shares of the Issuer that are owned directly by Suny Electronics Ltd. Ben-Dov Holdings Ltd., a company wholly-owned by Ilan Ben-Dov, directly owns 55.16% of the ordinary shares of Suny Electronics Ltd. The Ben-Dov Companies collectively own 80.56% of the ordinary shares of Suny Electronics Ltd. However, because 8.91% of the ordinary shares of Suny Electronics Ltd. are owned by Suny Telecom (1994) Ltd., a wholly-owned subsidiary of Suny Electronics Ltd., the Ben-Dov Companies effectively hold 88.45% of the voting rights of Suny Electronics Ltd. Suny Electronics Ltd. owns 78.71% of the outstanding ordinary shares of Scailex Corporation Ltd. and owns a principal amount of NIS 6,559,244 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 0.33% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Ilan Ben-Dov indirectly owns 3.63% of the outstanding ordinary shares of Scailex Corporation Ltd. through Ben-Dov Holdings Ltd. and indirectly owns through E. Ben-Dov Investments Ltd. and Ben-Dov Holdings Ltd. a principal amount of NIS 21,280,000 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 1.08% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Accordingly, Ben-Dov Holdings Ltd. may be deemed to have the shared voting and dispositive power with respect to 71,498,719 ordinary shares of the Issuer in the aggregate, owned directly by Scailex Corporation Ltd. and Suny Electronics Ltd. Pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended, Ben-Dov Holdings Ltd. disclaims beneficial ownership of all ordinary shares of the Issuer reported in this Schedule 13D/A, except to the extent of any pecuniary interest therein.

** In accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and based on 155,645,708 ordinary shares of the Issuer outstanding as of September 30, 2012 (not taking into account 4,467,990 dormant shares of the Issuer which are held by the Issuer) (as disclosed in a Form 6-K submitted by the Issuer to the Securities and Exchange Commission on November 21, 2012).

1	NAME OF REPORTING PERSON: **Suny Electronics Ltd.**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☒ (b) ☐		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **BK, WC, OO**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Israel**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: **0**
		8	SHARED VOTING POWER: **71,498,719***
		9	SOLE DISPOSITIVE POWER: **0**
		10	SHARED DISPOSITIVE POWER: **71,498,719***
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **71,498,719***		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ☐		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **45.9%****		
14	TYPE OF REPORTING PERSON: **CO**		

* Ilan Ben-Dov, Ben-Dov Holdings Ltd. and Suny Electronics Ltd. may be deemed to be the beneficial owners of 69,325,593 ordinary shares of the Issuer that are owned directly by Scailex Corporation Ltd. Suny Electronics Ltd. directly owns an additional 2,173,126 ordinary shares of the Issuer. Ben-Dov Holdings Ltd., a company wholly-owned by Ilan Ben-Dov, directly owns 55.16% of the ordinary shares of Suny Electronics Ltd. The Ben-Dov Companies collectively own 80.56% of the ordinary shares of Suny Electronics Ltd. However, because 8.91% of the ordinary shares of Suny Electronics Ltd. are owned by Suny Telecom (1994) Ltd., a wholly-owned subsidiary of Suny Electronics Ltd., the Ben-Dov Companies effectively hold 88.45% of the voting rights of Suny Electronics Ltd. Suny Electronics Ltd. owns 78.71% of the outstanding ordinary shares of Scailex Corporation Ltd. and owns a principal amount of NIS 6,559,244 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 0.33% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Ilan Ben-Dov indirectly owns 3.63% of the outstanding ordinary shares of Scailex Corporation Ltd. through Ben-Dov Holdings Ltd. and indirectly owns through E. Ben-Dov Investments Ltd. and Ben-Dov Holdings Ltd. a principal amount of NIS 21,280,000 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 1.08% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Accordingly, Suny Electronics Ltd. may be deemed to have the shared voting and dispositive power with respect to 71,498,719 ordinary shares of the Issuer in the aggregate, owned directly by Scailex Corporation Ltd. and Suny Electronics Ltd. Pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended, Suny Electronics Ltd. disclaims beneficial ownership of the ordinary shares of the Issuer owned by Scailex Corporation Ltd. reported in this Schedule 13D/A, except to the extent of any pecuniary interest therein.

** In accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and based on 155,645,708 ordinary shares of the Issuer outstanding as of September 30, 2012 (not taking into account 4,467,990 dormant shares of the Issuer which are held by the Issuer) (as disclosed in a Form 6-K submitted by the Issuer to the Securities and Exchange Commission on November 21, 2012).

1	NAME OF REPORTING PERSON: **Scailex Corporation Ltd.**	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☒ (b) ☐	
3	SEC USE ONLY	
4	SOURCE OF FUNDS: **BK, WC, OO**	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐	
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Israel**	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: **0**
	8	SHARED VOTING POWER: **69,325,593***
	9	SOLE DISPOSITIVE POWER: **0**
	10	SHARED DISPOSITIVE POWER: **69,325,593***
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **69,325,593***	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ☐	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **44.5%****	
14	TYPE OF REPORTING PERSON: **CO**	

* Scailex Corporation Ltd. directly owns 69,325,593 ordinary shares of the Issuer. Ben-Dov Holdings Ltd., a company wholly-owned by Ilan Ben-Dov, directly owns 55.16% of the ordinary shares of Suny Electronics Ltd. The Ben-Dov Companies collectively own 80.56% of the ordinary shares of Suny Electronics Ltd. However, because 8.91% of the ordinary shares of Suny Electronics Ltd. are owned by Suny Telecom (1994) Ltd., a wholly-owned subsidiary of Suny Electronics Ltd., the Ben-Dov Companies effectively hold 88.45% of the voting rights of Suny Electronics Ltd. Suny Electronics Ltd. owns 78.71% of the outstanding ordinary shares of Scailex Corporation Ltd. and owns a principal amount of NIS 6,559,244 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 0.33% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Ilan Ben-Dov indirectly owns 3.63% of the outstanding ordinary shares of Scailex Corporation Ltd. through Ben-Dov Holdings Ltd. and indirectly owns through E. Ben-Dov Investments Ltd. and Ben-Dov Holdings Ltd. a principal amount of NIS 21,280,000 of the Series 1 Notes of Scailex Corporation Ltd. convertible into ordinary shares that immediately upon conversion would constitute 1.08% of the outstanding ordinary shares of Scailex Corporation Ltd., based on 27,945,211 ordinary shares currently outstanding. Accordingly, Scailex Corporation Ltd. may be deemed to have the shared voting and dispositive power with respect to 69,325,593 ordinary shares of the Issuer owned directly by it.

** In accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and based on 155,645,708 ordinary shares of the Issuer outstanding as of September 30, 2012 (not taking into account 4,467,990 dormant shares of the Issuer which are held by the Issuer) (as disclosed in a Form 6-K submitted by the Issuer to the Securities and Exchange Commission on November 21, 2012).

The statement on Schedule 13D filed on November 12, 2009, relating to ordinary shares, par value NIS 0.01 per share (the "Ordinary Shares"), of Partner Communications Company Ltd., a company organized under the laws of the State of Israel (the "Issuer" or "Partner"), as amended by Amendment No. 1 filed on February 23, 2012 (the statement on Schedule 13D, as amended, is referred to herein as "Schedule 13D" or the "Original Filing") is hereby amended as set forth below by this Amendment No. 2 (this "Amendment"). This Amendment supplements and amends the Original Filing to the extent specified herein. Capitalized terms used but not defined in this Amendment shall have the meaning given to them in the Original Filing.

This Amendment is being filed jointly by Ilan Ben-Dov, Ben-Dov Holdings Ltd. ("Ben-Dov Holdings"), Suny Electronics Ltd. ("Suny Electronics") and Scailex Corporation Ltd. ("Scailex" and, collectively with Ilan Ben-Dov, Ben-Dov Holdings and Suny Electronics, the "Reporting Persons"). The agreement among the Reporting Persons relating to the joint filing of this Amendment is attached as Exhibit 1 to the Original Filing.

Item 2. Identity and Background.

Item 2 of Schedule 13D is hereby amended and restated in its entirety to read as follows:

Ilan Ben-Dov holds 100% of the ordinary shares of Ben-Dov Holdings, which holds 55.16% of the ordinary shares of Suny Electronics.[1] Suny Electronics owns 78.71% of the ordinary shares of Scailex.[2]

Ilan Ben-Dov is the sole director of Ben-Dov Holdings, which has no executive officers. Suny Electronics has six directors (Ilan Ben-Dov, Ram Dviri, Yehiel Feingold, Eti Livni, Gidon Rabinovich and Yaakov Vizel) and four executive officers (Yahel Shachar, Galit Alkalay-David, Eliyahu Noah and Moshe Cohen). Scailex has six directors (Ilan Ben-Dov, Arie Ovadia, Shalom Singer, Regina Ungar, Yehiel Feingold and Yoav Biran) and five executive officers (Yahel Shachar, Galit Alkalay-David, David Piamenta, Tomer Pomerantz and Moshe Cohen).

Each of Ben-Dov Holdings, Suny Electronics and Scailex is organized under the laws of Israel. The business address of Ben-Dov Holdings, Suny Electronics and Scailex is Segula 48, Industrial Zone, Petach Tikva, Israel.

Ilan Ben-Dov, a citizen of Israel, who resides at 14 Mishmar Hagvul, Tel Aviv, is principally employed as the chairman of the board of directors of Partner, Scailex and Suny Electronics. The principal business of Scailex is a holding company whose most substantial holding is Partner and an importer into Israel of cellular phones, tablets, accessories and spare parts, and the principal business of Suny Electronics is the holding of Partner and the importation of cellular phones, tablets, accessories and spare parts, all through Scailex. The principal business of Ben-Dov Holdings is a holding company.

Both Suny Electronics and Scailex are traded on the Tel Aviv Stock Exchange ("TASE").

Set forth on Schedule 1 hereto, which is incorporated herein by reference, is the name, residence or business address, present principal occupation or employment, and the name, principal business and address of any corporation or other organization in which such employment is conducted, and citizenship of the directors and executive officers of each Reporting Person.

During the last five years, none of the Reporting Persons nor, to the best of their knowledge, any of the entities or individuals mentioned in this Item 2 of this Amendment, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), nor have such entities or persons, during this period, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding been or is subject to a judgment, decree, or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

(1) The Ben-Dov Companies (as defined above) collectively hold 80.56% of the ordinary shares of Suny Electronics. However, because 8.91% of the ordinary shares of Suny Electronics are held by Suny Telecom (1994) Ltd., a wholly-owned subsidiary of Suny Electronics, the Ben-Dov Companies effectively own 88.45% of the outstanding shares of Suny Electronics.

(2) Ben Dov Holdings Ltd, wholly-owned by Ilan Ben-Dov, holds an additional 3.63% of the ordinary shares of Scailex. Ilan Ben-Dov also owns through E. Ben-Dov Investments Ltd. and Ben-Dov Holdings Ltd. a principal amount of NIS 21,280,000 of the Series 1 Notes of Scailex convertible into ordinary shares that immediately upon conversion would constitute 1.08% of the outstanding ordinary shares of Scailex, based on 27,945,211 ordinary shares currently outstanding.

Item 3. Source and Amount of Funds or Other Consideration.

The Bond Offering section of Item 3 of Schedule 13D is amended by adding the following paragraph:

On October 29, 2012, Scailex signed an agreement with representatives of the Series A – D, F –J, and 1 Bonds pursuant to which the parties agreed to conduct discussions and consultation during the Interim Period (defined below) with respect to Scailex, the status of its business and its plans to strengthen its capital and debt structure. The "Interim Period" means a period ending on the earliest to occur of (i) December 31, 2012, (ii) the date on which any trustee notifies Scailex in writing of the termination of contacts, (iii) seven days after Scailex notifies the trustees of the termination of contacts and (iv) the date on which actions and/or steps and/or legal actions are taken against Scailex (including the sending of a letter demanding immediate repayment of its debt or a material portion thereof) by the representatives and/or bondholders and/or trustees and/or other creditors and/or anyone on their behalf. Scaliex agreed that, during the Interim Period, it shall not carry out any of the following actions without obtaining the prior written approval of the trustee, unless such action (a) is made in the ordinary course of business of Scailex and/or (b) following seven days as of the date on which an immediate report with respect to such action was published by Scailex: (i) make payments (or act to cause its subsidiaries to make payments) to its controlling shareholder or companies under its control, subject to certain limitations, (ii) enter into (or cause companies under its control to enter into) agreements that would require it to dispose of its material assets without 10 days' notice to the representatives and the trustee, subject to certain limitations, or (iii) execute any transaction with its controlling shareholder or in which its controlling shareholder has a personal interest without prior written approval of the trustee. The foregoing was not intended to limit Partner in any way.

Item 4. Purpose of Transaction.

Item 4 of Schedule 13D is amended by adding the following paragraphs:

June 5, 2012 Agreement

On June 5, 2012, Scailex entered into an agreement (the "Purchase Agreement") with Persall Pte. Ltd., a company incorporated in Singapore and part of the Hutchison Group (the "Hutchison Purchaser"); Kelburgh Pte. Ltd., a company incorporated in Singapore and held by Li Ka-Shing Foundation Limited (together with the Hutchinson Purchaser, the "Purchasers"); and Suny Electronics. Pursuant to the Purchase Agreement, the Purchasers agreed to purchase from Suny Electronics 75% of the issued and outstanding share capital of Scailex (on a fully diluted basis) for an aggregate consideration of US$125 million. On August 20, 2012, the Hutchison Purchasers sent to Scailex and Suny Electronics a joint notice terminating the Purchase Agreement. On November 6, 2012, Scailex, Suny Electronics and the Hutchison Purchasers signed a mutual release letter, pursuant to which Scailex and the Hutchison Purchasers, and Suny Electronics and the Hutchison Purchasers, mutually, unconditionally and irrevocably released and waived any and all claims and demands against the other respective party, arising from or related to the Purchase Agreement and/or the termination thereof.

November 30, 2012 Agreements

On November 30, 2012, Scailex entered into a share purchase agreement (the "SPA") with S.B. Israel Telecom Ltd., an Israeli special-purpose vehicle and an affiliate of Saban Capital Group (the "Buyer"), pursuant to which Scailex has agreed to sell to Buyer up to a total of 47,833,333 Ordinary Shares (the "Purchased Shares"), constituting approximately 30.73% of the outstanding Ordinary Shares, in consideration for debt assumption, cash payments, and right to receive dividends, as more fully described below (the "Transaction").

As part of the Transaction, on the Closing Date (as defined below) and pursuant to the terms of the Assignment Agreement (as defined below), Buyer will assume the loan in the original principal amount of US$300 million (the "Advent Loan") that was provided to Scailex by Advent Investment Pte. Ltd., a Singapore corporation controlled by the Hutchison Group ("Advent"), and in connection with which Scailex issued Series E Notes to Advent. As a result of the assumption by Buyer of the Advent Loan, Scailex will be fully released from any indebtedness in respect of the Advent Loan. Scailex has agreed to pay all accrued interest in connection with the Advent Loan until the Closing Date. On the Closing Date, Buyer will also pay to Scailex NIS250 million in cash (the "Cash Payment"). In addition, Scailex will retain the right to receive dividends out of Partner's distributable profits as of December 31, 2012, with respect to the Purchased Shares in the amount of up to approximately NIS115 million, subject to the conditions of the SPA (the "Dividend Amount"). The Dividend Amount reflects a dividend per share of NIS2.56994 in respect of each of the Purchased Shares and will be reduced proportionately insofar as Partner's total distributable profits as of December 31, 2012 are below NIS400 million.

The SPA

Pursuant to the SPA, on the closing date, which is to occur no later than three business days after the satisfaction or waiver of the conditions precedent set forth in the SPA (the "Closing Date"), Scailex will transfer to Buyer 44,850,000 Ordinary Shares, constituting approximately 28.82% of the outstanding Ordinary Shares. In consideration therefor, Buyer will assume the Advent Loan pursuant to the terms of the Assignment Agreement and pay the Cash Payment. Either on the Closing Date or on one or more subsequent dates (each, a "Deferred Closing Date") Scailex will sell and transfer to Buyer up to 2,983,333 additional Ordinary Shares, constituting approximately 1.92% of the outstanding Ordinary Shares ("Additional Purchased Shares"). Such Additional Purchased Shares will be transferred to Buyer on a pro rata basis and concurrent with the receipt by Scailex of any Dividend Amount.

Out of the Ordinary Shares held by Scailex, (a) 24,380,739 Ordinary Shares, constituting approximately 15.7% of Partner's share capital, are pledged in favor of the trustees for the holders of Scailex's notes (Series A through D and F) (the "Secured Public Notes"); (b) 19,056,720 Ordinary Shares, constituting approximately 12.2% of Partner's outstanding shares, are pledged in favor of the trustee for the Advent Loan (the "Advent's Pledged Shares"); and (c) 25,888,134 Ordinary Shares, constituting approximately 16.6% of Partner's outstanding shares, are free and clear of any lien (the "Unencumbered Shares"). The Purchased Shares include Advent's Pledged Shares and the Unencumbered Shares, and the Additional Purchased Shares (which are to be free and clear of any lien) will be comprised of Ordinary Shares that Scailex will acquire on the market and/or as a result of removal of a lien in favor of the holders of the Secured Public Notes as a result of repurchases of these notes. In any event, apart from Advent's Pledged Shares (to be transferred along with the existing lien on them in favor of Advent), the shares to be transferred pursuant to the SPA are to be free and clear of any liens.

Execution of the SPA may have triggered a tag-along right held by Bank Leumi le-Israel Ltd. ("BLL") vis-à-vis Scailex. If BLL seeks to sell any of the Ordinary Shares that it holds, then Buyer will be required to purchase the first 3,166,667 Ordinary Shares from BLL. Insofar as BLL seeks to sell in excess of 3,166,667 Ordinary Shares, then Scailex and Buyer will each severally purchase 50% of such additional Ordinary Shares. The obligation of Buyer and Scailex to acquire any such shares is conditioned upon the terms of such purchase being acceptable to Scailex and Buyer. In no event will Buyer and Scailex be required to purchase from BLL more than 5,300,000 Ordinary Shares in connection with the exercise of BLL's tag-along right.

Immediately following completion of the Transaction and assuming Buyer will not be required to purchase Ordinary Shares from BLL as specified in the preceding paragraph, Scailex and Buyer are expected to hold approximately 15.73% and approximately 28.82% of Partner's outstanding shares, respectively, and Suny Electronics, which is not a party to the Transaction, is expected to hold 1.4% of Partner's outstanding shares (assuming no change in its holdings prior to the Closing Date). Immediately following the completion of the acquisition of all Additional Purchased Shares, Scailex and Buyer are expected to hold approximately 13.81% and approximately 30.73% of Partner's outstanding shares, respectively, and Suny Electronics is expected to hold 1.4% of Partner's outstanding shares (assuming no change in its holdings prior to any Deferred Closing Date). Immediately following completion of the Transaction, Scailex, Buyer and Suny Electronics are expected to hold in the aggregate approximately 45.94% of Partner's outstanding shares.

Until the Closing Date, Scailex will, *inter alia*, refrain from any negotiations, from the solicitation of any proposals, and from entering into any agreement or executing a transaction with any third party relating to the Purchased Shares (or other rights in Partner's share capital) or in relation to the Advent Loan or any material assets of Partner; subject to any applicable law; exercise its rights as a shareholder of Partner; and, in its capacity as a shareholder of Partner, ensure that Partner shall conduct its businesses in the ordinary course of business (subject to certain exceptions set forth in the SPA).

The consummation of the Transaction is subject to the satisfaction or waiver of various conditions, the principal ones being as follows: (a) the receipt of certain third-party consents, including: the Ministry of Communications (required pursuant to the licenses under which Partner operates); the Antitrust Commissioner ; the holders of the public notes of Scailex; the Hutchison Group; Mizrahi Tefahot Bank Ltd.; (b) no injunction has been issued or amendment of law has occurred that prohibits the consummation of the Transaction or that permits the consummation of the Transaction but on terms not contained in, and materially different from, the terms of the SPA; (c) tax pre-ruling in relation to Buyer (only if the Closing Date occurs within 30 days after the signing of the SPA); (d) all conditions precedent for the consummation of the Assignment Agreement have been fulfilled or duly waived; (e) completion of a due diligence process by Buyer by December 27, 2012 regarding Scailex and Partner, in such manner that no Material DD Findings, as defined in the SPA, shall have been discovered; (f) no Material Adverse Effect, as defined in the SPA, and no breach of undertakings to a material extent or acceleration of a debt of Partner has occurred; (g) removal of the liens on the Purchased Shares (apart from the lien on Advent's Pledged Shares), if any; (h) nomination, election and appointment of directors to Partner's board of directors pursuant to the Shareholders' Agreement (as defined below), as specified below; (i) the accuracy of the representations of the parties in all material respects at the Closing Date (except for certain fundamental representations which must be true in all respects); and (j) the material compliance by the parties with their respective undertakings under the SPA until the Closing Date.

Scailex has undertaken to indemnify Buyer in respect of damages incurred by Buyer as a result of or related to a breach of any representations made by Scailex in the SPA with respect to Scailex and Partner. Scailex will not be required to indemnify Buyer until the total of the accumulated damages incurred by Buyer exceeds US$1.5 million, in which event Scailex will be liable for the full amount of such damages, subject to a maximum amount of US$60 million; all subject to the dates, periods of limitation, exceptions, procedures, exclusions and other terms set forth in the SPA.

The SPA may be terminated: (a) with the consent of the parties; (b) by Scailex or Buyer, as follows: (1) if the SPA is not consummated by February 7, 2013 (the "Deadline"), provided that the Deadline will automatically be extended until March 27, 2013 if approval from the Ministry of Communications and/or the Antitrust Commissioner (to the extent required) is not received by the Deadline; (2) if a government authority prevents the consummation of the SPA; (3) if any required third-party consent includes a term that materially and adversely impacts Partner's businesses or the ability of Scailex or Buyer to consummate the SPA; (c) by Buyer, if Scailex materially failed to fulfill any of its covenants or agreements under the SPA, or if any representation by Scailex under the SPA has become materially inaccurate, and this could suffice to prevent the fulfillment of the conditions precedent, subject to a 30-day cure period, if applicable; (d) by Scailex, if Buyer materially failed to fulfill any of its covenants or agreements under the SPA, or if any representation made by Buyer under the SPA has become materially inaccurate, and this could suffice to prevent the fulfillment of the conditions precedent, subject to a 30-day cure period, if applicable; all subject to the conditions and circumstances specified in the SPA.

Mutual Waiver and Release and Confirmation and Undertaking Letter in Connection with Advent Loan Assignment Agreement

Concurrently with the signing of the SPA, Buyer and Advent (including an additional party in the Hutchison Group) entered into an assignment agreement regulating the relations between Buyer and Advent with respect to the assignment of the Advent Loan (the "Assignment Agreement"). The consummation of the Assignment Agreement and the consummation of the SPA are interdependent and are to be executed simultaneously.

Scailex and Advent agreed to sign a mutual waiver and release document on the Closing Date, pursuant to which Scailex and Advent will each irrevocably and unconditionally waive towards each other and any party on its behalf, any claim or allegation between them relating to the Advent Loan (the "Mutual Waiver"). The Mutual Waiver will be subject to the consummation of the SPA and the Assignment Agreement, and will be in effect as of the Closing Date. The Mutual Waiver shall be void *ab initio* if the Assignment Agreement or the SPA is cancelled or becomes invalid as a result of a judicial proceeding.

On November 30, 2012, Scailex also signed a confirmation and undertaking letter (the "Undertakings Letter"), which includes the following undertakings vis-à-vis Advent, which are to become effective on the Closing Date: (a) Scailex approves execution of the Assignment Agreement and its consummation; (b) Scailex will not assume any financial liability not in the ordinary course of its business until the earlier of one business day after the Closing Date or 10 business days after the Assignment Agreement is duly cancelled; (c) Scailex will convene general meetings of holders of Scailex's public notes (Series A through D, F through I and Series 1) by no later than December 25, 2012 to approve the SPA and the assignment of the Advent Loan; and (d) insofar as the consent of the holders of the public notes is not received prior to December 25, 2012, and if proceedings, including liquidation or settlement proceedings, are instituted against Scailex or are threatened to be immediately instituted, Scailex will cooperate with Buyer and Advent with respect to the filing of a motion to the court to approve the Assignment Agreement or an arrangement similar thereto.

Shareholders' Agreement

Scailex and Buyer will sign a shareholders' agreement effective as of the Closing Date with respect to their holdings of Ordinary Shares, regulating their mutual agreement relative to Partner (the "Shareholders' Agreement"). Subject to applicable law, under the Shareholders' Agreement, Scailex and Buyer will agree to hold a preliminary meeting to coordinate a uniform vote in advance of each shareholders' meeting of Partner. This arrangement will apply so long as Buyer and its affiliates hold more Ordinary Shares than Scailex, its affiliates and any third party to whom Scailex sells 5% or more of the outstanding shares of Partner, and which shall be joined to the Shareholders' Agreement ("Joining Third Party"). Decisions pursuant to the Shareholders' Agreement are to be made by a simple majority of the voting rights in Partner held by the Buyer, Scailex, their respective affiliates and any Joining Third Parties. Under the Shareholders' Agreement, the parties will agree to vote in favor of the following items: the appointment of members to Partner's board of directors in accordance with the composition specified in the Shareholders' Agreement; the execution of particular amendments to Partner's Articles of Association described in the Shareholders' Agreement; the approval of management agreements between Buyer and/or its affiliates and Partner; the approval of a registration rights agreement between Scailex, Buyer and Partner, pursuant to which Scailex and Buyer will be entitled to demand particular rights from Partner with respect to the registration of Partner shares under applicable U.S. securities laws; the approval of run-off insurance for incumbent officers of Partner prior to the Closing Date; and the approval of a release, indemnity and insurance for officers of Partner who shall be holding office after the Closing Date. In addition, the parties will agree to vote against the adoption of any resolution or material amendment thereto not discussed at the relevant preliminary meeting.

The Shareholders' Agreement will further provide that so long as Scailex and its affiliates cumulatively hold at least 10% of Partner's outstanding shares, subject to applicable law, Buyer and its affiliates will not be allowed to approve any of the following actions during Partner's general meeting without receipt of Scailex's written consent: (a) a material change in Partner's line of business, or entry into a material new line of business; (b) a merger of Partner with a communications service-provider, or the acquisition thereof by Partner in a transaction valued in excess of US$ 250 million; (c) the initiation of liquidation or dissolution proceedings, or a stay of proceedings or a creditors' arrangement; (d) transactions with interested parties, apart from the management agreements, a purchase of shares within the scope of a rights offering in Partner, a pro-rata receipt of dividends or distributions or a new registration rights agreement; (e) a change in Partner's share capital that has a material and disproportionate adverse impact on Scailex's rights to Partner shares, or issuance of a class of shares (or similar security) senior to the Partner shares; (f) voluntary delisting of Partner shares from the Tel-Aviv Stock Exchange Ltd.; and (g) amendments to Partner's Articles of Association that have a material and disproportionate adverse impact on Scailex's rights.

Scailex and Buyer will also agree to vote their respective Ordinary Shares (including at an annual or special meeting of Partner's shareholders) and to take all necessary actions to ensure that the composition of Partner's board of directors will be as follows: (a) the majority of the members of the Board of Directors will be candidates recommended by Buyer; (b) the number of members of the Board of Directors who will be candidates recommended by Scailex will be determined according to the percentage holdings of Partner's share capital by Scailex and its affiliates, as follows: two members, if Scailex and its affiliates hold at least 10%; one member, if Scailex and its affiliates hold at least 5% but not more than 10%; provided that the composition of Partner's board of directors as stated above in subclauses (a) and (b) will not derogate from Scailex's right to be involved in the appointment of an "Israeli director" of Partner by Partner shareholders that are classified as "Israeli entities". In addition, so long as Scailex is entitled to appoint at least one director, at least one director recommended by Scailex will be appointed as a member of each of the committees of Partner's board of directors. The Shareholders' Agreement also provides that the chairman of Partner's board of directors will be elected by a majority of the board members and will not have a casting vote. The provisions described in this paragraph will be rescinded on the date that Scailex and its affiliates own more Ordinary Shares than Buyer and its affiliates.

Under the terms of the Shareholders' Agreement, Scailex will be prohibited from transferring any Ordinary Shares held by Scailex and its affiliates, other than in accordance with the provisions of the Shareholders' Agreement. Pursuant to the Shareholders' Agreement, Buyer will have a right of first offer in the event Scailex or its affiliates seek to transfer at least 5% of Ordinary Shares to a third party, and if Buyer does not exercise its right of first offer, it will have a right to match with respect to the offered shares in the event an offer from a third party is made, all subject to the terms and circumstances set forth in the Shareholders' Agreement. The above right of first offer and right to match will not apply in connection with: (a) a distribution "in blocks" of Ordinary Shares on the open market; (b) a sale of Ordinary Shares on the open market; (c) a transfer of Ordinary Shares to a party controlled by Scailex (and which will join Scailex as a party to the agreement); (d) a pledge of Ordinary Shares in connection with the assumption of a debt and/or in connection with a guarantee given in favor of an affiliate of Scailex; or (e) any sale to a third party by Scailex or any of its affiliates of less than 5% of Ordinary Shares during a consecutive 12-month period.

The Shareholders' Agreement (a) may be terminated (i) by Buyer, in the event of a change in control or insolvency or entry into an insolvency proceeding of Scailex; or (ii) by Scailex due to reasonable reasons, in the event of a change in control over Buyer or insolvency or entry into an insolvency proceeding of Buyer; (b) will automatically terminate in the event that either of Scailex and its affiliates, or Buyer and its affiliates, cumulatively hold less than 5% of Partner's share capital; and (c) may be terminated by Scailex or by Buyer, and for any reason, in the event that Scailex and its affiliates own more Partner shares than Buyer and its affiliates.

The Reporting Persons intend to review their investment in the Issuer on a regular basis. Subject to the terms of the SPA and, when executed, the Shareholders' Agreement, the Reporting Persons reserve the right to, without limitation, purchase, hold, vote, trade, dispose of or otherwise deal in Ordinary Shares, in open market or private transactions, block sales or purchases or otherwise, and at such times as they deem advisable to benefit from, among other things, changes in market prices of Ordinary Shares, changes in the Issuer's operations, business strategy or prospects, or from the sale or merger of the Issuer. In order to evaluate their investment, the Reporting Persons may routinely monitor the Issuer's share price, business, assets, operations, financial condition, prospects, business development, management, competitive and strategic matters, capital structure and prevailing market conditions, as well as alternative investment opportunities, liquidity requirements of the Reporting Persons and other investment considerations. Consistent with their investment research methods and evaluation criteria, the Reporting Persons may discuss such matters with the management or directors of the Issuer, other shareholders, industry analysts, existing or potential strategic partners or competitors, investment and financing professionals, sources of credit, other investors and any applicable governmental agencies. Such factors and discussions may materially affect the Reporting Persons' investment purpose and, subject to the terms of the SPA and, when executed, the Shareholders' Agreement, may result in the Reporting Persons' modifying their ownership of Ordinary Shares, exchanging information with the Issuer pursuant to appropriate confidentiality or similar agreements, proposing changes in the Issuer's operations, governance or capitalization, or in proposing one or more of the other actions described in subsections (a) through (j) of Item 4 of Schedule 13D.

Further, subject to the terms of the SPA and, when executed, the Shareholders' Agreement, the Reporting Persons reserve the right to revise their plans or intentions and/or to formulate other plans and/or make other proposals, and take any and all actions with respect to their investment in the Issuer as they may deem appropriate, including any or all of the actions set forth in paragraphs (a) through (j) of Item 4 of Schedule 13D, or acquire additional Ordinary Shares or dispose of some or all of the Ordinary Shares beneficially owned by them, in open market or private transactions, block sales or purchases or otherwise, in each case, to maximize the value of their investment in the Issuer in light of their general investment policies, market conditions and subsequent developments affecting the Issuer. The Reporting Persons may at any time reconsider and change their plans or proposals relating to the foregoing.

The foregoing description of the SPA, the Mutual Waiver and the Shareholders' Agreement is qualified in its entirety by reference to the full text of such agreements, which are incorporated by reference herein.

Receipt of Various Third-Party Consents

Certain of the conditions precedent set forth in the SPA were satisfied on or around December 24, 2012. In particular, the holders of the public notes of Scailex and Mizrahi Tefahot Bank Ltd. have consented to the transaction. In addition, it was clarified that the transaction is not required to be reported to the Antitrust Commissioner and therefore does not require its consent.

Item 5. Interest in Securities of the Issuer. ***Item 5 of Schedule 13D is hereby amended and restated in its entirety to read as follows:***

(a) and (b): As of the date hereof, Scailex is the direct beneficial owner of 69,325,593 Ordinary Shares, constituting approximately 44.5% of the total number of outstanding Ordinary Shares. Scailex has the shared power to vote, or direct the voting of, and the shared power to dispose of, or direct the disposition of, all of the Ordinary Shares owned by Scailex.

Suny Electronics may be deemed to be the beneficial owner of 71,498,719 Ordinary Shares, constituting approximately 45.9% of the total number of outstanding Ordinary Shares, consisting of 2,173,126 Ordinary Shares directly owned by Suny Electronics and 69,325,593 Ordinary Shares directly owned by Scailex of which Suny Electronics may be deemed to be the beneficial owner. Suny Electronics has the shared power to vote, or direct the voting of, and the shared power to dispose of, or direct the disposition of, the Ordinary Shares owned by Scailex and Suny Electronics. Pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended, Suny Electronics disclaims beneficial ownership of the Ordinary Shares owned by Scailex reported herein, except to the extent of any pecuniary interest therein.

Ilan Ben-Dov and Ben-Dov Holdings may each be deemed to be the beneficial owner of 71,498,719 Ordinary Shares, constituting approximately 45.9% of the total number of outstanding Ordinary Shares, consisting of 2,173,126 Ordinary Shares directly owned by Suny Electronics and 69,325,593 Ordinary Shares directly owned by Scailex. Each of Ilan Ben-Dov and Ben-Dov Holdings has the shared power to vote, or direct the voting of, and the shared power to dispose of, or direct the disposition of, the Ordinary Shares directly owned by Scailex and Suny Electronics. Pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended, each of Ilan Ben-Dov and Ben-Dov Holdings disclaims beneficial ownership of all Ordinary Shares reported herein, except to the extent of any pecuniary interest therein.

The Reporting Persons have acted in concert in connection with the transaction described herein. Consequently, the Reporting Persons may be deemed to constitute a "group" for purposes of Section 13(d) of the Exchange Act.

(c) Except as set forth herein, to the best knowledge of the Reporting Persons, none of the Reporting Persons and no other person or entity described in Item 2 above has beneficial ownership of, or has engaged in any transaction during the past 60 days in respect of, any Ordinary Shares.

(d) No person, other than the Reporting Persons, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Ordinary Shares referred to in this Item 5.

Percentages set forth herein were calculated in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and based on 155,645,708 Ordinary Shares outstanding as of September 30, 2012 (not taking into account 4,467,990 dormant Ordinary Shares which are held by Partner) (as disclosed in a Form 6-K submitted by the Issuer to the Securities and Exchange Commission on November 21, 2012).

Item 6. Contracts, Arrangements, Understandings or Relationships with respect to Securities of the Issuer.

Item 6 of Schedule 13D is amended by adding the following paragraphs:

In connection with the Transaction described in Item 4 above, on November 30, 2012, Scailex entered into the SPA with the Buyer, and agreed with the Buyer to sign the Shareholders' Agreement on the Closing Date. Further, Scailex executed a Confirmation and Undertaking to Advent and agreed with Advent to sign the Mutual Waiver on the Closing Date. These arrangements are more fully described in Item 4 above, which disclosure is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 is amended by adding the following Exhibits which are filed herewith:

26. Share Purchase Agreement by and between Scailex Corporation Ltd. and S.B. Israel Telecom Ltd., dated November 30, 2012, including the form of Shareholders Agreement to be signed at the closing of the transactions contemplated by the Share Purchase Agreement.

27. Scailex Corporation Ltd. Confirmation and Undertaking to Advent Investments Pte Ltd., dated November 30, 2011.

28. Form of Mutual Waiver and Release by and between Advent Investment Pte Ltd. and Scailex Corporation to be signed at the closing of the transactions contemplated by the Share Purchase Agreement.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Dated: December 30, 2012

SCAILEX CORPORATION LTD.

By: */s/ Yahel Shachar*
Yahel Shachar
Chief Executive Officer

By: */s/ Galit Alkalay-David*
Galit Alkalay-David
Chief Financial Officer

SUNY ELECTRONICS LTD.

By: */s/ Yahel Shachar*
Yahel Shachar
Chief Executive Officer

By: */s/ Galit Alkalay-David*
Galit Alkalay-David
Chief Financial Officer

BEN-DOV HOLDINGS LTD.

By: */s/ Ilan Ben-Dov*
Ilan Ben-Dov
Director

ILAN BEN-DOV

/s/ Ilan Ben-Dov

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS OF THE REPORTING PERSONS

Set forth below is the name, business address, present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted, of the directors and executive officers of each Reporting Person that is an entity. Each of the persons named below is a citizen of Israel. The addresses of Scailex Corporation Ltd. ("Scailex") and Suny Electronics Ltd. ("Suny Electronics") are set forth in Item 2. The name of each person who is a director of the applicable Reporting Person is marked with an asterisk.

Name and Business Address	Principal Occupation or Employment
Yahel Shachar c/o Scailex Corporation Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel	CEO of Scailex and Suny Electronics
Galit Alkalay c/o Scailex Corporation Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel	CFO of Scailex and Suny Electronics
David Piamenta c/o Scailex Corporation Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel	Cellular Operators Field Manager of Scailex
Tomer Pomerantz c/o Scailex Corporation Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel	Investments Manager of Scailex
Moshe Cohen c/o Scailex Corporation Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel	Internal Auditor of Scailex Internal Auditor of Suny Electronics (Although Moshe Cohen is internal auditor of both Scailex and Suny Electronics, he is not an employee of either company. Rather, he is a partner at the accounting firm of Chaikin, Cohen, Rubin & Co., Kiryat Atidim, Building #4, POB 58143, Tel Aviv, Israel.)
Ilan Ben-Dov[1] *	
Ram Dviri * 16 Sharet St. Tel-Aviv, Israel	Owner and CEO of Decoram Ltd. 1 De-Haz St. Tel-Aviv, Israel
Gidon Rabinovich * 14 Rozov St. Tel-Aviv, Israel	CPA -Owner of a real estate development and construction company, mainly in the field of residential projects. -Business and financial consulting.

[1] Information regarding Ilan Ben-Dov is provided in Item 2.

Yaakov Vizel * Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel	CEO of Derech Halotus Ltd. Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel
Eliyahu Noah * Segula Industrial Center 48 Ben Zion Galis St. Petach Tikva, Israel	Accountant of Suny Electronics
Yehiel Feingold * 6 Neurim, Kfar Saba	Consultant 6 Neurim, Kfar Saba
Eti Livni * 122 Wingate St. Herzeliya, Israel	Attorney, Director in various companies. Self employed. 8 Aba Even St. Herzeliya, Israel
Shalom Singer * 11 Shlomo Ben Yosef, Tel Aviv	Director and consultant in various companies. Managing Partner at Singer Meister Ltd. 7 Zabotinsky St. (Aviv Tower) Ramat-Gan, Israel
Yoav Biran * 3/4 Oved St. Jerusalem, Israel	Retired
Regina Ungar * 21 Ha'arbaa St., Tel Aviv	CEO of KMN Holdings Ltd. Isal Amlat Investments (1993) Ltd. 20 Lincolen St. (Beit Rubinshtein) Tel Aviv, Israel
Arie Ovadia * 11 Hashomer, Raanana	Partner and manager of Shemrok Israel Support Fund Consultants Ltd. (support fund) 23 Menachem Begin St., Tel Aviv, Israel

Exhibit 26

Execution Copy

CONFIDENTIAL

PARTNER COMMUNICATIONS COMPANY LTD.
SHARE PURCHASE AGREEMENT

by and between

SCAILEX CORPORATION LTD.

and

S.B. ISRAEL TELECOM LTD.

November 30, 2012

Execution Copy

SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT, dated this 30th day of November, 2012 (the "**Agreement**", and the "**Effective Date**", respectively), is entered into by and between SCAILEX CORPORATION LTD., a corporation incorporated and existing under the laws of the State of Israel, registered with the Israeli registrar of companies under company number 52-003180-8 (the "**Seller**"), and S.B. ISRAEL TELECOM LTD., incorporated and existing under the laws of the State of Israel, registered with the Israeli registrar of companies under company number 51-484322-6 (the "**Purchaser**"). Each of the Seller and the Purchaser is a "**Party**", and together the "**Parties**".

RECITALS

A. Partner Communications Company Ltd. (the "**Company**") is a public company, incorporated and existing under the laws of the State of Israel, registered with the Israeli registrar of companies under company number 52-004431-4, whose ordinary shares are traded on the Tel-Aviv Stock Exchange ("**TASE**"), and American Depositary Shares, each representing one of the Company's ordinary shares, are quoted on the NASDAQ Global Select Market ("**Nasdaq**").

B. The Purchaser wishes to purchase from the Seller and the Seller wishes to sell to the Purchaser the Purchased Shares (as such terms are defined hereunder) in exchange for the consideration set forth in Section 2.2 hereunder.

C. Simultaneously with the execution of this Agreement, the Purchaser enters into the Hutchison Debt Assumption Arrangement (as such term is defined hereunder).

D. Intending to be legally bound hereby, the Seller and the Purchaser have entered into this Agreement.

E. Capitalized terms in this Agreement are defined in individual paragraphs of the Agreement or in ARTICLE I.

ARTICLE I
DEFINITIONS

1.1. Definitions and Interpretation. The following terms, as used in this Agreement, shall have the following meanings:

"**Advent**" means Advent Investments Pte Ltd.

"**Advent Release**" means a mutual waiver and release document, in the form attached to the Hutchison Debt Assumption Arrangement.

"**Additional Purchased Shares**" means 2,983,333 Ordinary Shares.

"**Affiliate**" means a Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with the Person specified.

"**Antitrust Approval**" means consent of the Israeli Antitrust Commissioner of the purchase of the Purchased Shares pursuant to this Agreement.

"**Applicable Law**" means, with respect to any Person, any Israeli or foreign law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, writ, injunction, judgment, decree or other ruling enacted, adopted, promulgated or applied by court or other Governmental Authority of competent jurisdiction that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

"**Assignment Cessation Event**" means an event of default of the Purchaser under the Hutchison Debt Arrangement that results or may result in the termination or temporary suspension of the Seller's right to receive the Seller Dividend Portion Entitlement or any portion thereof.

"**BLL**" means Bank Leumi Le-Israel B.M.

"**BLL SPA**" means the share purchase agreement between Seller and BLL dated August 21, 2009.

"**Business Day**" means any day falling Monday through Thursday on which commercial banks in Israel and U.S. are open for business.

"**CFO Distributable Profits Confirmation**" shall have the meaning set forth in Section 2.2.4.1.

"**CFO Net Debt Confirmation**" shall have the meaning set forth in Section 4.6.2.

"**Closing**" shall have the meaning set forth in Section 7.1.

"**Closing Cash Amount**" means an aggregate amount of NIS250 million, as further set forth in Section 2.2.2. It is made clear that the payment of the Closing Cash Amount is subject to the withholding tax mechanism set forth in Section 2.4 hereunder.

"**Closing Date**" shall have the meaning set forth in Section 7.1.

"**Closing Purchased Shares**" means 44,850,000 Ordinary Shares.

"**Closing Set-Off**" shall have the meaning set forth in Section 2.2.3.3.

"**commercially reasonable efforts**" means the commercially reasonable efforts of the relevant Person, *provided* that in exercising such efforts no party shall be required to bear or incur any unreasonable burden, cost or expense.

"**Companies Law**" shall mean the Israeli Companies' Law, 5759-1999, as shall be amended from time to time.

"**Company**" shall have the meaning set forth in the Preamble.

"**Company Financial Statements**" shall have the meaning set forth in Section 4.6.1,

"**Company Financial Statements Date**" shall mean September 30, 2012.

"**Company Options**" shall have the meaning set forth in Section 4.1.4.

"**Company Permits**" shall have the meaning set forth in Section 4.5.2.

"**Company Shareholders Agreement**" means the shareholders agreement between the Seller and the Purchaser, in the form attached hereto as ***Exhibit A,*** as shall be executed on the Closing.

"**Conditions Precedent**" means the conditions precedent to Closing set forth in ARTICLE VII herein or the conditions precedent to the Deferred Closing set forth in ARTICLE VIII herein, as the case may be.

"**Control**" shall have the meaning ascribed to such term under the Securities Law, 1968.

"**Controlling Parent**" means the parent entity of Purchaser pre-Closing.

"**Damages**" means any direct and actual, claims, injuries, losses, damages, settlements, judgments, awards, penalties, fines, costs or expenses (including reasonable legal, expert and consultant fees and expenses) but excluding any special, incidental, indirect, punitive or consequential damages (including lost profits, loss of revenue or lost sales).

"**DD Completion Date**" means December 27, 2012.

"**Deadline Date**" means February 7, 2013.

"**Deferred Closing**" shall have the meaning assigned thereto in Section 2.3.5.

"**Deferred Closing Date**" shall have the meaning assigned thereto in Section 2.3.5.

"**Distributable Profits**" as such term is defined under the Companies Law. and as such profits are calculated by the Company in the Ordinary Course. It is acknowledged that as of September 30, 2012 the Distributable Profits of the Company were NIS315 million.

"**Dividend Deposit Amount**" shall have the meaning assigned thereto in Section 2.3.3.1.

"**Dividend Deposit Date**" shall have the meaning assigned thereto in Section 2.3.2.

"**Due Diligence**" means legal, financial, commercial and business due diligence to be conducted by the Purchaser relating to or in connection with the Transaction, Seller (limited to review of Indebtedness, Liabilities and exposures resulting therefrom), the Company, the Material Subsidiaries and the Subsidiaries.

"**Due Diligence Materials**" means any information provided to the Purchaser or its representatives by the Company or by the Seller or its Affiliates in connection with the Transaction and relating to the Company and its Subsidiaries, including the following: (i) materials made available to the Purchaser or its representatives in any "data room" (virtual or otherwise); (ii) materials made available to the Purchaser or its representatives outside the "data room", including the "information presentation", "financial projections" and "actuarial review"; (iii) management presentations made available to the Purchaser or its representatives; (iv) written responses provided by or on behalf of the Seller, the Company or their respective Affiliates or representatives to questions submitted by or on behalf of the Purchaser or its representatives; or (v) other written materials prepared by or on behalf of the Seller or the Company or their respective Affiliates or representatives and provided to the Purchaser or its representatives.

"**Escrow Additional Purchased Shares Account**" means a special purpose account held by the Escrow Agent for deposition of the Additional Purchased Shares or any portion thereof.

"**Escrow Agent**" means an individual as shall be mutually agreed by the Parties prior to or upon Closing, who shall act as an escrow agent of both Purchaser and Seller, in accordance with the terms and conditions set forth hereunder.

"**Escrow Agreement**" shall have the meaning ascribed to such term under Section 2.3.1.

"**Escrow Dividend Account**" means a special purpose account held by the Escrow Agent for deposition of the Seller Dividend Total Entitlement or any portion thereof.

"**Excess Dividend Amount**" shall have the meaning set forth in Section 2.2.3.3.

"**Extended Deadline Date**" means March 27, 2013.

"**Finder Fee**" shall have the meaning set forth in Section 4.12.

"**Fund Entities**" means Affiliates of Purchaser.

"**Governmental Authority**" means any local or foreign governmental authority, governmental organization, commission, authority, Tax authority, stock exchange or any regulatory, administrative or other governmental agency, or any subdivision, department or branch of any of the foregoing.

"**HSR Act**" means Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Hutchison Debt Assumption Arrangement**" means the arrangement by which Purchaser shall, on the Closing Date and subject to the fulfillment of the Conditions Precedent and such other specific conditions, assume all of Seller's obligations and rights under the Outstanding Note, except from any and all Seller's liabilities for actions, omissions, or defaults under the Outstanding Note at any time prior to the Closing Date, all as amended, modified and restated under the Assumption Agreement between the Purchaser and Advent dated of even date hereof (the "**Assumption Agreement**"), and the Amended and Restated Terms and Conditions of the Notes attached thereto (and such other ancillary documents attached thereto or executed or to be executed in connection therewith).

"**Hutchison Group**" means Advent, Persall Pte. Ltd., Kelburgh Pte. Ltd and/or any of their Affiliates.

"**Hutchison Pledge**" means the pledge existing over 19,056,720 Ordinary Shares of the Company as of the date hereof in the benefit of certain entities of the Hutchison Group in connection with the Outstanding Note.

"**IFRS**" means International Financial Reporting Standards.

"**Indebtedness**" of any Person means, without duplication, (i) the principal, accreted value, accrued and unpaid interest, prepayment and redemption premiums or penalties (if any), unpaid fees or expenses and other monetary obligations in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement; (iii) all obligations of such Person under leases required to be capitalized in accordance with IFRS; (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (v) all obligations of such Person under interest rate or currency swap transactions (valued at the termination value thereof); (vi) the liquidation value, accrued and unpaid dividends; prepayment or redemption premiums and penalties (if any), unpaid fees or expenses and other monetary obligations in respect of any redeemable preferred stock of such Person; (vii) all obligations of the type referred to in clauses (i) through (vi) of any Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (viii) all obligations of the type referred to in clauses (i) through (vii) of other Persons secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person).

"**Indemnification Claim**" shall have the meaning set forth in Section 10.2.1.

"**Indemnification Entitlement Amount**" shall have the meaning set forth in Section 10.2.1.

"**Indemnification Notice**" shall have the meaning set forth in Section 10.5.

"**Indemnified Party**" shall have the meaning set forth in Section 10.2.1.

"**Indemnity Time Limitation**" shall have the meaning set forth in Section 10.3.1.3.

"**Indemnifying Party**" shall have the meaning set forth in Section 10.2.1.

"**ISA**" means the Israeli Securities Authority.

"**Joining BLL Shares**" shall have the meaning set forth in Section 2.1.2.

"**Key Employees**" shall have the meaning set forth in Section 6.1.2.14.

"**Knowledge**" means, with respect to any Person that is not an individual, the knowledge after reasonable inquiry of such Person's directors and executive officers and all other officers and managers having responsibility relating to the applicable matter or, in the case of an individual, knowledge after reasonable inquiry.

"**Legal Proceeding**" means any action, suit, litigation, arbitration proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing Tax auditor investigation commenced, brought, conducted or heard by or before any court or other Governmental Authority or any arbitrator or arbitration panel.

"**Liability**" means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, matured or unmatured, determined or determinable, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation).

"Lien Holder" shall have the meaning set forth in Section 2.3.3.2.

"Lien Release Notice" shall have the meaning set forth in Section 2.3.3.2.

"**Liens**" means any pledges, charges, liens, security interests or other encumbrances or third party rights (including any deed of trust, claim, option, right of first refusal, proxy, voting arrangements, right to designate board members, preference, priority, transfer restriction under any shareholder or similar agreement, rights of first or last refusal or possession, or any other restriction or limitation whatsoever, all whether absolute or contingent).

"**Management Agreements**" means certain management agreements between the Company and Purchaser or the Controlling Parent or Affiliates thereof.

"**Material Adverse Effect**" means (i) any change, effect, event, occurrence or development that has had, or could reasonably be expected to have, a material adverse effect (which, for the purpose of this clause, shall mean a deviation of more than 17.5% from the status, results and condition of the Company or any of its Material Subsidiaries as of the Effective Date) on the business (including assets), results of operations or condition (financial or otherwise) of the Company and its Material Subsidiaries, taken as a whole, *provided* that, for the purpose of this clause, one-time, non-recurring, entries in the financial statements of the Company which occurred prior to the Effective Date shall be disregarded and not be taken into account in the calculation of the baseline for purposes of establishing the foregoing deviation, (ii) a material adverse effect on the ability of the Seller to consummate the Transaction or perform its obligations under this Agreement, (iii) the occurrence of an acceleration as a result of an event of default or an acceleration as a result of any other reason with respect to any Indebtedness of Seller, the Company or the Material Subsidiaries, the underlying amount of which is in excess of US$25 million; (iv) a verdict or holding by any court of competent jurisdiction is rendered against the Company or any of its Material Subsidiaries with respect to any Legal Proceedings ordering the Company or any of its Material Subsidiaries, in the aggregate, to pay any amount in excess of NIS50 million in total or which otherwise results in material restriction or limitation on the operation or business of the Company; *provided, however,* that the following events shall not be considered Material Adverse Effect for the purposes hereof: (a) changes in the economy that do not disproportionately impact the business of the Company or the Material Subsidiaries; (b) changes in generally accepted accounting principles or financial reporting standards; (c) force majeure events; (d) terrorism events or military actions, or (e) reduction in the value of Company's shares held by Seller, including reduction in the value of such shares in the financial statements of the Seller, *provided, however,* that, with respect to subsection (e), to the extent that the value of the shares in the market drops as a result of the occurrence of any of the events set forth above in subsections (i)-(iv), Purchaser shall not be prevented from claiming that a Material Adverse Effect has occurred based upon any of such subsections).

"**Material Agreements**" means all agreements and understandings, instruments, contracts and other business relationships to which the Company or any Material Subsidiary or a Subsidiary (as applicable) is a party, that involve (i) obligations (absolute, potential, contingent or otherwise) of, or payments to or from, the Company, or any of the Material Subsidiaries or a Subsidiary, in excess of NIS20 million in the aggregate; (ii) any Key Employees or Related Affiliates; (iii) the sale of any material assets of the Company or any of the Material Subsidiaries, other than in the Ordinary Course, or the grant to any Person of any preferential rights to purchase or to license (on an exclusive basis or not) any portion of such material assets or to use any of such assets; (iv) a material joint venture with any Person; (v) the acquisition by the Company or by any of the Material Subsidiaries or by a Subsidiary of any operating business or the share capital of any other Person, other in the Ordinary Course; or (vi) the share capital, or any other securities or rights convertible or exercisable into share capital, of the Company and/or any Material Subsidiary, including all agreements and arrangement among shareholders of the Company and/or any Material Subsidiary, and all agreements and arrangement related to rights granted with respect to the share capital of the Company and/or any Material Subsidiary;

"**Material DD Findings**" means when the Due Diligence reveals: (i) finding(s) which have or could reasonably be expected to have in the aggregate a material adverse effect on the business (including assets), status, condition (financial or otherwise), results of operation of the Company and/or any Material Subsidiary, or projections with respect to the future results and prospects of Company and/or any Material Subsidiary; or (ii) any material breach of any Applicable Law, the MoC License and/or any administrative decision or instruction (including any breach of any securities laws, regulations and any instructions or decisions by any securities authority or stock exchange) which have or could reasonably be expected to have in the aggregate a material adverse effect on the Company and/or any Material Subsidiary; or (iii) material misstatements or omissions in the Company Financial Statements or Public Disclosures of the Company; or (iv) finding(s) which have or could reasonably be expected to have, in the aggregate, a material adverse effect on the effectiveness, validity, legality or enforceability of this Agreement or any other ancillary document relating to the Transaction. A "*Material DD Finding*" shall also mean the failure by the Company to provide timely access to material Due Diligence Materials reasonably requested by the Purchaser, in acknowledging the short time frame available for completion of the Due Diligence.

"Material Subsidiaries" means (i) Partner Future Communications 2000 Ltd.; (ii) Partner Land-Line Communications Solutions LLP.; (iii) Partner Business Communications Solutions LLP.; (iv) 012 Smile Telecom Ltd; (v) Partner Net Ltd.; and (vi) any other direct or indirect Subsidiary of the Company that contributes 10% or more of the EBITDA or revenues of the Company on a consolidated basis or that holds a license from the MoC.

"MoC" means The Israeli Ministry of Communications.

"MoC Approval" means approval of the MoC and the Minister of Communications, to the extent required, issued in connection with the sale and purchase of the Purchased Shares pursuant to this Agreement, the Shareholders Agreement, and any other pledge permits in respect of the Purchased Shares and in favor of the Purchaser or its respective lenders, as applicable.

"**MoC License**" means the Company's General License for the Provision of Mobile Radio Telephone Services using the Cellular Method in Israel dated April 7, 1998, and the permit issued by the Ministry of Communications dated April 7, 1998, and all other licenses granted by the MoC to the Company and/or its subsidiaries, as amended and/or restated from time to time.

"**Nasdaq**" shall have the meaning set forth in the Preamble.

"Net Debt" means (x) short and long term bank loans, *plus* debentures, *minus* (y) cash and cash equivalents.

"Ordinary Course" means the ordinary course of business, consistent with past practice.

"Ordinary Shares" means ordinary shares of the Company, par value NIS 0.01 each.

"Outstanding Note" means that certain Fixed Rate Secured Bullet Notes due April 27, 2014, issued to Advent by Seller on October 28, 2009, in the face value of US$300,000,000.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity of any kind.

"Public Disclosures" means the immediate reports, press releases and reports on form 6-K and 20-F filed by the Company.

"Purchased Shares" shall mean the (i) Closing Purchased Shares, *plus* (ii) Additional Purchased Shares, namely 47,833,333 Ordinary Shares.

"Purchaser Closing Irrevocable Instructions" shall have the meaning set forth in Section 2.2.3.2.

"**Purchaser Directors**" means the individuals selected by the Purchaser to serve as directors on the Board of Directors of the Company and the Material Subsidiaries following the Closing, and who qualify to serve as directors, which identity, credentials and assignment per entity shall be provided to the Seller no later than seven (7) Business Days prior to the Closing.

"**Purchaser Group**" means, collectively, Purchaser, the Fund Entities or any of their respective current or future directors, officers, general partners, members or Affiliates.

"**Purchaser Tax Ruling**" shall mean a tax ruling or a series of tax rulings to be approved by the Israeli Tax Authorities to (x) confirm that dividends paid by the Company to Purchaser are exempt from withholding tax, (y) confirm that Purchaser shall be treated as a flow-through entity for Israeli tax purposes, and (z) that the Seller Dividend Portion Entitlement shall be deemed to have been paid directly by the Company to Seller regardless of the record date or payment date of such dividend.

"**Related Affiliate**" means an Affiliate of the Company or of any of the Material Subsidiaries or of the Seller.

"Release Amount" shall have the meaning set forth in Section 2.3.3.2.

"Released Additional Shares" shall have the meaning set forth in Section 2.3.3.1.

"**Required Release Documents"** shall have the meaning set forth in Section 2.3.3.4.

"**Section 350 Proceedings**" shall mean proceedings under Sections 350 and/or 351 of the Companies Law, or immediate threat to initiate such proceedings.

"**Securities Act**" means the Israeli Securities Act of 1968.

"**Seller Account**" shall have the meaning set forth in Section 2.2.2.

"**Securities Documents**" shall have the meaning set forth in Section 4.5.3.

"**Seller's Actual Knowledge**" means with respect to the Seller, regarding any matter in question where this term is used, the actual knowledge of Mr. Ilan Ben-Dov, Chairman of Seller, Mr. Yahel Shachar, the chief executive officer of Seller, Mrs. Galit Alkalay-David, the chief financial officer of Seller.

"**Seller Closing Irrevocable Instructions**" shall have the meaning set forth in Section 2.2.3.2.

"**Seller Confirmation**" shall have the meaning set forth in Section 2.3.3.3.

"**Seller Dividend Portion Entitlement**" means an amount of NIS2.56994 per each of the Closing Purchased Shares, subject to the Seller Dividend Portion Entitlement Adjustment, in respect of a Subsequent Distribution which, for the avoidance of any doubt, is attributable to Distributable Profits of the Company as of December 31, 2012, and allocable to Seller for its period of ownership. It is made clear that the payment of the Seller Dividend Portion Entitlement is subject to the withholding tax mechanism set forth in Section 2.4 hereunder.

"**Seller Dividend Portion Entitlement Adjustment**" shall have the meaning set forth in Section 2.2.4.2.

"**Seller Dividend Total Entitlement**" means a dividend in an aggregate amount equals NIS115,261,771, which is comprised of (x) the number of Closing Purchased Shares, *multiplied by* (y) the Seller Dividend Portion Entitlement (*i.e.*, 44,850,000 X 2.56994), subject to the Seller Dividend Portion Entitlement Adjustment. It is made clear that the payment of the Seller Dividend Total Entitlement is subject to the withholding tax mechanism set forth in Section 2.4 hereunder.

"**Seller Financial Statements**" means the financial statements of the Seller for the period ending on December 31, 2011 and for the 9-month period ending on September 30, 2012 (including any notes thereto).

"**Seller Liability Cap**" shall have the meaning set forth in Section 10.3.1.2.

"**Seller Resigning Directors**" means such individuals serving as directors of the Company and/or the Material Subsidiaries, who are not the incumbent external directors under Applicable Law or the Israeli Director, prior to the Closing Date and who will resign from office upon Closing, whose identity is determined by Seller pre-Closing.

"**Seller Resolution**" shall have the meaning set forth in Section 3.3.

"**Share Transfer Deed**" shall have the meaning set forth in Section 7.5.1.2.

"**Subsequent Distribution**" means any amount of dividend paid by the Company to its shareholders, in one or several occasions, following the Effective Date accumulating to the lesser of (i) NIS 400,000,000; and (ii) an amount certified by the CFO of the Company stating the distributable profits of the Company as of December 31, 2012, for the financial years 2011 and 2012 as calculated in accordance with the Company's accounting policies,.

"**Subsidiary**" means any Person in which the Company or any Material Subsidiary of the Company owns, directly or indirectly, at least 25% of the voting rights, economic interests or the ability to appoint or elect 25% of the directors of such Person.

"**Survival Period**" means the survival periods set forth in Section 3.8 and Section 4.13 hereunder.

"**TASE**" shall have the meaning set forth in the Preamble.

"**Tax**" shall include income taxes, levies, social security dues, value added tax, purchase tax, stamp tax, customs duties, import taxes, import levies and any other tax, levy duty or impost imposed under any Applicable Law.

"**Third Party Approvals**" means all the regulatory approvals set forth in ***Exhibit B*** attached herein and all other material regulatory approvals and permits and material third party consents, approvals or clearances that may be required to be obtained for or in connection with the consummation of the Transaction, including all required clearances and approvals relating to compliance with applicable securities and stock exchange rules and regulations (Israeli and foreign) applicable to the consummation of the Transaction.

"**Third Party Claim**" shall have the meaning set forth in Section 10.5.

"**Threshold Amount**" shall have the meaning set forth in Section 10.3.1.1.

"**Transaction**" means any and all transactions contemplated by this Agreement in connection with the sale by Seller, and the purchase by the Purchaser, of the Purchased Shares.

"**Transfer**" means any direct or indirect, whether with or without consideration, transfer, sale, exchange, assignment, Lien, donation, grant of a security interest in or any other form of disposition or attempted disposition.

ARTICLE II
SALE AND PURCHASE OF SHARES; CONSIDERATION; ESCROW; TAX

2.1. Sale and Purchase of the Purchased Shares.

2.1.1. Closing Purchased Shares. Subject to the terms and conditions of this Agreement and the fulfillment of the Conditions Precedent, at Closing, the Seller shall sell to the Purchaser, and the Purchaser shall purchase from the Seller, all of the Closing Purchased Shares, free and clear of any Liens (except for the Hutchison Pledge), for the consideration set forth in Section 2.2 hereunder.

2.1.2. Acquisition from BLL. In the event that BLL elects to exercise its tag along rights under the BLL SPA (the "**Joining BLL Shares**"), to the extent exists, then (i) Purchaser shall be required to acquire the first amount of 3,166,667 Ordinary Shares out of the Joining BLL Shares; and (ii) each of Purchaser and Seller shall be required to acquire 50% of the number of Ordinary Shares in excess of 3,166,667 Ordinary Shares; *provided* that the Parties' obligation to acquire the Ordinary Shares from BLL are conditioned upon (i) Seller submitting to BLL the tag notice required according to the BLL SPA within two (2) Business Days (including Sunday) following the Effective Date; and (ii) the terms underlying the acquisition from BLL shall be on terms acceptable to the satisfactions of all parties; and (iii) that Seller and Purchaser shall not, collectively, be required to acquire in excess of 5.3 million shares of the Company from BLL in connection with the exercise of such tag rights.

2.1.3. Additional Purchased Shares.

2.1.3.1. Subject to the terms and conditions of this Agreement and the fulfillment of the Conditions Precedent, at Closing or Deferred Closing, in accordance with the gradual transfer mechanism set forth hereunder and in accordance with Section 2.2.4 hereunder, the Seller shall sell to the Purchaser, and the Purchaser shall purchase from the Seller, all of the Additional Purchased Shares, free and clear of any Liens, in exchange for the consideration set forth hereunder. Seller shall not transfer any of the Additional Purchased Shares to any third party until all of the Additional Purchased Shares shall have been transferred to Purchaser under the terms of this Section 2.1.3, *provided* that to the extent such Additional Purchased Shares are free and clear, Seller shall be entitled to pledge such shares.

2.1.3.2. Subject to the provisions of Section 2.2.4 hereunder, the Additional Purchased Shares will be transferred, at Closing or Deferred Closing, to the Purchaser pro rata to and concurrent with the actual receipt of the then relevant portion of the Seller Dividend Portion Entitlement by Seller out of any Subsequent Distribution (up to the amount of the Seller Dividend Total Entitlement) according to the ratio between (x) the number of Additional Purchased Shares (*i.e.*, 2,983,333 Ordinary Shares), and (y) the aggregate amount of the Seller Dividend Total Entitlement (*i.e.*, NIS115,261,771), such that, *for example*, for every NIS1.00 million of dividend actually paid to Seller by the Company as part of a Subsequent Distribution, 25,883 Ordinary Shares out of the Additional Purchased Shares will be simultaneously transferred free and clear of any Liens to the Purchaser. For the avoidance of doubt, the Seller will not be obligated to transfer the Additional Purchased Shares prior to Closing. Each such event on which a pro rata portion of the Additional Purchased Shares is transferred against transfer of the pro rata portion of the Seller Dividend Total Entitlement shall be handled as a separate deferred closing event which would be subject to the Conditions Precedent and the delivery by the Parties of certain closing deliverables, all as set forth in ARTICLE VIII hereunder and in accordance with the terms and conditions set forth in Section 2.2.4 hereunder.

2.1.3.3. For the avoidance of any doubt, the Seller will be entitled to payment of the Seller Dividend Total Entitlement (or any portion thereof) out of Subsequent Distribution(s) only until it is fully paid out of such dividends, and the Purchaser will not be obligated to pay any amount out of the Seller Dividend Total Entitlement and/or to acquire any portion of the Additional Purchased Shares unless and until Subsequent Dividend(s) in sufficient amounts shall have been declared and actually paid. In any event, the Seller will not be entitled to payment of the Seller Dividend Total Entitlement (or any portion thereof) unless the Purchaser shall have obtained the applicable Additional Purchased Shares.

2.2. Consideration.

2.2.1. Assumption of Outstanding Note.

2.2.1.1. Subject to the terms and conditions of this Agreement which includes the fulfillment of the Conditions Precedent and the terms underlying the Hutchison Debt Assumption Arrangement, at the Closing the Purchaser shall assume the Outstanding Note (subject to the terms of the Hutchison Debt Assumption Arrangement) in exchange for the transfer by Seller to Purchaser of the Closing Purchased Shares. It is agreed that as of the Closing, Seller shall be released from all of its Liabilities under the Outstanding Note, all subject to the terms underlying the Hutchison Debt Assumption Arrangement and the mutual execution of the Advent Release.

2.2.1.2. Notwithstanding anything contained herein, the assumption of the Outstanding Note by Purchaser shall be subject to payment by Seller of any and all interest (including default interest) due through the Closing Date under the Outstanding Note so that the Outstanding Note is assigned to Purchaser in the framework of the Hutchison Debt Assumption Arrangement free and clear of any accrued interest thereunder (including default interest).

2.2.1.3. Without derogating from the Seller's rights under Section 2.2.3, the assumption of the Outstanding Note and the Closing Cash Amount shall be the total consideration for the aggregate of the Closing Purchased Shares and the Additional Purchased Shares.

2.2.2. Payment of Closing Cash Amount. Subject to the terms and conditions of this Agreement (including subject to such setoff rights provided in Section 2.2.3.3, Section 2.4.5 and Section 2.4.7 hereunder), the fulfillment of the Conditions Precedent and the fulfillment of the Seller's obligations hereunder, at Closing, the Purchaser will pay to Seller the Closing Cash Amount and concurrently therewith Seller shall transfer to Purchaser the Closing Purchased Shares. The Purchaser shall pay the Closing Cash Amount to the Seller in New Israeli Shekels, by way of irrevocable wire transfer in immediately available funds to the account designated by the Seller (the "**Seller Account**"), which details (together with the wire transfer information) will be provided to the Purchaser, in writing, at least five (5) Business Days prior to the Closing.

2.2.3. Assignment of Dividend Portion.

2.2.3.1. General Assignment. At the Closing, Purchaser shall be deemed to have assigned to Seller the Seller Dividend Portion Entitlement, pursuant to which Seller will be entitled to receive the Seller Dividend Total Entitlement out of the first Subsequent Distribution, and any Subsequent Distribution thereafter until the amount of the Seller Dividend Total Entitlement is paid in full, all in accordance with the terms and conditions set forth herein and specifically in this Section 2.2.3 and Section 2.2.4. Once Seller has received, as a result of a Subsequent Distribution, an aggregate amount which equals to the amount of the Seller Dividend Total Entitlement, and subject to consummation of the Transaction, the Seller shall no longer be entitled to receive any dividend or interest associated with the Purchased Shares, and the Purchaser will be entitled to receive any and all remaining amount of such Subsequent Distribution. The Parties acknowledge that the Seller Dividend Portion Entitlement and respectively also the Seller Dividend Total Entitlement are attributable to Distributable Profits of the Company as of December 31, 2012. Notwithstanding the aforesaid, it is hereby agreed, that the Seller shall be entitled to be paid the full amount of the Seller Dividend Total Entitlement, out of the first Subsequent Distribution, and any Subsequent Distribution thereafter as provided for hereinabove, regardless of the specific fiscal period to which such dividend payment is allocated by the Company. Notwithstanding the foregoing and any other provision to the contrary in this Agreement, the assignment by Purchaser to the Seller of the Seller Dividend Portion Entitlement as provided above shall terminate upon an Assignment Cessation Event and may be suspended for a period of up to 60 days as provided in Section 2(j) of the Assumption Agreement.

2.2.3.2. Purchaser Record Holder. In the event that the Seller has not obtained through the Closing the entire amount of the Seller Dividend Total Entitlement, then at the Closing, the Purchaser shall issue irrevocable instructions to the Company to transfer into the Escrow Dividend Account for the benefit of Seller such amount of the Seller Dividend Portion Entitlement out of the aggregate amount of a Subsequent Distribution attributable to the Purchased Shares and up to the Seller Dividend Total Entitlement (the "**Purchaser Closing Irrevocable Instructions**").

2.2.3.3. Seller Record Holder. In the event that the Seller shall own any of the Purchased Shares on the record date of a Subsequent Distribution, then, subject to consummation of the Transaction, (A) the Seller acknowledges that it will be entitled only to the Seller Dividend Portion Entitlement out of the aggregate amount per share underlying such Subsequent Distribution and will be deemed to have irrevocably assigned to Purchaser any amount of the dividend paid to Seller in connection with the Purchased Shares in excess of the Seller Dividend Total Entitlement (the "**Excess Dividend Amount**"); and (B) in the event that the Excess Dividend Amount is paid to Seller prior to Closing, then it will be reduced from the Closing Cash Amount due upon Closing, and in such event the Purchaser will be entitled to a set-off right in that respect (the "**Closing Set-Off**"); and/or (C) in the event that the applicable payment date of a Subsequent Distribution constituting, in whole or in part, in Excess Dividend Amount is scheduled to occur following the Closing, then upon Closing the Seller shall issue irrevocable instructions to the Company to transfer directly to Purchaser or a trust account designated by the Purchaser any Excess Dividend Amount on the applicable payment date (the "**Seller Closing Irrevocable Instructions**").

2.2.3.4. Distribution Prior to Closing. In the event that prior to Closing the Seller has received a Subsequent Distribution, then Seller shall deliver to the Purchaser concurrent with Closing a number of Additional Shares in accordance with Section 2.1.3 calculated according to the portion of the Seller Total Dividend Entitlement received and a Deferred Closing in respect of the relevant number of Additional Purchased Shares shall take place simultaneously with the Closing, all in accordance with the provisions of Section 2.1.3 above.

2.2.3.5. Purchaser Covenants. Following the Closing, Purchaser shall be entitled to, *inter alia*, Transfer any of the Purchased Shares to any transferee at the Purchaser's sole discretion, subject to the restrictions imposed by Applicable Law, *provided* that in connection with any sale or disposition of any of the Purchased Shares prior to Seller's receipt of the Seller Dividend Portion Entitlement applicable to such Purchased Shares being sold or disposed of, the Purchaser shall also (i) transfer and the transferee shall assume, the obligations to pay any remaining Seller Dividend Portion Entitlement with respect to such Purchased Shares on the terms set forth herein, *provided* that the foregoing right of the Purchaser shall terminate upon the occurrence of an Assignment Cessation Event; and (ii) notify the Seller five (5) days prior to such Transfer regarding the identity of such transferee (which for the avoidance of doubt shall remain at the sole discretion of the Purchaser), *provided* that such Transfer would not adversely affect Seller's rights to receive the full amount of the Seller Dividend Total Entitlement and would result in Seller receiving the full amount of the Seller Dividend Total Entitlement, and *further provided* that to the extent such Transfer results in Seller receiving an amount which is less than the Seller Dividend Portion Entitlement, then Purchaser undertakes to pay Seller the amount of the deficiency. Subject to the foregoing, Purchaser's rights to Transfer the Purchased Shares would not be limited or restricted. Notwithstanding the aforementioned, the Purchaser will be entitled, at any time, to pay directly to Seller the remaining amount of the Seller Dividend Total Entitlement which has not yet been paid up to such Transfer, and upon such payment, the foregoing limitations will expire and become null and void with no further force and effect. In any event, once the Seller has received as a result of a Subsequent Distribution an aggregate amount equal to the Seller Dividend Total Entitlement, the foregoing limitations shall become null and void with no further force and effect.

2.2.4. Adjustment to Seller Dividend Portion Entitlement.

2.2.4.1. On or prior to the date of the first Deferred Closing or as soon as possible following December 31, 2012, the Seller will provide the Purchaser with a certificate issued by the Company's CFO confirming the exact amount of the Distributable Profits, *provided, however*, that in the event that following such issuance of confirmation by the Company's CFO and prior to a Subsequent Distribution, the amount of Distributable Profits as previously confirmed by Company's CFO shall have been changed or updated or affected by an impairment (relating to the period prior to December 31, 2012), if applicable, for any reason whatsoever, then the Seller and/or the Purchaser will be entitled to request the CFO of the Company to issue a new and prevailing certificate confirming the updated number of the Distributable Profits of the Company as of December 31, 2012 (the "**CFO Distributable Profits Confirmation**"). The CFO Distributable Profits Confirmation shall be used and relied upon by the Parties in determining the relevant amounts of Distributable Profits for purposes of effecting a Subsequent Distribution.

2.2.4.2. In the event that the Distributable Profits of the Company as confirmed under the CFO Distributable Profits Confirmation, are less than NIS400 million, then the Seller Dividend Portion Entitlement and respectively also the Seller Dividend Total Entitlement payable to Seller, shall be reduced proportionately ("**Seller Dividend Portion Entitlement Adjustment**"), whereas the total number of Additional Purchased Shares shall not be changed in any way or manner. *For example purposes only*, in the event that on December 31, 2012, the Distributable Profits of the Company are determined to be NIS360 million, then the Seller Dividend Portion Entitlement will be reduced by 10% and will equal ~NIS2.313 (=90% * ~NIS2.57).

2.3. Escrow Arrangement.

2.3.1. At the Closing, each of the Seller and the Purchaser shall execute all the documents, agreements and other instruments required for the establishment of the escrow arrangement set forth hereunder which is designated to facilitate the consummation of the Deferred Closing(s), including in respect of the appointment of the Escrow Agent, establishment of the Escrow Dividend Account and the Escrow Additional Purchased Shares Account (the "**Escrow Agreement**"). The costs of the escrow services referred to above will be paid equally by the Seller and Purchaser.

2.3.2. Subsequent Distribution, or any portion thereof, will be deposited into the Escrow Dividend Account, in accordance with the Purchaser Irrevocable Instructions and/or the Seller Closing Irrevocable Instructions (the date upon which such amount is deposited, a "**Dividend Deposit Date**"). The Seller hereby agrees that the Purchaser will be entitled to pledge the Escrow Dividend Account in its favor subject to the provisions of this Section 2.3 and the rights to obtain the Additional Purchased Shares in exchange for the applicable portion of the Seller Dividend Total Entitlement.

2.3.3. Prior to or at a Dividend Deposit Date,

2.3.3.1. Seller and Purchaser shall deliver a jointly executed notice to the Escrow Agent setting forth the amount of the Seller Dividend Total Entitlement (or a portion thereof) that is expected to be deposited into the Escrow Dividend Account ("**Dividend Deposit Amount**") and the number of Additional Purchased Shares to be received in the Escrow Additional Purchased Shares Account in consideration for the Dividend Deposit Amount ("**Released Additional Shares**"); and

2.3.3.2. Seller shall deliver to the Escrow Agent and Purchaser written confirmation ("**Lien Release Notice**") executed by each Person that has a Lien or other interest in or with respect to any Released Additional Shares ("**Lien Holder**") setting forth all of the following: (i) confirmation by such Lien Holder as to amounts owed to such Lien Holder and required to be paid to such Lien Holder so that upon such payment, the Lien Holder would fully and irrevocably release all such Liens ("**Release Amounts**"); (ii) the bank account information where such Release Amounts are to be paid; iii) irrevocable instructions (and appropriate release documents), executed by such Lien Holder pursuant to which, upon transfer of such Release Amounts, the Escrow Agent is irrevocably authorized to take all action necessary to fully release such Liens so that the Released Additional Shares are delivered free and clear of any Liens or any other rights or interests of such Lien Holder; and (iv) irrevocable consent that the Escrow Agent is authorized and instructed to release any and all Liens imposed on the applicable number of the Released Additional Shares, subject to receipt of the applicable Release Amounts by the Lien Holders; and

2.3.3.3. Seller shall deliver to the Escrow Agent and Purchaser written confirmation executed by both the Chairman of the Board of Directors of Seller and the Chief Financial Officer of the Seller ("**Seller Confirmation**") setting forth (i) confirmation by the Seller that the Liens referred to in the Lien Release Notices with respect to the applicable Released Additional Shares of the applicable Lien Holder constitute the only Liens and third party interests in and with respect to such Released Additional Shares and that upon payment of the applicable aggregate Release Amounts no Liens shall exist with respect to such Released Additional Shares; (ii) no other Person other than the Lien Holder has any interests in the Released Additional Shares to be delivered in consideration thereof; and (iii) that once such Liens are released, there would be no restriction or other limitations whatsoever for such applicable Released Additional Shares to be registered in the name of the Purchaser in the shareholders registry of the Company as the sole beneficial owner thereof, free and clear of any and all Liens; and

2.3.3.4. Seller shall deliver to the Escrow Agent and Purchaser any other confirmations and/or documents requested by the Escrow Agent and/or the Purchaser to confirm and effect the release of any Liens with respect to the Released Additional Shares and the extinguishment of any third party rights in or with respect to such Released Additional Shares. The Seller Confirmation, together with the Lien Release Notices and any other documents requested pursuant to this sub-Section 2.2.3.4, shall be referred to collectively as the "**Required Release Documents**".

2.3.4. The Parties shall instruct the Escrow Agent to first use any portion of the Dividend Deposit Amount for purposes of paying the applicable aggregate Release Amounts and releasing any and all Liens which may then be existing upon any of the Released Additional Shares against simultaneous transfer to the Escrow Agent of the Released Additional Shares (as further set forth in Section 2.1.3.2), so that on a Deferred Closing Date such Released Additional Shares are transferred to the Purchaser free and clear of any Liens. The Parties shall also instruct the Escrow Agent to act in a manner which shall be in compliance with the requirements set forth in the Hutchison Debt Arrangement.

2.3.5. Not later than three (3) Business Days following the receipt of the Required Release Documents and the satisfaction of the Conditions Precedent, the Escrow Agent will simultaneously (i) distribute to the applicable Lien Holders the applicable Release Amounts from the Escrow Dividend Account, and (ii) transfer to Purchaser, or a trust account designated by the Purchaser in the Escrow Agreement, the applicable number of Released Additional Shares from the Escrow Additional Purchased Shares Account, all pursuant to the pro-rata mechanism set forth in Section 2.1.3.2 (a "**Deferred Closing**", and each date of which, a "**Deferred Closing Date**").

2.3.6. The Parties shall further instruct the Escrow Agent to act as follows:

2.3.6.1. In the event that upon the expiration of a thirty (30)-day period following the Dividend Deposit Date, and despite the reasonable commercial efforts and diligent acts of the Seller in connection with the release of the Additional Purchased Shares from any Liens and the timely transfer thereof to the Purchaser, the Released Additional Shares are not transferred and deposited into the Escrow Additional Purchased Shares Account and the Liens thereon are not released in full, then the Escrow Agent shall, upon the written request of Purchaser at any time following the expiration of such period, immediately transfer the amount deposited in the Escrow Agent Dividend Account to the Purchaser, or a trust account designated by the Purchaser in the Escrow Agreement, and return any Released Additional Shares deposited with the Escrow Agent to Seller, and as a result thereof, Seller's right to receive the Seller Dividend Total Entitlement and the Seller Dividend Portion Entitlement that have not yet been paid, and Purchaser's right to acquire any Additional Purchased Shares shall expire and terminate.

2.3.6.2. To provide each of the Parties with copies of the Required Release Documents and any other communications with the Company and/or the Debt Holder/s, immediately upon receipt thereof.

2.4. Taxes; Tax Withholding.

2.4.1. Each Party shall bear the payment of any Taxes to which it is subject as a result of this Agreement and consummation of the Transaction, unless otherwise explicitly provided in this Agreement.

2.4.2. If, at or prior to any payment being made under this Agreement, including the assumption by the Purchaser of the indebtedness under the Outstanding Note (collectively, the "**Payments**"), Seller provides the Purchaser with a valid certificate of tax exemption from the Israeli Taxes Authority which provides for a complete exemption from withholding in respect of the Payments under this Agreement to Seller, then the Purchaser shall pay the applicable Payment amount in its entirety and shall not withhold or deduct any amount of Tax from such applicable Payment amount under this Agreement.

2.4.3. If, at or prior to any Payment being made hereunder, Seller provides the Purchaser with a valid tax certificate from the Israeli Tax Authority which provides for a reduced withholding rate in respect of the Payments under this Agreement to Seller, then the Purchaser shall deduct and withhold from the applicable Payment amount payable to Seller an amount which is equal to the amount which reflects the reduced withholding rate specified in the tax certificate and shall pay the amount withheld to the applicable tax authority. In such event, the amount so withheld and paid to the tax authority shall be deemed paid by Purchaser to Seller on account of the entire applicable Payment amount.

2.4.4. If, at or prior to any Payment being made hereunder, Seller has not provided the Purchaser with a valid tax certificate from the Israeli Tax Authority, then the Purchaser shall be entitled to deduct and withhold from the applicable Payment amount the applicable amount required to be deducted and withheld pursuant to Israeli Applicable Law and shall pay the withheld amount to the applicable tax authority. In such event, the amount so withheld and paid to the tax authority shall be deemed paid by Purchaser to Seller on account of the entire applicable Payment amount.

2.4.5. In the event that a valid certificate from the Israeli Taxes Authority for the full exemption from withholding taxes applicable to the assumption of the Outstanding Note shall not be furnished to the Purchaser by Closing, the Purchaser shall be entitled to withhold the Tax applicable to the assumption of the Outstanding Note and the Purchaser shall be entitled to offset the amount of the applicable withholding Tax from the Closing Cash Amount. In the event that the amount of such applicable withholding Tax is greater than the Closing Cash Amount, then in addition to such offset by the Purchaser, the Seller will be obligated to bear and pay to Purchaser on the Closing Date the excess Tax amount, without any liability to the Purchaser.

2.4.6. Any purported withholding of Tax the amount of which was forwarded to the relevant taxing authority, shall not be deemed a breach of this Agreement.

2.4.7. For the avoidance of any doubt, the Seller will be obligated to bear and pay any and all Taxes related to the consideration paid to it as set forth in Section 2.2 ("**Seller Tax Liability**"). To the extent that the Purchaser will be required by any Governmental Authority and/or otherwise becomes required under Applicable Law to pay any Tax Liability of Seller (or any portion thereof), then the Purchaser will pay such applicable amount, and accordingly (i) the Purchaser will be entitled to offset the amount underlying the Seller Tax Liability paid by Purchaser from the Closing Cash Amount, and (ii) in the event that the amount underlying the Seller Tax Liability is greater than the Closing Cash Amount, then the Seller hereby irrevocably undertakes to fully repay and indemnify the Purchaser in connection with the excess Tax amount actually paid by the Purchaser. For the avoidance of doubt, the provisions of Section 2.4.6 above will also apply to this Section, *mutatis mutandis*.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER WITH RESPECT TO SELLER AND PURCHASED SHARES

Seller hereby represents and warrants to the Purchaser, as of the Effective Date, and, except to the extent specifically related to an earlier date, again as of the Closing Date (and with respect to the Additional Purchased Shares, again as of each of the Deferred Closing Dates, as applicable) that the statements set forth in this ARTICLE III are true and correct, except as set forth on the disclosure schedules delivered by the Seller to the Purchaser concurrently with the execution and delivery of this Agreement and dated as of the date of this Agreement:

3.1. Ownership of Seller Shares. The Seller owns of record and beneficially 69,325,593 Ordinary Shares which currently represent 44.54% of the issued and outstanding share capital of the Company on a non-fully diluted basis (after excluding 4,467,990 dormant shares of the Company from the aggregate number of Ordinary Shares outstanding) and 42.48% (as of October 31, 2012, excluding dormant shares) on a fully diluted basis. Except for the Liens existing on the Additional Purchased Shares on the Effective Date which will be removed at or prior to the applicable Deferred Closing Date, the Purchased Shares when delivered by Seller to the Purchaser pursuant to this Agreement at the Closing will be free and clear of any and all Liens, other than the Hutchison Pledge which will continue to be in effect as of and following the Closing. Except for the Liens existing on the Additional Purchased Shares on the Effective Date which will be removed at or prior to the applicable Deferred Closing Date, no Person has claimed to be entitled to a Lien in relation to the Purchased Shares. Other than as set forth in Schedule 3.1, there are no Liens on the Purchased Shares and the Seller does not own, directly or indirectly, any other shares, warrants or securities of the Company or rights to acquire such shares, warrants or securities of the Company.

3.2. Organization; No Order.

3.2.1. The Seller is a corporation duly organized and validly existing under the laws of the State of Israel and has all requisite corporate power and authority to own and operate its properties, to own the Purchased Shares and to carry on its business as conducted.

3.2.2. No order has been made and no petition has been presented or resolution passed for the winding up of the Seller or for the appointment of a liquidator or provisional liquidator to Seller. No receiver or administrative receiver has been appointed, nor any notice given of the appointment of any such person, over the whole or part of the business or assets of Seller. Seller would not be rendered insolvent as a result of or in connection with the consummation of the Transaction.

3.3. Authority; Seller Resolution. Seller has the requisite power, legal capacity and authority to enter into, execute and deliver the Agreement and to carry out its obligations hereunder. The execution and delivery by Seller of the Agreement and the consummation of the Transaction have been duly and validly authorized, including by the appropriate corporate organs (under the corporate governances of Seller, this Agreement and all of the transactions contemplated herein do not require the approval of the shareholders of the Seller). The Agreement has been duly and validly executed and delivered by Seller and, subject to the Condition Precedent, shall constitute a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally. The Board of Directors of the Seller, at a meeting duly called and held in compliance with Applicable Law, has, *inter alia*, (i) determined that this Agreement and the Transaction are fair to, and in the best interests of, the Seller and its shareholders; (ii) approved this Agreement and the consummation of the Transaction.

3.4. Consents and Approvals; No Violations. Except for the Third Party Approvals, no filing with, and no permit, license, authorization, declaration, consent or approval of, any public or Governmental Authority or other third parties is necessary to be obtained by Seller prior to the consummation of the Transaction. Upon receipt of the Third Party Approvals, neither the execution and delivery of this Agreement by Seller nor the consummation of the Transaction, nor compliance by Seller with any of the provisions hereof, will (a) conflict with or result in any breach of any provision of the constitutive documents of Seller, (b) violate any Applicable Law, (c) conflict with, result in a violation, breach, termination or expiration of, result in triggering any "change of control" or substantively similar provision under, or constitute (with or without due notice or lapse of time or both) a default under, give rise to acceleration of any payment or other right under, require any consent of, or notice to, any Person under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, deed of trust, license, contract, lease, agreement, arrangement or other instrument or obligation, whether written or oral, to which Seller is directly or indirectly a party or by which it or its properties or assets may be bound, or (d) result in the imposition of any Lien upon any of the Purchased Shares; subject to applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally.

3.5. Litigation.

3.5.1. There is no Legal Proceeding pending or, to the Seller's Knowledge, threatened, against the Seller, which, if adversely determined (a) would delay, hinder or prevent the consummation of the Transaction by the Seller, or (b) would have, a Material Adverse Effect on the ability of the Seller to perform its obligations hereunder.

3.5.2. Neither Seller nor any of its Affiliates has any claims, actions, causes of action or suits whatsoever against the Company and/or any of the Material Subsidiaries.

3.6. Compliance with Laws; Permits.

3.6.1. The Seller is, and has been in the past, in material compliance with the control permit issued to it by the MoC in respect of its holdings in the Company (the "**Control Permit**"). The Seller, to its Knowledge, is not under investigation, and there is no threat of impending investigation, with respect to any violation of the terms of the Control Permit, and no notice has been received by Seller being charged with violation of the Control Permit. The Seller has not received at any time any written notice from any Governmental Authority, or any other Person, regarding any actual, alleged, possible or potential involvement in, material violation of, or material failure to comply with the Control Permit. There are no Legal Proceedings pending or, to the Knowledge of the Seller, threatened, relating to the suspension, revocation or modification of the Control Permit.

3.7. No Undisclosed Liabilities. Except as set forth in Schedule 3.7, the Seller has no Indebtedness or Liabilities (including in respect of Tax matters) which (i) have, or reasonably likely to have a Material Adverse Effect; (ii) questions or challenges the validity, legality or effectiveness of the Transaction, this Agreement or any other ancillary transaction documents related thereto; or (iii) questions or challenges the ability of the Seller to consummate the Transaction, other than those specifically reflected on and fully reserved against in the Seller Financial Statements. Except as set forth in Schedule 3.7, the Seller received no written or oral notice of any kind from any Governmental Authority, or any other Person, regarding any actual, alleged, potential Liability or violation of, or failure to comply with, any of the terms relating to such Indebtedness or Liabilities or which may have the effect of the foregoing subsections (i)-(iii). Except as set forth in Schedule 3.7, (x) the Seller has not within the past twelve (12) months suffered any non-routine investigation by any Tax authority, and the Seller is not aware of any such investigation planned; and (y) Seller received no written or oral notice of any kind from any Tax authority with respect to any Tax Liability in a material scope which has not been fully paid or settled

3.8. Survival of Representations and Warranties. The representations and warranties set forth in this ARTICLE III, which shall be correct as of the Effective Date and again as of the Closing Date, shall survive the Closing or the Deferred Closing, as applicable, for purposes of Section 10.3.1.3 *[Time Limitation]*, for a period of eighteen (18) months after the Closing, *except* that the representations and warranties set forth in Sections 3.1 [*Ownership of Seller Shares*] and Section 3.3 [*Authority*] shall survive the Closing, or the Deferred Closing, as applicable, without any time limitations other than the statute of limitations applicable by law.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLER WITH RESPECT TO COMPANY

Seller hereby represents and warrants to the Purchaser, as of the Effective Date, and, except to the extent specifically related to an earlier date, again as of the Closing Date that the statements set forth in this Article ARTICLE IV are true and correct, except as set forth on the disclosure schedule delivered by the Seller to the Purchaser concurrently with the execution and delivery of this Agreement and dated as of the date of this Agreement:

4.1. Capitalization; ESOP; Material Subsidiaries.

4.1.1. The Company's authorized share capital consists of NIS 2,350,000 divided into 235,000,000 Ordinary Shares. All shares in the Company have equal rights in all respects, *except* as set forth in Schedule 4.1.1 and in respect of the "Israeli shares" as further set forth in the articles of association of the Company. As of the Effective Date, the issued and outstanding share capital of the Company, on a fully diluted basis, is as set forth on Schedule 4.1.1. Schedule 4.1.1 also sets forth the issued and authorized share capital of each of the Material Subsidiaries. All shares in each of the Material Subsidiaries have equal rights in all respects, including with respect to voting rights and right to receive dividends.

4.1.2. All issued and outstanding share capital of each of the Company and the Material Subsidiaries (i) has been, and at the Closing will be, duly authorized and validly issued and outstanding and fully paid, and (ii) were not issued in violation of any purchase or call option, right of first refusal, subscription right, preemptive right or any other similar rights.

4.1.3. Except as set forth in Schedule 4.1.3, to the Seller's Actual Knowledge, there is no Lien, and there is no agreement, undertaking or obligation to create a Lien, in relation to a share or unissued share in the share capital of any of the Material Subsidiaries and no Person has claimed to be entitled to a Lien in relation to any of the foregoing.

4.1.4. As of October 31, 2012, the number of options or other rights, whether absolute or contingent, granted by Company to purchase or receive Ordinary Shares was 7,548,648 ("**Company Options**") and Schedule 4.1.4 sets forth the respective number of shares subject to each outstanding Company Option, and the applicable exercise price, expiration date and vesting date. Except for Company Options, there is no existing option, warrant, call, right or contract to which the Seller or the Company is a party requiring, and there are no securities of the Company outstanding which upon conversion or exchange would require, the issuance, sale or transfer of any additional shares or other equity securities of the Company.

4.1.5. Except as set forth in Schedule 4.1.5, to the Knowledge of the Seller, there are no obligations, contingent or otherwise, of the Company or any of the Material Subsidiaries to (i) repurchase, redeem or otherwise acquire or sell any equity interests of the Company or any Material Subsidiary, or (ii) provide material funds to, or make any material investment in (in the form of a loan, capital contribution or otherwise) any Person, or (iii) provide any guarantee for the benefit of Seller, Advent or any of their Affiliates or related or interested parties, or (iv) provide any material guarantee with respect to the obligations of any Person, except to the extent such material guarantee is (A) disclosed in the Company Financial Statements, or (B) granted in the Ordinary Course in an amount not in excess of NIS10 million.

4.2. Organization; Authority; No Order.

4.2.1. Each of the Company and the Material Subsidiaries is a company or partnership duly organized and validly existing under the laws of Israel, and has all requisite corporate power and authority, required to own, operate its assets and properties as now owned and operated and to carry on its businesses as now conducted. A true and complete copy of the Memorandum and Articles of Association of the Company effective as the Effective Date is attached as Schedule 4.2.

4.2.2. No order has been made and no petition has been presented or resolution passed for the winding up of the Company and/or the Material Subsidiaries or for the appointment of a liquidator or provisional liquidator to the Company and/or the Material Subsidiaries. No receiver or administrative receiver has been appointed, nor any notice given of the appointment of any such person, over the whole or part of the business or assets of the Company and/or the Material Subsidiaries.

4.3. Consents and Approvals; No Violations. Except for the Third Party Approvals, no filing with, and no permit, license, authorization, declaration, consent or approval of, any public or Governmental Authority or other third parties is necessary to be obtained by the Company and/or the Material Subsidiaries prior to the consummation of the Transaction. Without derogating from anything contained herein, to the Seller's Knowledge, the Company does not meet the notification thresholds under the HSR Act and no filing, consent or approval under the HSR Act is required to be obtained prior to the consummation of the Transaction. Upon receipt of the Third Party Approvals, neither the execution and delivery of this Agreement by Seller nor the consummation of the Transaction, nor compliance by Seller with any of the provisions hereof, will (a) conflict with or result in any breach of any provision of the constitutive documents of the Company and/or the Material Subsidiaries, (b) other than as set forth in Schedule 4.3, conflict with, result in a violation, breach, termination or expiration of, result in triggering any "change of control" or substantively similar provision under, or constitute (with or without due notice or lapse of time or both) a default under, give rise to acceleration of any payment or other right under, require any consent of, or notice to, any Person under any of the terms, conditions or provisions of any material note, bond, mortgage, indenture, deed of trust, license, contract, lease, agreement, arrangement or other instrument or obligation, to which the Company and/or any Material Subsidiary is directly or indirectly a party or by which it or its properties or assets may be bound, or (c) result in the imposition of any Lien upon any of the shares or unissued shares in the capital of the Material Subsidiaries.

4.4. Litigation.

4.4.1. Except as set forth on Schedule 4.4, none of the Material Subsidiaries nor the Company is a party, or, to the Seller's Actual Knowledge is threatened to be made a party, to any Legal Proceeding which is not reflected in the Company Financial Statements and as disclosed in immediate reports issued by the Company, and which (i) is reasonably likely to have a Material Adverse Effect; (ii) questions or challenges the validity, legality or effectiveness of the Transaction, this Agreement or any other ancillary transaction documents related thereto; or (iii) questions or challenges the ability of the Seller to consummate the Transaction.

4.4.2. Except as set forth on Schedule 4.4, there is no material Legal Proceeding pending, or to the Seller's Actual Knowledge, threatened against the Company, which is not reflected under the Company Financial Statements and/or was otherwise disclosed in the Public Disclosures.

4.5. Compliance with Laws; Permits.

4.5.1. To the Seller's Actual Knowledge, each of the Company and the Material Subsidiaries is in material compliance with Applicable Law (a) that is applicable to the Company, the Material Subsidiaries and their respective operations, assets and businesses, and/or (b) the noncompliance with which is likely to adversely affect the consummation of the Transaction. To the Seller's Actual Knowledge, neither the Company nor any of the Material Subsidiaries is under investigation, and there is no threat of impending investigation, with respect to the violation of Applicable Laws, and no notice has been received in respect of the Company and/or any of its Material Subsidiaries being charged with the violation of any Applicable Law, which is likely to have a Material Adverse Effect thereon or result in a penalty or fee being paid in excess of US$5 million.

4.5.2. To the Seller's Actual Knowledge, each of the Company and its Subsidiaries has all material governmental permits, licenses and approvals that are required for its respective business as presently conducted (the "**Company Permits**"). The term "*material*" as used in the previous sentence only, means the absence of which would have an adverse impact of 7.5% or more on the financial condition or results of operation of the Company or any of its Subsidiaries. The Company and the Subsidiaries are in full compliance with the MoC License and with respect to any and all other Company Permits, in compliance in all material respects, and neither the Company nor any of the Subsidiaries is in receipt of any written or oral notice from any Governmental Authority, or any other Person, regarding any actual, alleged, possible or potential involvement in, material violation of, or material failure to comply with, any Applicable Laws or any Company Permit which are likely to have a Material Adverse Effect or which are likely to subject the Company or any of the Material Subsidiaries to fines or fees in excess of US$5 million. There are no Legal Proceedings pending or, to the Seller's Actual Knowledge, threatened, relating to the suspension, revocation or modification of any Company Permit. Subject to the fulfillment of the Conditions Precedent, none of the Company Permits or their terms will be impaired, breached or adversely affected by the execution or consummation of the Transaction.

4.5.3. The Company has filed with the ISA and TASE as well as with the SEC and NASDAQ all forms, reports, schedules, statements, exhibits and other documents required to be filed under the applicable securities laws, as amended (collectively, the "**Securities Documents**"). As of its filing date, or if amended as of the date of the amendment, each Securities Document complied in all material respects with the applicable legal and administrative requirements and the applicable rules and regulations thereunder.

4.6. Financial Information.

4.6.1. The financial statements of the Company for the period ending on December 31, 2011 and for the 9-month period ending on September 30, 2012 (including any notes thereto, the "**Company Financial Statements**"), are correct and complete in all material respects, are consistent with the books and records of the Company and have been prepared in accordance with IFRS, consistently applied without modification of the accounting principles used in the preparation thereof throughout the periods involved. The Company Financial Statements fairly and truly present in all material respects the financial results, position and condition, assets, material liabilities, changes in shareholders' equity, operating results and the cash flow of the Company, as of the dates, and for the periods, indicated therein in accordance with applicable IFRS, as applicable for the relevant period(s). To the Seller's Actual Knowledge, all books, records and accounts of the Company are accurate and complete in all material respects and are maintained in all material respects in accordance with good business practice and Applicable Laws.

4.6.2. As of the Closing Date, the Net Debt of the Company shall not exceed NIS4.5 Billion (without taking into account any dividend payment made prior to the Closing) and the Seller will provide the Purchaser on the Closing Date with a certificate issued by the Company's CFO, confirming the exact amount of Net Debt of the Company as of the Closing Date ("**CFO Net Debt Confirmation**"). It is acknowledged that as of the September 30, 2012 the Net Debt was NIS4.072 Billion.

4.7. No Undisclosed Liabilities. To the Seller's Actual Knowledge, the Company has no material Indebtedness or Liabilities other than those (i) specifically reflected on and fully reserved against in the Company Financial Statements, (ii) incurred in the Ordinary Course since the date of the Company Financial Statements Date, or (iii) that are insignificant to the Company or any Material Subsidiary.

4.8. Absence of Certain Changes. To the Seller's Actual Knowledge, since the Company Financial Statements Date (i) the Company and the Material Subsidiaries have conducted their respective businesses in the Ordinary Course, and (ii) other than as set forth on Schedule 4.8 and on the Public Disclosures, there has not been any event (or any event failed to occur), change, occurrence or circumstance, effect or other matter that, individually or in the aggregate with any such events, changes, occurrences, circumstances, effects or other matters, with or without notice, lapse of time or both, has had or could reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, to the Seller's Actual Knowledge since the Company Financial Statements Date and other than as set forth on Schedule 4.8 and as disclosed on the Public Disclosures:

4.8.1. The Company has not declared any dividends or other distributions, or made any payment, to any of the Company's shareholders and their respective Affiliates in their capacity as such or acquired any of their shares;

4.8.2. The Company and the Material Subsidiaries have not made any material changes to any of their accounting methods, policies, practices or principles, or Tax reporting principles, except as required by Applicable Law; or

4.8.3. The Company and the Material Subsidiaries have not committed, arranged or entered into any understanding to effect any of the foregoing.

4.9. Material Agreements. The consummation of the Transaction shall not adversely affect any of the Material Agreements or otherwise lead to or result in the termination or expiration of any Material Agreement, and unless any adverse action is taken by the Purchaser in connection therewith thereafter, all such Material Agreements shall remain following the Closing in full force and effect, and shall be carried out by all parties thereto according to past practice, unless terminated (i) in accordance with their terms, or (ii) as a result of the actions of the other party to such agreements, or (iii) by mutual consent.

4.10. Related Party Transactions. Except as set forth in Schedule 4.10 and as except as provided in the Company Financial Statements and in the Public Disclosures, neither Seller nor any of its Affiliates, nor to the Seller's Actual Knowledge, any other Related Affiliate (i) owes any amount to the Company or any Subsidiaries nor does the Company or any Subsidiaries owe any amount to or committed to make any loan or extend or guarantee credit to or for the benefit of, any Related Affiliate, (ii) owns any property or right, tangible or intangible, that is used by the Company or any Subsidiaries, (iii) has any claim or cause of action against the Company or any Subsidiaries or (iv) owns any direct or indirect interest of any kind (other than shares of a public company constituting less than 5% of such company's issued and outstanding share capital) in, or controls or is a director, officer, employee or partner of, or consultant to, or lender to or borrower from or has the right to participate in the profits of, any Person which is a competitor, customer, landlord, tenant, creditor or debtor of the Company or any Subsidiary or (v) is a party to an agreement with the Company or any Subsidiary.

4.11. Tax Matters. To the Seller's Actual Knowledge, the Company and its Material Subsidiaries have accurately prepared and timely filed with the appropriate Governmental Authorities in all jurisdictions in which such fillings are required to be filed, all tax returns and filings that were required to be filed by them since January 1, 2010, giving effect to any extensions granted, and have paid all amounts or otherwise made appropriate reserves which were required to have been paid or reserved on or before the Closing Date.

4.12. Brokers and Financial Advisors. Except as disclosed on Schedule 4.12, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for the Company in connection with the Transaction and no Person is entitled to any fee or commission or like payment in respect thereof or in connection therewith (the "**Finder Fee**"). To the extent any Person is entitled to a Finder Fee, such shall be borne solely by Seller.

4.13. Survival of Representations and Warranties. The representations and warranties set forth herein, which shall be correct as of the Effective Date and again as of the Closing Date but shall survive the Closing or the Deferred Closing, as applicable for the purposes of Section 10.3.1.3 *[Time Limitation]*, for a period of eighteen (18) months, *except* that the representations and warranties set forth in Sections 4.1 [*Capitalization; ESOP; Material Subsidiaries*] and Section 4.2 [only with respect to *Authority; No Order*] shall survive the Closing without any time limitations other than the statute of limitations applicable by law.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Seller, as of the Effective Date, and, except to the extent specifically related to an earlier date, again as of the Closing Date (and with respect to the Additional Purchased Shares, again as of each of the Deferred Closing Dates), as follows:

5.1. Organization. The Purchaser is a private company duly organized and validly existing under the laws of Israel and has all requisite corporate power and authority, required to own and operate its assets and properties as now owned and operated and to carry on its businesses as presently conducted.

5.2. Authority. The Purchaser has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery by the Purchaser of this Agreement and the consummation by the Purchaser of the Transaction have been duly and validly authorized. The Agreement has been duly and validly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

5.3. No Violations. Except for the Third Party Approvals, no filing with, and no permit, license, authorization, declaration, consent or approval of, any public or Governmental Authority or other third parties is necessary to be obtained by Purchaser prior to the consummation of the Transaction. Upon receipt of the Third Party Approvals, neither the execution and delivery of the Agreement by the Purchaser, nor the consummation by the Purchaser of the Transaction, nor compliance by the Purchaser with any of the provisions hereof, will (a) conflict with or result in any breach of any provision of the Purchaser's constitutive documents, or (b) violate any order, writ, injunction, decree, statute, rule or regulation of any court or Governmental Authority applicable to the Purchaser or any of its properties or assets.

5.4. Purchase Entirely for Own Account. The Purchaser is acquiring the Purchased Shares solely for its own account and not as a nominee, agent or trustee of any third party.

5.6. Sophisticated Investor. The Purchaser has sufficient knowledge and experience to evaluate the merits of the Transaction and the investment involved, and have the financial strength and ability to withstand any loss that may be suffered as a result thereof or in connection therewith.

5.7. Financial Resources. Upon and including the assumption of the Outstanding Note from Advent, the Purchaser has sufficient financial resources and commitments to consummate the Transaction and pay to Seller the entire consideration for the Purchased Shares.

5.8. Survival of Representations and Warranties. The representations and warranties set forth in this ARTICLE V shall survive the Closing or Deferred Closing, as applicable, for a period of eighteen (18) months, *except* that the representations and warranties set forth in Section 5.2 [*Authority*] shall survive the Closing without any time limitations other than the statute of limitations applicable by law.

ARTICLE VI
PRE-CLOSING COVENANTS

6.1. Covenants of the Seller.

6.1.1. Conduct of Business. Except as specifically required by this Agreement and subject to Applicable Law, from the Effective Date until the Closing Date (the "**Interim Period**"), the Seller will, and the Seller will exercise its rights in its capacity as a shareholder, to cause the Company and the Material Subsidiaries to:

6.1.1.1. conduct their businesses and operations in the Ordinary Course, in accordance with Applicable Law and past practice;

6.1.1.2. maintain in all material respects the books, accounts and records of the Company and the Material Subsidiaries in the Ordinary Course; and

6.1.1.3. comply in all material respects with all contracts and other material obligations of the Company and the Material Subsidiaries.

6.1.2. Restricted Actions. Without derogating from the above, (i) the Seller shall not take (and shall not permit its Affiliates to take) any of the following actions and activities, (ii) the following actions and activities shall be deemed *not* to be in the Ordinary Course, and (iii) to the extent relevant, the Seller will exercise commercially reasonable efforts, as a shareholder; to cause the Company and the Material Subsidiaries *not* to take any of the following actions, during the Interim Period:

6.1.2.1. any action which would adversely affect the ability of the Parties to consummate the Transaction including exercise of Seller's voting power in a manner which is inconsistent with the terms of the Transaction or which may restrict or impede the Transaction or the consummation thereof;

6.1.2.2. Transfer the Purchased Shares or any portion thereof (except for the pledges already imposed on the Additional Purchased Shares), any material asset of the Company or any Material Subsidiary;

6.1.2.3. Issuance of additional notes, debentures, bonds or other similar instruments by Seller.

6.1.2.4. Transfer the Outstanding Note, *except* for such Transfer of the Outstanding Note to the Purchaser as specifically permitted herein;

6.1.2.5. amend or restate the Memorandum of Association or Articles of Association of the Company or any Material Subsidiary in any respect;

6.1.2.6. effect any reduction of capital of the Company or effect any redemption or repurchase of any share capital of the Company;

6.1.2.7. enter into any merger, consolidation, share exchange, reorganization or similar transaction involving the Company or any Material Subsidiary or engage in any new business or spin-off of assets;

6.1.2.8. voluntarily incur any liability or make, or enter into any commitment to make, any capital expenditure or acquisitions, in any single event or multiple events, in an aggregate annual amount greater than NIS10 million, and except as approved by the Board in the framework of the annual budget of the Company;

6.1.2.9. Except in the event of debt refinancing in the Ordinary Course, incur any Indebtedness that does not exist on the Effective Date, or increase any outstanding Indebtedness, of the Company or any Material Subsidiary in any single event or multiple events, in an aggregate annual amount greater than NIS10 million, *provided* that repayment or refinancing of any Indebtedness outstanding under any credit facility agreement shall not be restricted hereunder;

6.1.2.10. voluntarily enter into liquidation of the Company or any of the Material Subsidiaries;

6.1.2.11. modify or amend in any respect, terminate, waive or accelerate any rights under, or breach or cause any default to occur under any Material Agreement or enter into any contract which limits or impedes the ability of the Company or any Material Subsidiary to compete with or conduct any business or line of business or solicit the employment of any Person;

6.1.2.12. waive, cancel, compromise, settle or release any material right, debt, Legal Proceeding or claim, except in the Ordinary Course;

6.1.2.13. make a material change in its accounting or Tax reporting principles, methods or policies or make, change or revoke any Tax election, settle or compromise any Tax claim or liability or enter into a settlement or compromise, or change (or make a request to any taxing authority to change) any material aspect of its method of accounting for tax purposes, or prepare or file any Tax return (or any amendment thereof) , except in the Ordinary Course; and

6.1.2.14. agree to any material change, amendment or any other alteration to the scope of employment and ordinary activities of officeholders of the Company and the Material Subsidiaries (the "**Key Employees**"), *except* with respect to employment arrangement relating to such Key Employees whose term of engagement terminates during the three (3) month period following the Effective Date and the identity of whom is set forth in Schedule 6.1.2.14, and *further except* in respect of year-end bonuses, or effect an across-the-board increase or improvement of the benefits, remuneration or terms of employment of the employees of the Company or any of the Material Subsidiaries or, except as otherwise required by Applicable Law or in the Ordinary Course, grant any bonus (including any employee retention, sale or other special bonus), options, shares, benefit or other direct or indirect compensation to any director, officer or employee or any consultant to the Company or any Material Subsidiary or modify or accelerate any option plan or the vesting or entitlement rights thereunder, other than in the Ordinary Course, or otherwise approve or adopt any "golden parachutes" arrangements with respect to any employees of the Company or any of the Material Subsidiaries.

6.1.3. Pre-Closing Affirmative Actions.

6.1.3.1. Seller undertakes to (and will cause its Affiliates to) use all voting powers and/or execute proxies or written consents, as the case may be, and to take all other actions necessary, to support, approve and otherwise ensure that the transactions contemplated herein are approved and consummated (to the extent a shareholder approval thereof (or any portion thereof) is required).

6.1.3.2. Seller shall exercise reasonable commercial efforts to obtain the consent of the various bondholders of the Seller for the consummation of the Transaction prior to December 31, 2012.

6.2. Access to Information. During the Interim Period, subject to the requirements and limitations of Applicable Law, the Seller will use commercially reasonable efforts to cause the Company to allow the Purchaser and its representatives and agents, access upon reasonable notice and during normal working hours to (i) such materials and information about the Company and the Material Subsidiaries as the Purchaser may reasonably request, (ii) members of management of the Company and the Material Subsidiaries, and (iii) properties and facilities books, financial information, contracts and records of the Company and the Material Subsidiaries. Subject to Applicable Law, prior to the Closing, the Seller shall cause the Company and the Material Subsidiaries to generally keep Purchaser reasonably informed as to all material matters involving the operations and businesses of the Company and the Material Subsidiaries. All non-public information provided to, or obtained by, Purchaser and its representatives and advisors in connection with the transactions contemplated hereby shall be deemed "Confidential Information" for purposes of this Agreement, *provided* that Purchaser and Seller may, in consultation with each other, disclose such information as may be necessary in connection with seeking necessary consents and approvals as contemplated hereby. No information provided to or obtained by Purchaser pursuant to this Section shall limit or otherwise affect the remedies available hereunder to Purchaser, or the representations or warranties of the Seller or the conditions to the obligations of the Purchaser.

6.3. Third Party Approvals.

6.3.1. Each of the Purchaser and the Seller shall use its commercially reasonable efforts to apply for and obtain all of the Third Party Approvals, including, as promptly as practicable after the date of this Agreement, give all notices to, and make all filings with, all applicable Persons, that are necessary or advisable in connection therewith. The Purchaser and Seller shall reasonably cooperate with each other with respect to all such filings and procedures.

6.3.2. Notwithstanding the foregoing, in no event will Purchaser be obligated to propose, or agree to accept any condition or undertaking imposed or required by any Governmental Authority to obtain any Third Party Approvals, or otherwise agree to any settlement or decree, or take any other action that, in the reasonable discretion of the Purchaser, would adversely affect the business of the Company or any Material Subsidiary or Purchaser's ability to consummate the Transaction contemplated hereby. Notwithstanding the foregoing, in no event will Seller be obligated to propose, or agree to accept any condition or undertaking imposed or required by any Governmental Authority to obtain any Third Party Approvals, or otherwise agree to any settlement or decree, or take any other action that, in the reasonable discretion of the Seller, would adversely affect the business of the Company or any Material Subsidiary or Seller or Seller's ability to consummate the Transaction contemplated hereby.

6.3.3. Each Party shall provide any information reasonably requested for the purpose of obtaining the Third Party Approvals and such Party shall be solely and individually liable for the accuracy of any information it provides.

6.4. Financing; Purchaser Tax Ruling.

6.4.1. Seller and its Affiliates shall, and shall cause the Company and the Material Subsidiaries to, cooperate with the Purchaser and exercise commercially reasonable efforts to assist the Purchaser, without incurring any financial expense in connection with such assistance and cooperation, in obtaining the required information from the Company for purposes of obtaining financing required for the Purchaser to consummate the Transaction, including preparing financial information and making senior management of the Company and of the Material Subsidiaries reasonably available to any lenders.

6.4.2. Seller and its Affiliates shall, and shall make commercially reasonable efforts to cause the Company and the Material Subsidiaries to, cooperate with the Purchaser and exercise commercially reasonable efforts to assist the Purchaser, without incurring any financial expense or exposure in connection with such assistance and cooperation, in obtaining the Purchaser Tax Ruling.

6.5. Press Releases. The Parties hereto will, and will cause each of their Affiliates and representatives to, maintain the confidentiality of this Agreement and will not, and will cause each of their Affiliates not to, issue or cause the publication of any press release or other public announcement with respect to this Agreement or the Transaction without the prior written consent of the other Party hereto which consent shall not be unreasonably withheld; *provided, however*, that a Party may, without the prior consent of the other Party hereto, issue or cause publication of any such press release or public announcement to the extent that such party reasonably determines, after consultation with outside legal counsel, such action to be required by law or by the rules of any applicable self-regulatory organization, in which event the Party required to make such press release or public announcement or filing shall, prior to making such release, announcement or filing, prepare and send to the other Party a draft thereof and will use its commercially reasonable efforts to allow the other Party reasonable time to comment on such release, announcement or filing in advance of its issuance and will in good faith consider and make every commercially reasonable effort to accept any reasonable comments of the other Party, and otherwise reach agreement with the other Party, as to the form and content of such release, announcement or filing before it is made public.

6.6. Notice of Certain Facts. During the Interim Period each of the Parties shall promptly notify and inform the other Party of (i) any material variance or incorrect statement in the representations and warranties made thereby hereunder (including in respect of the information disclosed on the disclosure schedules), as applicable; (ii) any material failure on such Party's part to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; or (iii) any institution of or written threat of institution of any material Legal Proceeding against such Party or the Company or any of the Material Subsidiaries related to this Agreement or the Transaction; *provided, however,* that the delivery of any notice pursuant to this Section shall not be deemed to qualify the representations and warranties made by such party, or to limit or otherwise affect the remedies available hereunder to the party receiving such notice, or the representations or warranties of, or the conditions to the obligations of, the parties hereto. No notification pursuant to this Section will be deemed to (w) amend or supplement the applicable disclosure schedules, (x) prevent or cure any misrepresentation, breach of warranty or breach of covenant, or limit or otherwise affect any rights or remedies available to the relevant party, (y) be deemed to qualify the representations and warranties given by such party, or (z) constitute a waiver by the other party of any rights available to such party under this Agreement.

6.7. No Shop. During the Interim Period (and with respect to the Additional Purchased Shares, until the last Deferred Closing Date), to the extent permissible by law, the Seller will not, directly or indirectly or permit any other Person on the Seller's behalf to (i) entertain, solicit, initiate, encourage, knowingly facilitate, assist the making of any proposal or offer, (ii) enter into, continue or otherwise participate in negotiations, (iii) furnish to any Person any non-public information or grant any Person access to its properties, assets, books, contracts, personnel or records, (iv) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other contract or (v) propose, whether publicly or to any director or shareholder, or agree to do any of the foregoing for the purpose of encouraging or facilitating any proposal, offer, discussions or negotiations; in each case relating to the sale, transfer, acquisition or disposition of any of the Purchased Shares and/or the Outstanding Note and/or any material amount of the assets of the Company or any of the Material Subsidiaries or any capital share or other ownership interests of the Company or any of the Material Subsidiaries, other than with the Purchaser. The Seller will immediately cease and cause to be terminated any such ongoing or existing negotiations, discussions or other communication, or contracts (other than with the Purchaser) with respect to the foregoing and will immediately cease providing and secure the return of any non-public information and terminate any access of the type referenced in clause (iii) above.

6.8. Cooperation in Section 350 Proceedings. In the event that the bondholders approval to the Transaction is not obtained by the Seller until December 25, 2012, Seller shall then cooperate with the Purchaser in pursuing Section 350 Proceedings for the approval of the Transaction.

ARTICLE VII
CLOSING AND CONDITIONS TO CLOSING

7.1. Closing Date. The consummation of the Transaction (the "**Closing**") will be held at the offices of Zellermayer, Pelossof, Rosovsky, Tsafrir, Toledano & Co., Adv., Rubinstein House, 12th Floor, 20 Lincoln St., Tel-Aviv, Israel, or at such other place as the Seller and Purchaser may agree, at 10:00 a.m. on a Business Day that the Seller and Purchaser may decide but not later than three (3) Business Days after all the Conditions Precedent shall have been fulfilled (unless specifically otherwise provided below) (the "**Closing Date**").

7.2. Conditions Precedent to Obligations of the Parties to Close. The respective obligations of each Party to effect the Transaction shall be subject to the satisfaction, at or prior to the Closing Date, of the following conditions, unless waived in writing by the Seller and the Purchaser:

7.2.1. All Third Party Approvals shall have been obtained;

7.2.2. No injunction by any court of competent jurisdiction that prohibits the Closing, or permits the Closing but on terms and conditions not contained in, and materially deviate from, this Agreement, shall have been issued and remain in effect;

7.2.3. No change shall have occurred in Applicable Law that prohibits the Closing or the consummation of the Transaction or permits the Closing or the consummation of the Transaction, but on terms and conditions not contained in, and materially deviate from, this Agreement;

7.2.4. No Legal Proceedings shall have been commenced or threatened or claim or demand made against the Seller, the Company or any of the Material Subsidiaries, or Purchaser, seeking to restrain, prohibit, materially and adversely alter or limit, or to obtain substantial Damages with respect to or in connection with, the consummation of the Transaction and/or which is likely to render it impossible or unlawful to consummate the Transaction, or that would restrict or materially limit Purchaser's ability to own the Purchased Shares or to assume the Outstanding Note or exercise its rights as a shareholder in the Company after the Closing;

7.2.5. Purchaser shall have obtained the Purchaser Tax Ruling on the assignment of the dividend as further set forth in Section 2.2.3 above, *provided*, that upon the lapse of thirty (30) days as of the Effective date, this Section 7.2.5 will no longer constitute a condition precedent and shall have no further force and effect. For the avoidance of any doubt, in the event that all conditions precedent set forth under this ARTICLE VII, *except* for this Section 7.2.5, are satisfied prior to the lapse of thirty (30) days following the Effective Date, then Closing may occur only after the lapse of a 30-day period following the Effective Date; and

7.2.6. All of the conditions precedent for the consummation of the Hutchison Debt Assumption Arrangement, as set forth thereunder, have been fulfilled or duly waived.

7.3. Conditions Precedent to Obligations of the Purchaser to Close. The obligation of the Purchaser to effect the Transaction shall be subject to the satisfaction, at or prior to the Closing Date, of the following conditions, unless waived in writing by the Purchaser:

7.3.1. Completion of Due Diligence by Purchaser, to the satisfaction of Purchaser, to be finalized by not later than the DD Completion Date, *provided* that if no Material DD Findings are revealed, then the Due Diligence shall be deemed to have been completed to the satisfaction of the Purchaser;

7.3.2. The representations and warranties in ARTICLE III and ARTICLE IV shall be true and correct in all material respects at and as of the Closing as if made at and as of such time (except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), *provided, however*, that in any event the representations and warranties set forth in Section 3.1 [*Ownership of Seller Shares*] and Section 3.3 [*Authority*] shall be true and correct in all respects, at and as of the Closing as if made at and as of such time;

7.3.3. All pre-Closing covenants to be performed by the Seller in accordance with ARTICLE VI of this Agreement shall have been completed and performed in all material respects;

7.3.4. The Closing Purchased Shares have been duly transferred to the Purchaser free and clear of any and all Liens, except from the Hutchison Pledge;

7.3.5. All of the Purchaser Directors have been nominated, elected and appointed to serve on the Board of Directors of the Company and the Material Subsidiaries as of the Closing Date and the Purchaser Directors shall constitute a majority of the members of the Board of Directors of the Company and the Material Subsidiaries and the resignation or removal of the Seller Resigning Directors shall have entered into effect;

7.3.6. None of the events specified in Section 6.1.2 (including all subsections thereto) has occurred;

7.3.7. The Seller shall have performed and complied with all obligations and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing in all material respects;

7.3.8. All required consents and approvals shall have been obtained from all debt holders of Seller, as required under and in accordance with any Applicable Law and the terms and conditions of the applicable debt instruments (*i.e.*, the indentures, debentures, notes, deeds, etc');

7.3.9. Execution of the Seller Closing Irrevocable Instructions, to the extent applicable, in accordance with section 2.2.3.3 above;

7.3.10. The Purchaser and its Affiliates obtained the Purchaser Tax Ruling, *provided*, that upon the lapse of thirty (30) days following the Effective Date, this Section 7.3.11 will no longer constitute a condition precedent and shall have no further force and effect. For the avoidance of any doubt, in the event that all conditions precedent set forth under this Section 7.3, *except* for this Section 7.3.11, are satisfied prior to the lapse of thirty (30) days following the Effective Date, then Closing may occur only after the lapse of a 30-day period following the Effective Date;

7.3.11. There shall not have been or occurred any event, change, occurrence or circumstance that, individually or in the aggregate with any such events, changes, occurrences or circumstances, has had or could reasonably be expected to result in (i) a Material Adverse Effect, or (ii) a default under bonds issued by the Company the underlying amount of such default is in excess of US$25 million, or (iii) a default under bonds issued by the Company the underlying amount of such default is less than US$25 million but results in an event of default with respect to any other debt the underlying amount of the latter is greater than US$25 million, or (iv) an acceleration of debt of the Company;

7.3.12. Purchaser shall have received all items specified in Section 7.5.1, unless specifically waived in writing by the Purchaser; and

7.4. Conditions Precedent to Obligations of the Seller to Close. The obligation of the Seller to effect the Transaction shall be subject to the satisfaction, at or, to the extent possible, prior to the Closing Date, of the following conditions, unless waived in writing by the Seller:

7.4.1. The representations and warranties in ARTICLE V shall be true and correct in all material respects at and as of the Closing as if made at and as of such time (except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date), *provided, however*, that in any event the representations and warranties set forth in Section 5.2 [*Authority*] shall be true and correct in all respects, at and as of the Closing as if made at and as of such time;

7.4.2. All pre-Closing covenants to be performed by the Purchaser in accordance with ARTICLE VI of this Agreement shall have been duly completed and performed in all material respects;

7.4.3. The Closing Cash Amount has been duly transferred to the Seller Account;

7.4.4. The Purchaser shall have performed and complied with all obligations and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing in all material respects;

7.4.5. Execution of the Purchaser Closing Irrevocable Instructions, to the extent applicable, in accordance with section 2.2.3.2 above;

7.4.6. Seller shall have received all items specified in Section 7.5.2, unless specifically waived in writing by the Seller; and

7.4.7. The Advent Release has been executed by the relevant party of the Hutchison Group and submitted to Seller.

7.5. Closing. At or prior to the Closing, the following actions shall take place, all of which shall be deemed to have occurred simultaneously, and no action shall be deemed to have been completed or any document delivered until all such actions have been completed and all required documents delivered, unless waived by the relevant Party for whose benefit such action should have been completed or such document should have been delivered.

7.5.1. Seller's Closing Deliverables. At Closing (and where applicable with respect to the Additional Purchased Shares, at each of the Deferred Closing Dates), the Seller shall deliver, or cause to be delivered, to the Purchaser the following:

7.5.1.1. counterpart original or copies of the Company Shareholders Agreement duly executed by the Seller;

7.5.1.2. one or more share certificates representing all the Purchased Shares or an affidavit of loss or destruction of such share certificate in a form reasonably satisfactory to the Purchaser and a share transfer deed in respect of the Purchased Shares to be sold by Seller, prepared in accordance with the Company's organizational documents (the "**Share Transfer Deed**"), validly executed by the Seller as transferor of the Purchased Shares;

7.5.1.3. to the extent issued to Seller by the Israeli Tax Authority, a valid certificate which provides for an exemption from withholding or a reduced withholding rate or other arrangement agreed upon between the Seller and the Tax authority in respect of the payment of the Closing Purchase Price;

7.5.1.4. a certificate executed by the chief executive officer of Seller confirming the matters referred to in Section 7.3.2, Section 7.3.3, Section 7.3.4, Section 7.3.6, Section 7.3.7, Section 7.3.8, Section 7.3.10, Section 7.3.12;

7.5.1.5. a copy of the Company's register of shareholders, certified by the secretary of the Company, showing the Purchaser as the holder of the Purchased Shares;

7.5.1.6. written resignation letters and release of claims (*except* for ongoing remuneration up to the Closing Date and entitlement to exculpation, indemnification and insurance, to the extent applicable) from each of the Seller Resigning Directors;

7.5.1.7. evidence of appointment or election of the Purchaser Directors as directors of the Company in accordance with the Articles of Association of the Company, and a copy of the Company's register of directors, certified by the secretary of the Company, showing the Purchaser Directors as directors of the Company;

7.5.1.8. copies (certified to originals) or other evidence satisfactory to the Purchaser of each of the applicable Third Party Approvals;

7.5.1.9. minutes of all resolutions of the Seller required under the documents of incorporation of the Seller and/or any Applicable Law, approving the Transaction, the taking of related actions and the execution of this Agreement and any such other ancillary documents relating thereto;

7.5.1.10. copy of the Seller Closing Irrevocable Instructions, to the extent applicable, in accordance with section 2.2.3.3 above;

7.5.1.11. a copy of the CFO Net Debt Confirmation; and

7.5.1.12. a copy of the Escrow Agreement executed by Seller.

7.5.1.13. a copy of written approval by Seller to acquire shares of the Company from BLL (to the extent relevant).

7.5.2. Purchaser's Closing Deliverables. At Closing, the Purchaser shall deliver to Seller the following:

7.5.2.1. counterpart original or copies of the Company Shareholders Agreement duly executed by the Purchaser;

7.5.2.2. a Share Transfer Deed with respect to the Purchased Shares, validly executed by the Purchaser as transferee of the Purchased Shares, except with respect to such portion of the Additional Purchased Shares which shall have not been transferred to the Purchaser upon the Closing Date;

7.5.2.3. the payment of the Closing Cash Amount, by irrevocable wire transfer of immediately available funds to the Seller Account;

7.5.2.4. a certificate of the Purchaser confirming Section 7.4.1, Section 7.4.2, Section 7.4.4 and Section 7.4.5;

7.5.2.5. minutes of all resolutions of the Purchaser required under the documents of incorporation of the Purchaser and/or any Applicable Law, approving the Transaction, taking of related actions and the execution of this Agreement and such other ancillary documents relating thereto;

7.5.2.6. a copy of the Purchaser Closing Irrevocable Instructions, to the extent applicable, in accordance with section 2.2.3.2 above;

7.5.2.7. a copy of the Escrow Agreement executed by Seller; and

7.5.2.8. the Advent Release.

ARTICLE VIII
DEFERRED CLOSING

8.1. Deferred Closing Date. Each of the Deferred Closing will be held at the offices of the Escrow Agent or at such other place as the Escrow Agent, Seller and Purchaser may agree, at 10:00 a.m. on a Business Day that the Escrow Agent, Seller and Purchaser may decide but not later than five (5) Business Days after the applicable Conditions Precedent set forth in this ARTICLE VIII shall have been fulfilled (the "**Deferred Closing Date**").

8.2. Conditions Precedent.

8.2.1. Joint Conditions Precedent to Obligations of the Purchaser and Seller to Close. The respective obligations of each Party to effect the transactions on each Deferred Closing shall be subject to the satisfaction, at or prior to each Deferred Closing Date, unless waived in writing by the Seller and the Purchaser, of Sections 7.2.1 [*Third Party Approvals*], 7.2.2 [*No Injunction*], 7.2.3 [*No Change in Applicable Law*] and 7.2.4 [*No Legal Proceedings*], *mutatis mutandis*.

8.2.2. Conditions Precedent to Obligations of the Purchaser to Close. The obligations of the Purchaser to effect the transactions on each Deferred Closing shall be subject to the satisfaction, at or prior to each Deferred Closing Date, unless waived in writing by the Purchaser, of Section 3.1 [*Ownership of Seller Shares*], Section 3.3 [*Authority*], Section 6.7 [*No-Shop*] and Section 2.3.5 [*Receipt of the Released Additional Shares*].

8.2.3. Conditions Precedent to Obligations of the Seller to Close. The obligations of the Seller to effect the transactions on each Deferred Closing shall be subject to the satisfaction, at or prior to the Deferred Closing Date, unless waived in writing by the Seller, of Section 2.3.5 [*Receipt of the Release Amounts*].

8.3. Deferred Closing Deliverables.

8.3.1. Seller's Deferred Closing Deliverables. At each of the Deferred Closing Dates, the Seller shall deliver, or cause to be delivered, to the Escrow Agent or the Purchaser, with respect to the applicable Additional Purchased Shares, the items set forth in Section 7.5.1.2 [*Share Certificates and Share Transfer Deed*], Section 7.5.1.4 [*Officer Certificate, as to the satisfaction of the conditions precedent set forth in Section 8.2.2 above*], Section 7.5.1.5 [*Company's register of shareholders*] and Section 7.5.1.8 [*Third Party Approvals*]. In addition, prior to the first Deferred Closing the Seller shall provide the Purchaser with a copy of the CFO Distributable Profits Confirmation.

8.3.2. Purchaser's Deferred Closing Deliverables. At each of the Deferred Closing Dates, the Purchaser shall deliver, or cause to be delivered, to the Escrow Agent or the Seller, with respect to the applicable Additional Purchased Shares, the items set forth in Section 7.5.2.2 [*Share Certificates and Share Transfer Deed*].

ARTICLE IX
POST - CLOSING COVENANTS

9.1. Non-Solicitation.

9.1.1. Unless otherwise agreed to in writing by the Purchaser, for a period of four (4) years after the Closing, the Seller shall not, directly or indirectly, for itself or on behalf of or in conjunction with any other Person, nor will it permit any of its subsidiaries or Affiliates, directors, officers, employees or any other Person in its or their behalf, directly or indirectly, solicit or call upon any Person who is, at the time the Person is solicited or called upon, a Key Employee, for the purpose or with the intent of soliciting such employee away from or out of the employ of the Company or the Material Subsidiaries, or employ, hire or offer employment to any Person who is a Key Employee, *except* for any such Person whose employment was terminated by the Company or the Material Subsidiaries.

9.1.2. Section 9.1.1 above will not be deemed to prohibit the Seller from engaging in general media advertising or solicitation that may be targeted to a particular geographic or technical area but that is not targeted towards employees of the Company or the Material Subsidiaries.

9.2. Confidentiality. From and after the Closing Date, each of Seller and Purchaser shall not, and shall cause its respective directors, officers, employees and Affiliates not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person (other than authorized officers, directors and employees of the Seller or Purchaser, as applicable, who need to know such information in order to perform any duties to the other Party related to the performance of the Transaction) or use or otherwise exploit for its own benefit or for the benefit of anyone other than the other Party, any Confidential Information. Notwithstanding the foregoing, the Seller (and its officers, directors and Affiliates) may disclose any Confidential Information if and to the extent disclosure thereof is specifically required by Applicable Law (including for purposes of private or public offering); *provided, however*, that in the event disclosure is required by Applicable Law (including for purposes of private or public offering), the Seller shall, to the extent reasonably possible, provide Purchaser with prompt notice of such requirement prior to making any disclosure so that Purchaser may seek an appropriate protective order. For purposes of this Section 9.2 only, "**Confidential Information**" means any information with respect to this Agreement and any negotiations and discussions in connection therewith, the Company and the Material Subsidiaries and their business, including methods of operation, customer lists, products, prices, fees, costs, technology, inventions, trade secrets, know-how, software, marketing methods, plans, Personnel, suppliers, competitors, markets or other specialized information or proprietary matters. Such terms shall not include, and there shall be no obligation hereunder with respect to, information that (i) is generally available to the public on the date of this Agreement or (ii) becomes generally available to the public other than as a result of a disclosure not otherwise permissible hereunder. Notwithstanding the foregoing, this Agreement may be provided and its terms may be disclosed: (i) by any party in connection with an enforcement of its rights hereunder; (ii) to each party's advisors, auditors and financing sources and may be disclosed in financial statements of a party or its Affiliates as required by its auditors; (iii) to the direct and indirect owners of Purchaser; (iv) to third parties who conduct diligence with respect to any party or its Affiliates in connection with an investment or other transaction, *provided* such third parties agree to keep such information confidential, including pursuant to Applicable Law. Each party shall provide the other parties with a draft of the disclosure relating to this Agreement and/or the arrangements hereunder that it intends to include in any Schedule 13D or any other filings required under Applicable Law, if practicable at least 48 hours prior to filing so that such other parties shall have reasonable opportunity to review and provide comments, *provided* that final disclosure shall be as determined by the filing party in consultation with its legal advisor.

ARTICLE X
INDEMNIFICATION

10.1. Indemnification by the Seller. The Seller shall indemnify, defend and hold harmless the Purchaser from any and all Damages incurred by Purchaser with respect to or resulting from any breach by the Seller of the representations and warranties made in ARTICLE III and ARTICLE IV above.

10.2. Claims for Indemnification.

10.2.1. Any claim for indemnification arising under this ARTICLE X shall be defined as an "**Indemnification Claim**". A Party from whom indemnification is sought pursuant to this ARTICLE X shall be defined as an "**Indemnifying Party**". A Party entitled to indemnification pursuant to this ARTICLE X shall be defined as and "**Indemnified Party**").The amount an Indemnified Party is entitled to pursuant to this ARTICLE X shall be defined as "**Indemnification Entitlement Amount**".

10.2.2. The Indemnified Party shall promptly notify in writing the Indemnifying Party of the Indemnification Claim and the facts constituting the basis for such Indemnification Claim, *provided, however*, that no delay or deficiency on the part of the Indemnified Party in so notifying the Indemnifying Party will relieve the Indemnifying Party of any liability or obligation hereunder except if such delay or deficiency materially prejudices the defense of such claim, and then only to the extent of such material prejudice.

10.3. Limitations.

10.3.1. The indemnity obligations under Section 10.1 shall be further limited in the following manner:

10.3.1.1. Threshold Amount. No liability of the Seller under this ARTICLE X in connection with Indemnification Claim shall arise and the Indemnified Party will not be entitled to indemnification from it, unless and until the cumulative amounts of the Indemnification Entitlement Amounts due to it after the Closing Date or after or the Deferred Closing Date exceed US$1,500,000 (the "**Threshold Amount**"). Once the Threshold Amount has been met, where applicable, the Indemnified Party shall be entitled to receive the amount of its cumulative Indemnification Entitlement Amounts, including any and all amounts below the Threshold Amount. Notwithstanding the foregoing, the Threshold Amount shall not apply to (i) Indemnification Claims based upon or arising out of fraud or intentional misrepresentation of the Seller, (ii) the Seller's liability for Damages resulting from or in connection with any breach of the representations and warranties set forth in Section 3.1 [*Ownership of Seller Shares*], Section 3.2 [*Organization; No Order*], Section 3.3 [*Authority*], Section 4.1 [*Capitalization; ESOP; Material Subsidiaries*] and Section 4.2 [*Organization; Authority; No Order*].

10.3.1.2. Maximum Liability. The maximum liability of the Seller under this ARTICLE X shall be NIS US$60 million (the "**Seller Liability Cap**"). Notwithstanding the foregoing, the Seller Liability Cap shall not apply to (i) Indemnification Claims based upon or arising out of fraud or intentional misrepresentation of the Seller, (ii) the Seller's liability for Damages resulting from or in connection with any breach of the representations and warranties set forth in Section 3.1 [*Ownership of Seller Shares*], Section 3.2 [*Organization; No Order*], Section 3.3 [*Authority*], Section 4.1 [*Capitalization; ESOP; Material Subsidiaries*] and Section 4.2 [*Organization; Authority; No Order*]. In no event, except in the event of fraud or willful misconduct by Seller, shall Purchaser or any of its Affiliates seek or permit to be sought on behalf of Purchaser any Damages or any other recovery, judgment or damages of any kind, from any member of the Seller group other than the Seller in connection with this Agreement or the Transaction. Purchaser acknowledges and agrees that, except in the event of fraud or willful misconduct by Seller, it has no right of recovery against, and no personal liability shall attach to, in each case with respect to Damages, any member of the Seller group (other than the seller to the extent provided in this Agreement), through the Seller or otherwise, whether by or through attempted piercing of the corporate, limited partnership or limited liability company veil, by or through a claim by or on behalf of the Seller against any member of the Seller group, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any Applicable Law, or otherwise.

10.3.1.3. Time Limitation. No claim in respect of the representations and warranties set forth in ARTICLE III and ARTICLE IV shall be made after the lapse of the Survival Period, at which time such representations and warranties and all liabilities deriving therefrom shall be terminated, *except* that any claims first made prior to the lapse of such Survival Period may proceed after such period and until final settlement thereof (the "**Indemnity Time Limitation**"). Notwithstanding the foregoing, the Indemnity Time Limitation shall not apply to (i) Indemnification Claims based upon or arising out of fraud or intentional misrepresentation of the Seller, (ii) the Seller's liability for Damages resulting from or in connection with any breach of the representations and warranties set forth in Section 3.1 [*Ownership of Seller Shares*], Section 3.2 [*Organization; No Order*], Section 3.3 [*Authority*], Section 4.1 [*Capitalization; ESOP; Material Subsidiaries*] and Section 4.2 [*Organization; Authority; No Order*].

10.3.1.4. Consideration Adjustments. All amounts paid with respect to the indemnity claims under this Agreement shall be treated by the Parties hereto for all Tax purposes as a consideration adjustment, unless such payments are required to be treated differently by applicable laws, rules or regulations.

10.4. Purchaser Liability Cap. In no event shall Seller or any of its Affiliates seek or permit to be sought on behalf of Seller any Damages or any other recovery, judgment or damages of any kind, from any member of the Purchaser Group other than the Purchaser in connection with this Agreement or the Transaction. The Seller acknowledges that Purchaser is a newly-formed company and does not have any material assets except in connection with this Agreement. The provisions of this Section 10.4 are intended for the benefit of and be enforceable by each member of the Purchaser Group.

10.5. Losses Resulting from a Third Party Claim. In the event that any Legal Proceedings shall be instituted or that any claim or demand shall be asserted by any third party in respect of which indemnification may be sought hereunder (a "**Third Party Claim**"), the Indemnified Party shall promptly cause written notice of the assertion of any Third Party Claim of which it has knowledge which is covered by this indemnity to be forwarded to the Indemnifying Party ("**Indemnification Notice**"). The Indemnifying Party, shall have the right, at its sole expense, to be represented by counsel of its choice, which must be reasonably satisfactory to the Indemnified Party, and to defend against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any losses indemnified against hereunder; *provided* that the Indemnifying Party shall have acknowledged in writing to the Indemnified Party its unqualified obligation to indemnify the Indemnified Party as provided hereunder. If the Indemnifying Party, elects to defend against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any losses indemnified by it hereunder, it shall within seven (7) Business Days of the Indemnified Party's Indemnification Notice of such Third Party Claim (or sooner, if the nature of the Third Party Claim so requires) notify the Indemnified Party of its intent to do so; *provided*, that the Indemnifying Party must conduct the defense of the Third Party Claim actively and diligently thereafter in order to preserve its rights in this regard. If the Indemnifying Party elects not to defend against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any losses indemnified against hereunder, fails to notify the Indemnified Party of its election as herein provided or contests its obligation to indemnify the Indemnified Party for such losses under this Agreement, the Indemnified Party may defend against, negotiate, settle or otherwise deal with such Third Party Claim. If the Indemnified Party defends any Third Party Claim, then the Indemnifying Party shall reimburse the Indemnified Party for the expenses of defending such Third Party Claim upon submission of periodic bills. If the Indemnifying Party shall assume the defense of any Third Party Claim, the Indemnified Party may participate, at his or its own expense, in the defense of such Third Party Claim; *provided, however*, that the Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the Indemnifying Party if (i) so requested by the Indemnifying Party to participate, or (ii) in the reasonable opinion of counsel to the Indemnified Party, a conflict or potential conflict exists between the Indemnified Party and the Indemnifying Party that would make such separate representation advisable. The parties hereto agree to provide reasonable access to the other party to such documents and information as may be reasonably requested in connection with the defense, negotiation or settlement of any such Third Party Claim. Notwithstanding anything in this Section to the contrary, neither the Indemnifying Party nor the Indemnified Party shall, without the written consent of the other party, settle or compromise any Third Party Claim or permit a default or consent to entry of any judgment unless the claimant or claimants and such party provide to such other party an unqualified release from all liability in respect of the Third Party Claim. If the Indemnifying Party makes any payment on any Third Party Claim, the Indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Indemnified Party to any insurance benefits or other claims of the Indemnified Party with respect to such Third Party Claim. The Indemnified Party shall not be entitled to double damages resulting from any losses that were already indemnified by the Indemnifying Party.

ARTICLE XI
TERMINATION

11.1. Termination. This Agreement may be terminated:

11.1.1. at any time, by the mutual written consent of the Seller and the Purchaser; and

11.1.2. by the Seller or the Purchaser at any time after the Deadline Date, if the Closing has not occurred as of such date and the party seeking termination is not then in breach of any of the terms of this Agreement and has used its commercially reasonable efforts to fulfill its conditions to Closing; *provided, however*, that notwithstanding anything to the contrary in this Agreement, if on the Deadline Date the MoC Approval or the Antitrust Approval has not been obtained, then the Deadline Date will be automatically extended by until the Extended Deadline Date and the Parties shall not have the right to terminate this Agreement pursuant to this Section 11.1.2 until the end Extended Deadline Date.

11.1.3. by either the Purchaser or the Seller, if any Governmental Authority has issued an un-appealable order, injunction, decree or ruling or taken any other action enjoining, restraining or otherwise prohibiting the Transaction.

11.1.4. by Purchaser in the event any Third Party Approval contains terms that materially and adversely affect the business of the Company or any Material Subsidiary, Purchaser's ability to consummate the Transaction.

11.1.5. by Seller in the event any Third Party Approval contains terms that materially and adversely affect the business of the Company or any Material Subsidiary or the Seller or Seller's ability to consummate the Transaction.

11.1.6. by the Purchaser, if the Seller shall have materially failed to perform any of its covenants or agreements set forth in this Agreement, or if any representation or warranty of the Seller shall have become materially untrue, in either case such that the conditions set forth in Section 7.2 and 7.3 would not be satisfied and such breach is not capable of being cured or, if capable of being cured, shall not have been cured within thirty (30) days following receipt by the Seller of written notice of such breach from the Purchaser; *provided, however*, that the Purchaser shall not be entitled to terminate this Agreement pursuant to this Section 11.1.6 if at the time such termination is sought the Purchaser is then in breach of any of the terms of this Agreement or has not used its commercially reasonable efforts to fulfill its conditions to Closing.

11.1.7. by the Seller, if the Purchaser shall have materially failed to perform any of the Purchaser's covenants or agreements set forth in this Agreement, or if any representation or warranty of the Purchaser shall have become materially untrue, in either case such that the conditions set forth in Section 7.4 would not be satisfied and such breach is not capable of being cured or, if capable of being cured, shall not have been cured within thirty (30) days following receipt by the Purchaser of written notice of such breach from the Seller; *provided, however*, that the Seller shall not be entitled to terminate this Agreement pursuant to this Section 11.1.7 if at the time such termination is sought the Seller is then in breach of any of the terms of this Agreement and has not used its commercially reasonable efforts to fulfill its conditions to Closing.

Except as specifically provided otherwise herein, any termination of this Agreement under this Section 11.1 shall become effective by the delivery of written notice by the terminating party to the other party.

11.2. Effect of Termination. Upon termination of this Agreement pursuant to this ARTICLE XI, this Agreement and the rights and obligations of the Parties under this Agreement end without any liability against any Party or its Affiliates, except that nothing in this Section 11.2 shall relieve any party from liability pursuant to the breach of any provisions of this Agreement prior to termination and the provisions of Section 9.2 [*Confidentiality*], ARTICLE X [*Indemnification; Purchaser Liability*], this Section 11.2 [*Effect of Termination*] and ARTICLE XII [*General Provisions*] will remain in force and survive any termination of this Agreement.

ARTICLE XII
GENERAL PROVISIONS

12.1. Notices. All notices, claims, demands and other communications hereunder shall be in writing and shall be deemed given if delivered personally, by telecopy, mailed by registered or certified mail (postage prepaid, return receipt requested), or delivered by internationally recognized courier to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to the Seller:

Scailex Corporation Ltd.,
48 Ben Zion Galis St.,
Segula Industrial Area, Petach Tikva, Israel, 49277
Fax: 972-3-9314422
Attn: Yahel Shachar, CEO

With copy to (which shall not constitute a notice):
Yossi Avraham & Co.
3 Daniel Frisch St.
Tel Aviv 64731
Fax: 972-3-6963801
Attn: Yossi Avraham, Adv.

And a copy to (which shall not constitute a notice):
Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co.
One Azrieli Center, Round Building
Tel Aviv 67021, Israel
Fax: +972-3-607-4433
Attn: Rona Bergman Naveh, Adv.

If to the Purchaser:

S.B. Israel Telecom Ltd.
c/o Saban Capital Group, Inc.
10100 Santa Monica Boulevard
Los Angeles, CA 90067
Fax: +1-310-557-5215
Attn: Adam Chesnoff & Niveen S. Tadros

With copy to (which shall not constitute a notice):
Zellermayer, Pelossof, Rosovsky, Tsafrir, Toledano & Co.
The Rubinstein House
20 Lincoln Street, Tel Aviv 67134
Fax: +972-3-6255500
Attn: Miki Zellermayer, Adv. and/or Lior Oren, Adv.

The Parties hereto agree that notices or other communications that are given in accordance herewith (i) by personal delivery or by telecopy will be deemed received on the day delivered or transmitted (with electronic confirmation of receipt in the case of telecopy) or on the first Business Day thereafter if not delivered or transmitted on a Business Day, and (ii) by registered or certified mail, will be deemed received five (5) Business Days immediately following the date mailed.

12.2. Descriptive Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

12.3. Entire Agreement. This Agreement (including the Schedules referred to herein) (a) constitutes the entire agreement and supersedes all other prior agreements and understandings both written and oral, between the Parties, with respect to the subject matter hereof; and (b) except as specifically set forth herein, is not intended to nor shall it confer upon any other third party any rights, benefits or remedies of any nature whatsoever.

12.4. Assignment. Neither the Seller nor the Purchaser may assign its rights or obligations under this Agreement without the prior written approval of the other party, *provided, however*, that Purchaser shall be entiteld to assign all (but not less than all) of its rights and obligations under this Agreement to any Affiliate of the Purchaser or any Affiliate of any of the Fund Entities, *provided* that such assignemnt will not delay or impede the fulfilment of Purchasers undertakings hereunder or the Conditions Precedent.

12.5. Governing Law; Jurisdiction; Arbitration.

12.5.1. This Agreement and all claims, conflicts, disputes and other matters arising out of or related hereto shall be governed by and construed in accordance with the laws of the State of Israel, without regard to the conflicts of law principles or rules of such state, to the extent such principles or rules are not mandatorily applicable by statute and would permit or require the application of the laws of another jurisdiction.

12.5.2. Subject to the exclusive arbitration mechanism set forth below, to the extent a court decision is required for any reason, the Parties hereto irrevocably submit to the exclusive jurisdiction of the competent courts in Israel located in City of Tel-Aviv, over any dispute arising out of or relating to the Transaction. Each Party hereby irrevocably agrees that all claims in respect of such dispute or proceeding will be heard and determined in such courts (and the courts hearing appeals from such courts). The Parties hereby irrevocably waive, to the fullest extent permitted by Applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum in connection therewith.

12.5.3. In the event that any dispute or disagreement arises between the parties hereto with regard to any matter concerning this Agreement and/or implementation and/or interpretation thereof (or resulting therefrom) (a "**Dispute**"), the parties to the Dispute shall be obligated to refer the Dispute to the decision of an arbitrator, as an exclusive forum, whose decision shall be final and binding. The arbitrator shall be appointed by the mutual consent of the Parties, and if such consent is not obtained within five (5) Business Days then the arbitrator shall be appointed by the Arbitration Institution of the Israeli Bar Association upon the request of any of the parties (the "**Arbitrator**"). This Section shall constitute an arbitration agreement between the parties and the rules of the Arbitration Institution of the Israeli Bar Association shall apply, including the availability of appeal before a panel of arbitrators. The Arbitrator shall decide the Dispute within a maximum of sixty (60) days from the commencement date of the arbitration proceedings and shall be bound by the substantive law but shall not be bound by the laws of evidence and by the rules of procedure. The arbitration shall be handled in Israel and in English. The costs and expenses associated with the arbitration (other than attorney fees which will be borne by each of the parties in Dispute) shall be borne equally by the Parties, except that the Arbitrator shall be authorized to hold that the Party whose claim was rejected would bear all or substantial part of such costs and expenses.

12.6. Further Action. The Seller and the Purchaser shall each use (and shall cause their respective Affiliates to do the same) its commercially reasonable efforts to take or cause to be taken all appropriate action, do or cause to be done all things necessary, proper or advisable, and execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the Transaction.

12.7. Severability; Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by such provision or its severance herefrom and (d) in lieu of such provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such provision as may be possible.

12.8. Remedies. The Parties agree that irreparable damage would result if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly acknowledged that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which the Parties are entitled at law or in equity. Each Party to this Agreement hereby agrees to waive the defense in any such suit that the other Party to this Agreement has an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the proprietary of an injunction or specific performance as a remedy, and hereby agrees to waive any requirement to post any bond in connection with obtaining such relief.

12.9. Amendment; Waiver. Any Party may waive any provision hereof intended for its benefit in writing. No failure or delay on the part of any Party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof. The waiver of certain rights or remedies hereunder arising from any specific occurrence or event shall not operate as a waiver of any other rights and/or remedies related to such occurrence or event or a waiver of any rights or remedies hereunder arising from any other occurrence or event. This Agreement may be amended and any provision waived with the prior written consent of the Seller and the Purchaser.

12.10. Mutual Drafting. The parties hereto agree that they have jointly drafted and have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

12.11. Expenses. Except as otherwise set forth herein, all costs, fees and expenses incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement or any other agreement contemplated herein and in closing and carrying out the Transaction and thereby shall be paid by the Party incurring such cost or expense. This Section 12.11 shall survive the termination of this Agreement. In the event that any of the Parties has employed any broker, finder, or financial advisor or incurred any liability for any brokerage fee or commission, finders' fee or financial advisory fee, in connection with this Agreement or any other agreement contemplated herein, the Party engaging such broker, finder, or financial adviser shall be solely liable for meeting such liability.

12.12. Construction. For the purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires: (i) words using the singular or plural number also include the plural or singular number, respectively, and the use of any gender herein shall be deemed to include the other genders; (ii) references herein to "Articles," "Sections," "subsections" "Exhibit", "Schedule" and other subdivisions, without reference to a document are to the specified Articles, Sections, subsections, Exhibits, Schedules and other subdivisions of this Agreement; (iii) a reference to a subsection or other subdivision without further reference to a Section is a reference to such subsection or subdivision as contained in the same Section in which the reference appears; (iv) the words "herein," "hereof," "hereunder," "hereby" and other words of similar import refer to this Agreement as a whole and not to any particular provision; (v) the words "include," "includes" and "including" are to be read as listing non-exclusive examples of the matters referred to and deemed to be followed by the phrase "without limitation"; (vi) all accounting terms used and not expressly defined herein have the respective meanings given to them under IFRS, as applicable; (vii) any reference herein to any Applicable Law or legal requirement (including to any statute, ordinance, code, rule, regulation, or any provision thereof) shall be deemed to include reference to such Applicable Law and or to such legal requirement, as amended, and any legal requirements promulgated thereunder or successor thereto; (viii) where this Agreement states that a party "will" or "must" perform in some manner or otherwise act or omit to act, it means that the party is legally obligated to do so in accordance with this Agreement; and (ix) any reference to a contract or other document as of a given date means the contract or other document as amended, supplemented and modified from time to time through such date.

12.13. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. This Agreement or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.

[*The remainder of this page is intentionally left blank; following is signature page*]

IN WITNESS WHEREOF, each of the Seller and the Purchaser has caused this Share Purchase Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the date first above written.

SCAILEX CORPORATION LTD.

By: */s/ Yahel Shachar*
Name: Yahel Shachar
Title: Chief Executive Officer

S.B. ISRAEL TELECOM LTD.

By: */s/ Adam Chesnoff*
Name: Adam Chesnoff
Title: Director

LIST OF EXHIBITS

Exhibit	Description
A	Company Shareholders Agreement
B	Third Party Approvals

CONFIDENTIAL

PARTNER COMMUNICATIONS COMPANY LTD.
SHAREHOLDERS AGREEMENT

by and between

SCAILEX CORPORATION LTD.

and

S.B. ISRAEL TELECOM LTD.

[_____], 2013

SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT (the "**Agreement**") is entered into as of this __ day of _____, 2013, by and between S.B. ISRAELTELECOM LTD., incorporated and existing under the laws of the state of Israel, registered with the Israeli registrar of companies under company number 51-4843226 ("**SCG**") and Scailex Corporation Ltd., a corporation incorporated and existing under the laws of the state of Israel, registered with the Israeli registrar of companies under company number 52-003180-8 ("**Scailex**"); SCG and Scailex collectively are referred to as the "**Shareholders**" and each, individually, as a "**Shareholder**".

RECITALS

A. On November 29, 2012, Scailex and SCG entered into a Share Purchase Agreement ("**SPA**"), pursuant to which, *inter alia*, SCG will receive and acquire from Scailex on the Closing (as defined below) or thereafter, 47,833,333 ordinary shares par value 0.01 each of Partner Communications Company Ltd. (the "**Company**"), all subject to the terms and conditions of the Share Purchase Agreement;

B. The Shareholders wish to set forth their mutual agreements with respect to their respective rights in the Company and their relationship as controlling shareholders of the Company, all subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties to this Agreement hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. The following terms, as used in this Agreement, shall have the following meanings:

1.1.1 "**Affiliate**" means a Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with the Person specified, *provided*, that for the avoidance of doubt, the Company shall not be deemed an Affiliate of Scailex or SCG;

1.1.2 "**Affiliate Default**" means an act by an Affiliate in violation of its voting undertaking or failure to provide a proxy as required under the terms hereof or the voting in a manner inconsistent with the resolutions adopted at the Preliminary Meeting, all in accordance with the provisions of Section 2.2.8;

1.1.3 "**Applicable Law**" means, with respect to any Person, any Israeli or foreign law (statutory, common or otherwise), License and permits, constitution, treaty, convention, ordinance, code, rule, regulation, order, writ, injunction, judgment, decree or other ruling enacted, adopted, promulgated or applied by court or other Governmental Authority of competent jurisdiction that is binding upon or applicable to such Person, as amended unless expressly specified otherwise;

1.1.4 "**Articles**" means the Articles of Association of the Company, as amended and/or restated from time to time;

1.1.5 "**Board**" means the board of directors of the Company;

1.1.6 "**Business Day**" means any day falling Monday through Thursday on which commercial banks in Israel and in the U.S. are open for business;

1.1.7 "**Closing**" means the date of consummation of the transactions contemplated under the Share Purchase Agreement, as such term is defined under the Share Purchase Agreement;

1.1.8 "**Companies Law**" means the Companies Law, 5759 – 1999;

1.1.9 "**Change of Control**" means a change in the Control in the relevant entity or a Liquidation Event in any relevant entity;

1.1.10 "**Control**" means the meaning ascribed to such term in the Securities Law;

1.1.11 "**Encumbrance**" means lien, pledge, security interest, restrictive covenant, charge or any other similar rights or rights granted to any third party in connection therewith, or which may impose restrictions on the transfer or voting thereof at any time;

1.1.12 "**Equity Securities**" means securities having voting rights in the election of the Board, any securities evidencing an ownership interest in the Company and any securities convertible into or exercisable for any of the foregoing or any agreement or commitment to issue any of the foregoing;

1.1.13 "**Governmental Authority**" means any local or foreign governmental authority, governmental organization, commission, authority, stock exchange or any regulatory, administrative or other governmental agency, or any subdivision, department or branch of any of the foregoing;

1.1.14 "**Israeli Director**" means a director of the Company appointed in accordance with Section 22.3A of the License;

1.1.15 "**Joining Third Party**" as defined in Section 4.5 below;

1.1.16 "**Joining Party Proxy**" as such term is defined in the Joinder Agreement attached hereto as ***Exhibit C***;

1.1.17 "**License**" means the Company's General License for the Provision of Mobile Radio Telephone Services using Cellular Method in Israel dated April 7, 1998, and the permit issued by the Ministry of Communications dated April 7, 1998, as amended;

1.1.18 "**Liquidation Event**" means an event of insolvency or an event or occurrence in which the relevant entity initiates, institutes or enters, either voluntarily or involuntarily, into procedures of dissolution, liquidation, winding up, bankruptcy, appointment of trustee or receiver or any other similar officer of the court, or otherwise applies (on its own behalf or by a third party) for court protection from creditors, including, without limitation, by way of applying, either on its own or by any third party, for Freezing of Procedures against the relevant entity. "*Freezing of Procedures*" shall have the meaning assigned to such legal term in Section 350 of the Companies Law (in Hebrew: "*Hakpaa't Halichim*") and in the applicable Israeli case law;

1.1.19 "**Person**" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, governmental authority or other entity of any kind;

1.1.20 "**Post-Closing Management Agreements**" means the management agreements to be entered by and between the Company, on the one hand and SCG and/or Affiliates thereof, on the other hand, on or following the Closing, in the forms approved by the requisite corporate organs of the Company;

1.1.21 "**Registration Rights Agreement**" means any registration rights agreement, pursuant to which any of Scailex and SCG, are entitled to demand from the Company certain registration of rights in respect of the Shares;

1.1.22 "**Relationship Agreement**" means that certain Restatement of the Relationship Agreement, among certain shareholders of the Company, dated April 20, 2005 a copy of which is attached hereto as ***Exhibit E***;

1.1.23 "**Shares**" means ordinary shares par value NIS 0.01 each of the Company;

1.1.24 "**Scailex Affiliate Proxy**" as such term is defined in the Joinder Agreement attached hereto as ***Exhibit C***;

1.1.25 "**Scailex Shares**" means Shares held, directly or indirectly through one or more intermediaries, by Scailex and by its Affiliates;

1.1.26 "**Securities Law**" means the Securities Law, 5728-1968;

1.1.27 "**Share Purchase Agreement**" means the Share Purchase Agreement entered into by and between Scailex and SCG on November 29, 2012;

1.1.28 "**SCG Shares**" means Shares held, directly or indirectly through one or more intermediaries, by SCG and by its Affiliates;

1.1.29 "**SU-Corp**" means Suny Electronics Ltd., a corporation incorporated and existing under the laws of the state of Israel, registered with the Israeli registrar of companies under company number 52-004075-9;

1.1.30 "**Third Party Purchaser**" means any prospective third party purchaser of Equity Securities;

1.1.31 "**Transfer**" means, with respect to any Equity Securities, (i) when used as a verb, to sell, assign, dispose of, exchange, or otherwise transfer such Equity Securities or any participation or interest therein, whether directly or indirectly, or agree or commit to do any of the foregoing, whether with or without consideration; and (ii) when used as a noun, a direct or indirect sale, assignment, disposition, exchange, or other transfer of such Equity Securities or any participation or interest therein or any agreement or commitment to do any of the foregoing, whether with or without consideration;

ARTICLE II

VOTING ARRANGEMENTS

2.1 Preliminary Meeting. Subject to any Applicable Law and except for the matters set forth in Section 2.3 below, at any meeting of the shareholders of the Company, Scailex and SCG shall vote all of their Shares as agreed by a simple majority of the voting power of the Shares held by the Shareholders (including by proxy issued by their respective Affiliates and Joining Third Parties) at a preliminary meeting held between SCG and Scailex (the "**Preliminary Meeting**"), as set forth in Section 2.2 below.

2.2 Preliminary Meeting Mechanism. Subject to any Applicable Law and except for the matters set forth in Section 2.3 below, the following principles shall apply with respect to the Preliminary Meeting:

2.2.1 The Preliminary Meeting shall be held at least seven (7) Business Days prior to the date fixed for the respective shareholders meeting of the Company, at the offices of SCG in Israel, or at such other time and place that shall be agreed upon by the Shareholders. The Preliminary Meeting may be held by any means of communications, provided that all Representatives (as defined below) are able to hear each other simultaneously.

2.2.2 Each Shareholder shall appoint a representative to participate in the Preliminary Meeting on its behalf (the "**Representative**"). Each Shareholder shall also appoint an individual to serve as a replacement to such Representative, to participate in the Preliminary Meeting in the event the Representative is unable to participate in such Preliminary Meeting, in person or by means of communications, for any reason whatsoever (the "**Substitute Representative**"). The voting power of each Representative (or any Substitute Representative) at such Preliminary Meeting shall be determined by dividing (A) the number of Shares held of record by the Shareholder appointing the respective Representative (or any Substitute Representative) and any of its Affiliates and Joining Third Parties (*provided* that no Affiliate Default has taken place) represented at the Preliminary Meeting; by (B) the number of Shares held of record by all Shareholders represented at the Preliminary Meeting, their Affiliates (provided that no Affiliate Default has taken place) and Joining Third Parties.

For example: If SCG and its Affiliates holds 50,000,000 Shares and Scailex and its Affiliates and Joining Third Parties hold, in the aggregate, 25,000,000 Shares, the voting power of the Representative (or Substitute Representative) appointed by SCG at any Preliminary Meeting shall be 0.67% (50,000,000 / 75,000,000) and the voting power of the Representative (or Substitute Representative) appointed by Scailex shall be 0.33% (25,000,000 / 75,000,000).

2.2.3 The quorum of the Preliminary Meeting shall be the presence (in person or by means of communications) of the Representatives (or any Substitute Representatives thereof) of each of the Shareholders. If such quorum was not present at the Preliminary Meeting at the end of a half hour from the time that was set for the beginning of the Preliminary Meeting, the Preliminary Meeting shall be postponed by 24 hours, at the same hour and the same place (the "**Adjourned Preliminary Meeting**"). If no quorum shall exist at the Adjourned Preliminary Meeting within a half an hour from the time that was set for convening the Adjourned Preliminary Meeting, any Representative (or Substitute Representative), of any Shareholder, present (in person or by means of communications)shall constitute a quorum.

2.2.4 The agenda of the Preliminary Meeting (or any Adjourned Preliminary Meeting) shall include those subjects which are on the agenda of the relevant shareholders meeting of the Company.

2.2.5 All resolutions of the Preliminary Meeting (or any Adjourned Preliminary Meeting) on how to vote Shares, shall be adopted by a simple majority, *provided* that as long as SCG and its Affiliates own more Shares than Scailex, then SCG would always have a majority vote in any such Preliminary Meeting (or any Adjourned Preliminary Meeting) and accordingly the parties shall vote all of their Shares (and the Shares of their Affiliates and Joining Third Parties) as determined in the Preliminary Meeting (or any Adjourned Preliminary Meeting).

Notwithstanding anything to the contrary herein, in the event that, at any time, Scailex and its Affiliates and Joining Third Parties (whose Shares are included in the Preliminary Meeting) shall own more Shares than SCG and its Affiliates, then Sections 2.1 and 2.2 to this Agreement shall terminate.

2.2.6 If any resolution or a material amendment thereto not discussed at a Preliminary Meeting (or any Adjourned Preliminary Meeting) is voted upon at a shareholders meeting of the Company, then the Shareholders shall vote against the adoption of such resolution.

2.2.7 At the end of each Preliminary Meeting (or any Adjourned Preliminary Meeting) each of the Shareholders shall fill and sign the relevant proxy statements (voting cards) according to the resolutions adopted at the respective Preliminary Meeting (or any Adjourned Preliminary Meeting), and shall submit such and any required deed of vote to the Company on or prior to the respective meeting of the shareholders of the Company, as required under the Articles.

2.2.8 For the avoidance of doubt, any Shares held by a Joining Third Party and/or an Affiliate of Scailex who has executed a Joinder Agreement pursuant to Section 4.5 below shall be voted consistent with the positions determined pursuant to the Preliminary Meeting (or any Adjourned Preliminary Meeting). Without derogating from the aforesaid, Scailex Affiliates and Joining Third Parties Shares shall be deemed to have granted a proxy to Scailex in respect of any Shares held thereby to vote such Shares in any Preliminary Meeting. In the event the Shares of such Scailex Affiliate and/or Joining Third Party are voted, at any meeting of the shareholders of the Company, in a manner which is inconsistent with the positions determined at the respective Preliminary Meeting (or any Adjourned Preliminary Meeting), for any reason whatsoever, or in the event such Scailex Affiliate and/or Joining Third Party did not provide the Scailex Affiliate Proxy and/or the Scailex Joining Party Proxy, as applicable, to Scailex with respect to any meeting of the shareholders of the Company, then the Shares held by such Scailex Affiliate shall not be taken into account for the purpose of calculating and establishing the required thresholds under Sections 2.3 (*Special Protections*) and 3.1.2 below (*Scailex Designated Directors*).

2.2.9 Notwithstanding any other provision to the contrary in this Agreement, any Affiliate of Scailex to whom Scailex Transfers Shares, regardless of the number of Shares being Transferred thereto, would be required, as a condition to such Transfer being effected and recorded, to execute the Affiliate Joinder attached hereto.

2.3 Special Protections. For so long as Scailex and its Affiliates shall hold of record directly or indirectly, in the aggregate, at least 10% of the issued and outstanding share capital of the Company, then except as otherwise required by Applicable Law, SCG and its Affiliates shall not approve, at any meeting of the shareholders of the Company, any of the following actions without the written consent of Scailex:

2.3.1 Material change in the Company's line of business, or entering into material new businesses, *provided, however*, that engaging in or entering into any line of business in the telecommunications or media fields would *not* be deemed a change in the current line of business of the Company or entering into any material new businesses;

2.3.2 Merger between the Company and other provider of telecommunication services or acquisition thereof, in a transaction value exceeding US$250 million;

2.3.3 Commencing liquidation, dissolution, winding up, stay of proceedings or creditor reorganization of the Company;

2.3.4 Transaction with "**Interested Parties**" ('*Ba'alei Inyan*', as such term is defined in the Companies Law), *except* in connection with the Post-Closing Management Agreements (as further detailed in Section 2.6 below). For the avoidance of any doubt, the following transactions shall not be deemed as transactions with Interested Parties for purpose of this Section 2.3: (i) any purchase of Shares by an Interested Party in connection with a rights offering by the Company offered to all shareholders; (ii) any pro-rata receipt of dividends or distributions by an Interested Party; and (iii) the approval of a new Registration Rights Agreement between the Company, SCG and/or Scailex.

2.3.5 Changes in the share capital of the Company which materially adversely affect the rights attached to the Scailex Shares in a disproportionate manner than the other Shares, or issuance of Equity Securities by the Company that are senior to the Shares;

2.3.6 Voluntary Delisting of the Shares from TASE; and

2.3.7 Amendments to the Articles which materially adversely affect Scailex's rights under the Articles in a disproportionate manner (*provided* that changing the majority vote required for the approval of a certain action would *not* be deemed to materially adversely affect Scailex's rights in a disproportionate manner).

2.4 Conforming Amendments to Articles. Each Shareholder agrees to vote its Shares or execute proxies or written consents, as the case may be, and to take all other actions necessary, to ensure that the Articles facilitate, and do not at any time conflict with, any provision of this Agreement, as amended from time to time.

2.5 Post-Closing Amendments. Notwithstanding the foregoing, each Shareholder undertakes to affirmatively vote all of its Shares to adopt the amendments to the Articles set forth under the form attached hereto as ***Exhibit A*** and to act diligently to place the required resolutions on the agenda of a general meeting as soon as possible following the date hereof.

2.6 Post-Closing Management Agreements. Subject to any Applicable Law, Scailex undertakes at all times to affirmatively vote all of the Scailex Shares for the approval of the Post-Closing Management Agreements (to the extent a shareholder approval thereof is required), under the general terms and conditions attached hereto as ***Exhibit B***.

2.7 Registration Rights Agreement. Subject to any Applicable Law, each of Scailex and SCG undertakes at all times to affirmatively vote all of their Shares for the approval of the Registration Rights Agreement, as may be amended from time to time.

2.8 D&O Insurance. Subject to Applicable Law, each of Scailex and SCG undertakes at all times to affirmatively vote all of their Shares for the approval of (i) the adoption of a run-off (tail) Directors and Officers insurance coverage in respect of the directors serving at the Board prior to the date hereof, and (ii) a Directors and Officers insurance, indemnification and exculpation for the any and all incumbent and newly appointed officeholders.

2.9 Quarterly Notices. Scailex shall provide to SCG (i) written notice on a quarterly basis (no later than 15 days after the end of each calendar quarter), to the best of its knowledge, of any of its Affiliates that hold Shares and the number of Shares such Affiliate owns; (ii) notices in respect of the actions referred to in Section 4.4.6 below, before such actions are taken, if practical, and if not – promptly thereafter.

ARTICLE III

BOARD COMPOSITION; CHAIRMAN

3.1 Board Composition. Each Shareholder, Affiliate thereof and Joining Third Party agrees, subject to Applicable Law, to vote all of its Shares (including voting rights by proxy granted to such Shareholder) and to take all necessary actions to ensure that the composition of the Board shall be in accordance with the following provisions:

3.1.1 SCG Designated Directors; Majority of Board Members.

3.1.1.1 For as long as this Agreement is in force and effect, SCG shall have the right to designate the majority of the members of the Board at any given time (the "**SCG Directors**"). Without derogating from the foregoing, SCG shall be entitled to undertake in the framework of agreements with third parties to vote for and support the designation of certain Persons requested to be designated as SCG Directors by such third parties, subject to such Persons being qualified to serve as directors under Applicable Law; and

3.1.1.2 The number of the Board members designated by Scailex (the "**Scailex Directors**"), together with all other members of the Board (including all external directors of the Company, the Israeli Director/s, the directors designated by any third party (including Leumi)), excluding the SCG Directors, shall, at any time, be *less* than the number of the SCG Directors; *provided*, *however*, that Scailex shall at all times have the right to designate at least such number of Board members as provided for in Section 3.1.2 below.

3.1.2 Scailex Designated Directors.

3.1.2.1 For as long as Scailex and its Affiliates shall in the aggregate hold 10% or more of the issued and outstanding share capital of the Company, then Scailex shall be entitled to designate two (2) directors to the Board, *provided, however*, that such directors shall not, in any event, be residents or citizens of the United States of America.

3.1.2.2 In the event Scailex and its Affiliates shall in the aggregate hold less than 10% of the issued and outstanding share capital of the Company, then Scailex shall be entitled to designate one (1) director to the Board, *provided* that in the event Scailex and its Affiliates (provided that no Affiliate Default has taken place) shall in the aggregate hold less than 5% of the issued and outstanding share capital of the Company, then Scailex shall not be entitled to designate any director to the Board.

3.1.3 Subject to any Applicable Law and for so long as Scailex is entitled to designate at least one (1) director to the Board in accordance with the terms of this Agreement, one of the Scailex Directors shall also be appointed as a single member at each of the Board committees of the Company, *provided* that such Scailex Director is qualified and eligible to be appointed to any such Board committee pursuant to Applicable Law.

3.2 Agreement to Vote. Subject to the provisions of Section 3.1 above, each Shareholder, its Affiliates and Joining Third Party agrees that each of the foregoing shall vote all of its Shares at an annual or special meeting of shareholders of the Company (or by written consent) to ensure the election of the designees of the other Shareholder as members of the Board and to maintain the composition of the Board in accordance with the provisions of this ARTICLE III, including without limitation, to increase the size of the Board to permit the designations provided under this Article III.

3.3 Israeli Director. This ARTICLE III shall not derogate from Scailex's right, to the extent applicable, to be involved in the designation of the Israeli Director. For the avoidance of doubt, the Israeli Director shall not be deemed a Scailex Director, regardless of Scailex's involvement in the designation or appointment of such director.

3.4 Chairman. The Chairman of the Board shall be elected by the majority Board members and the Chairman of the Board shall not have a casting vote.

3.5 Expiration. In the event that, at any time, Scailex and its Affiliates shall own more Shares than SCG and its Affiliates, then Section 3 of this Agreement shall terminate.

ARTICLE IV

TRANSFER OF SHARES

4.1 General Restrictions on Transfer of Shares. Notwithstanding any other provision in this Agreement to the contrary, Scailex shall not Transfer any interest or privilege in the Scailex Shares, or otherwise permit any of the foregoing with respect to Shares held by its Affiliates, other than in accordance with the provisions of this Agreement.

4.2 Prohibited Arrangements. No Shareholder shall grant any proxy or enter into or agree to be bound by any voting trust with respect to any Shares that restrict or limit it from voting its Shares in accordance with the terms of this Agreement. Subject to the provisions of Section 4.6 below, no Shareholder shall enter into any agreements or arrangements of either kind with any Person with respect to any Shares inconsistent with the provisions of this Agreement (whether or not such agreements and arrangements are with other holders of Shares who are not parties to this Agreement), including agreements or arrangements with respect to the acquisition, disposition or voting (if applicable) of any Shares, nor shall any Shareholder act, for any reason, as a member of a group or in concert with any other Person in connection with the acquisition, disposition or voting (if applicable) of any Shares in any manner which is inconsistent with the provisions of this Agreement. Notwithstanding the foregoing, for the avoidance of any doubt, SCG shall at all times, subject only to the terms of the License and the limitations in Section 2.2.3.4 of the SPA (regarding transferability of Shares prior to the payment of divided amounts to Scailex), have the right to Transfer and/or to grant security interests in any or all of its Shares at any time in its sole discretion and nothing in this Agreement is intended to limit or prohibit such rights.

4.3 Voting Undertaking with Respect to Transfers. Unless otherwise required under Applicable Law or the Articles, each Shareholder agrees that it shall exercise all its rights and powers as a shareholder of the Company to vote to approve any Transfer of Shares which is permitted by the terms and conditions of this Agreement, and to vote against the approval of any Transfer, which is prohibited by the terms and conditions of this Agreement.

4.4 Right of First Offer.

4.4.1 Delivery of an Offer Notice. In the event that Scailex or any Scailex Affiliate desires to effect a Transfer, directly or indirectly, of 5% or more of the Shares held by Scailex or by such Scailex Affiliates to any Third Party Purchaser (the "**Offered Shares**"), then prior to such Transfer, Scailex shall first offer the Offered Shares to SCG, by way of delivering a written notice to SCG, which shall specify the proposed terms and conditions of the intended Transfer (the "**Offer Notice**").

4.4.2 Content of an Offer Notice. The Offer Notice shall include, *inter alia*, the following information: (i) the number of the Offered Shares; (ii) a representation and warranty that the Offered Shares will, at the closing of such transaction, be free and clear of any and all Encumbrances (other than those arising under this Agreement, the License, Applicable Law and the Articles); and (iii) the sale price requested by Scailex for the Offered Shares, which shall be stated in cash, and the requested terms of payment thereof. The Offer Notice shall constitute an irrevocable offer, for the duration of the Election Period, made by Scailex to sell to SCG (and/or any one or more of its Affiliates), all (but not less than all) of the Offered Shares on the terms and conditions stipulated in the Offer Notice.

4.4.3 Election to Purchase. Within fourteen (14) days from the date of receipt of the Offer Notice (the "**Election Period**"), SCG shall notify Scailex in writing (the "**Election Notice**") whether it wishes to purchase, directly and/or indirectly through any one or more of its Affiliates, all (but not less than all) of the Offered Shares, at the price and on the terms and conditions specified under the Offer Notice.

4.4.4 Transfer of Shares. In the event that SCG has delivered an Election Notice within the Election Period, the transaction between SCG (and/or any one or more of its Affiliates) and Scailex will be closed and consummated, and the Offered Shares or any portion thereof (as specified under the Election Notice) shall be transferred to SCG (and/or any one or more of its Affiliates), on the terms and conditions stipulated in the Offer Notice: (i) within thirty (30) days following the lapse of the Election Period; or (ii) to the extent a special tender offer shall be required to be made by SCG pursuant to Applicable Law in connection with the acquisition of the Offered Shares, then within 30 days following the completion of the special tender offer, which tender offer shall be made by SCG within 30 days following the lapse of the Election Period, and the acceptance period under such special tender offer shall be no longer than thirty (30) days. Scailex and its Affiliates will not make any representations or warranties (other than: (i) a representation that title in and to the Shares being Transferred is free and clear (other than Encumbrances arising under this Agreement, the License, Applicable Law and the Articles), (ii) a representation that such transaction has been duly authorized by all necessary corporate organs of Scailex and/or Scailex Affiliate, as applicable, and no other action on the part of Scailex or such Scailex Affiliate, as applicable, is necessary for the execution and consummation of such transaction, *provided* that to the extent it is determined by Scailex that a shareholder approval of such transaction is required, then such representation shall be made only as of a date following the obtainment of such shareholders' approval; and (iii) a representation that no consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by Scailex or such Scailex Affiliate, as applicable, in connection with the execution and consummation of such transaction), and will not provide SCG or its Affiliates with any indemnification undertaking other than with respect to such representations. To the extent required by applicable law, SCG and its Affiliates will make any representations and warranties required to ensure that the Transfer is not subject to the registration requirements of the securities laws of any applicable jurisdiction.

To the extent that SCG has not delivered an Election Notice within the Election Period or has notified Scailex in writing that it (and/or any one or more of its Affiliates) does not wish to purchase all of the Offered Shares, Scailex may, subject to the provisions of Section 4.4.5 and 4.5 below, within one hundred twenty (120) days following the lapse of the Election Period (the "**Transaction Period**"), Transfer the Offered Shares to any Third Party Purchaser under terms which are not better to the Third Party Purchaser than the terms and conditions set forth in the Offer Notice. In the event that such transaction for the transfer of the Offered Shares to a Third Party Purchaser is not closed and consummated within the Transaction Period, then the Offered Shares shall be reoffered to SCG under this Section 4.4 prior to any subsequent Transfer.

4.4.5 Matching Offer. In the event that any Third Party Purchaser eventually offers to purchase the Offered Shares, during the Transaction Period, at a price per share which is less than 108% of the price per Share specified in the Offer Notice (the "**Offer**"), then SCG (and/or any one or more of its Affiliates) shall have the right to match such Offer and Scailex shall be obligated to first reoffer the Offered Shares to SCG under the terms and conditions of the Offer (and in the framework of such reoffering Scailex will present SCG with a written binding offer from such Third Party Purchaser (the "**Third Party Offer**")), *provided* that SCG must notify Scailex in writing, within three (3) Business Days from the date Scailex has reoffered the Offered Shares to SCG (and presented SCG with the Third Party Offer), whether it wishes to purchase, directly and/or indirectly through any one or more of its Affiliates, all (but not less than all) of the Offered Shares under the terms and conditions of the Offer (the "**Matching Election Period**" and the "**Matching Election Notice**", respectively). In the event SCG has delivered a Matching Election Notice within the Matching Election Period, the transaction between SCG (and/or any one or more of its Affiliates) and Scailex will be closed and consummated, and all of the Offered Shares shall be sold to SCG (and/or any one or more of its Affiliates) under the terms and conditions of the Offer: (i) within thirty (30) days following the lapse of the Matching Election Period; or (ii) to the extent a special tender offer shall be required to be made by SCG pursuant to Applicable Law in connection with the acquisition of the Offered Shares, then within 30 days following the completion of the tender offer, which shall be made by SCG within 30 days following the lapse of the Matching Election Period and the acceptance period under such special tender offer shall be no longer than thirty (30) days.

To the extent that SCG has not delivered a Matching Election Notice within the Matching Election Period or has notified Scailex in writing that it does not wish to purchase the Offered Shares under the terms and conditions of the Offer, Scailex may, within one hundred twenty (120) days following the lapse of the Matching Election Period (the "**Matching Transaction Period**"), Transfer the Offered Shares to any Third Party Purchaser under terms which are not better to the Third Party Purchaser than the terms and conditions set forth in the Third Party Offer. In the event such transaction for the transfer of the Offered Shares to a Third Party Purchaser is not closed and consummated within the Matching Transaction Period, then the Offered Shares shall be reoffered to SCG under this Section 4.4 prior to any subsequent Transfer.

4.4.6 Applicability. The provisions of this Section 4.4 shall not apply with respect to: (i) distribution "*in blocks*" by Scailex or its Affiliates of the Scailex or Affiliate Shares on the public market; (ii) sale of the Company's shares on the public market; (iii) Transfers to Affiliates Controlled by Scailex (in such event such Scailex Affiliates shall execute a Joinder Agreement and the Scailex Affiliate Proxy as set forth under Section 4.5 below); and (iv) Encumbrance of the Shares in connection with the incurrence of indebtedness and/or Encumbrance of the Shares in connection with guaranties given for the benefit of Affiliates; (v) any sale by Scailex or any Scailex Affiliate of less than 5% of the Shares held by Scailex or by such Scailex Affiliates to any Third Party Purchaser (*except* as otherwise provided in Section 4.7 below). For the avoidance of doubt, SCG does not have any similar obligations to Scailex or any other Person with respect to any transfer of Shares by SCG.

4.4.7 Transfer in Parts. For purposes of this Section 4.4, any Transfers of Scailex Shares and/or Shares held by Scailex Affiliates to a Third Party Purchaser and/or any "**Relative**" (as such term is defined in the Companies Law), Affiliate and/or "**Related Party**" (*'Hevra Kshura'* as such term is defined in the Securities Law – 1968) thereof, during a consecutive period of 12 months, shall be aggregated to establish and calculate the 5% threshold set forth in Section 4.4.1 above.

4.5 Joinder Agreement. In the event that a Transfer of Shares by Scailex to any Scailex Affiliate and/or any Third Party Purchaser is consummated pursuant to this ARTICLE IV, then any such Third Party Purchaser of five percent (5%) or more of the Company Shares (the "**Joining Third Party**") and/**o**r Scailex Affiliate will be bound by the terms of this Agreement, and Scailex shall cause such Joining Third Party and/or Scailex Affiliate, as a condition to the consummation of the proposed Transfer, to execute and deliver to SCG a joinder agreement in the form attached hereto as ***Exhibit C*** (the "**Joinder Agreement**"), *provided, however*, that SCG may, at its sole and absolute discretion, inform Scailex that it does not allow any, one or more, Joining Third Party to become a party to this Agreement, and in such event such Joining Third Party shall not become a party to this Agreement and shall not be required to execute the Joinder Agreement. At the time such Joining Third Party and/or Scailex Affiliate executes a Joinder Agreement and becomes a party hereto, then such party shall be represented by Scailex in any Preliminary Meeting (or Adjourned Preliminary Meeting) and be bound to vote its Shares in accordance with the resolution adopted in the Preliminary Meeting (or Adjourned Preliminary Meeting) described in Article II. Scailex undertakes to provide SCG with at least 14 days prior written notice regarding the identity of any Joining Third Party which is expected to execute a Joinder Agreement, so that SCG may have sufficient time to decide whether such Joining Third Party shall become a party to this Agreement or not, *provided* SCG shall advise Scailex in writing of its election within 10 days following the submission of such written notice. For the avoidance of any doubt, in the event that SCG advises that the Third Party Purchaser should join as a party of the Agreement, there shall be no effect to any such Transfer of Shares by Scailex and the Company shall not approve any Transfer of Shares by Scailex until such Third Party Purchaser and/or Scailex Affiliate shall have executed and delivered to SCG the Joinder Agreement.

4.6 SCG Transfer. SCG may freely Transfer any or all of its Shares to any third party(ies), subject only to the terms of the License and the limitations in Section 2.2.3.4 of the SPA (regarding transferability of Shares prior to the payment of divided amounts to Scailex). For the avoidance of any doubt, SCG shall be entitled, at its sole and absolute discretion, to assign its rights and obligations under this Agreement to any Affiliate of SCG together with a Transfer of Shares to such SCG Affiliate that is permitted under this Agreement.

4.7 Intended Sale. Notwithstanding any other provision in this Agreement to the contrary, in the event that Scailex intends to dispose of any portion of its Shares in such number which would result in the aggregate holdings of SCG and Scailex (and their respective Affiliates) to decrease to below 45% of the issued and outstanding share capital of the Company, then prior to effecting such sale, Scailex shall advise SCG of its intention to effect such sale (including the number of shares intended to be disposed of) and, to the extent possible, the manner of effecting such sale, at least two (2) Business Days (and not less than 48 hours), before the intended time of such sale.

ARTICLE V

ISRAELI HOLDINGS

5.1 Minimum Israeli Holdings. Scailex will *not* be entitled to effect any Transfer in Equity Securities, which will result in Scailex holding less than 0.5% of the issued and outstanding share capital of the Company, which are marked as shares held by an 'Israeli Person' (as such term is defined under Section 22.2A of the License) (the "**Israeli Shares**"), unless such Equity Securities are transferred to a Person which is approved, in writing, by SCG (which approval shall not be unreasonably withheld) and which qualifies as an 'Israeli Person' in Scailex's stead for purposes of the License and the regulations of the Israeli Ministry of Communications (the "**MoC**"), and *further provided* that such Person has been formally approved by the MoC as an 'Israeli Person'.

5.2 New Israeli Shares. To the extent Scailex acquires any additional Israeli Shares of the Company, then Scailex shall not be entitled to dispose of such newly acquired Israeli Shares for as long as this Agreement is in force and effect, without the prior written consent of SCG.

ARTICLE VI

Reserved

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

7.1 Each of the Shareholders represents and warrants to the other Shareholder, as of the date hereof, as follows:

7.1.1 Organization; Authority. Such Shareholder is a corporation duly organized validly existing, solvent and in good standing under the laws of its jurisdiction of incorporation. Such Shareholder has full corporate or other similar power and authority to execute and deliver this Agreement and any other agreement contemplated hereby, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated on its part hereby and thereby. The execution, delivery and performance by such Shareholder of this Agreement and any other agreement contemplated hereby have been duly authorized by all necessary corporate or other similar action on the part of such Shareholder, and no other action on the part of such Shareholder is necessary to authorize the execution and delivery of this Agreement and any other agreement contemplated hereby by such Shareholder, or the performance by such Shareholder of its obligations hereunder and thereunder. This Agreement has been duly executed and delivered by such Shareholder and constitutes a legal, valid and binding agreement of such Shareholder, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditors' rights generally and subject to general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.1.2 No Violations. The execution and delivery of this Agreement and any other agreement contemplated hereby by such Shareholder, the performance by such Shareholder of its obligations hereunder and thereunder and the consummation by it of the transactions contemplated hereby and thereby is consistent with and will not violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination or award applicable to such Shareholder, any provision of such Shareholder's organizational documents, the Articles or any agreement or arrangement to which such Shareholder is a party.

7.1.3 Consents. No consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by such Shareholder in connection with the execution, delivery or enforceability of this Agreement or the consummation of any of the transactions contemplated herein.

7.2 BLL Agreement. The Parties agree and acknowledge that as long as the agreement dated August 21, 2009 between Scailex and Bank Leumi Le-Israel BM is in force, nothing in this agreement shall prevent or constrain Scailex from complying with its provisions.

ARTICLE VIII

TERM AND TERMINATION

8.1 Term. This Agreement shall remain in full force and effect without any limitation of time, *provided* that:

8.1.1 In the event of a Change of Control, directly or indirectly, in Scailex, SCG may terminate this Agreement with immediate effect, by providing a written notice to that effect to Scailex, as applicable;

8.1.2 In the event of a Change of Control in SCG, Scailex may, based upon reasonable considerations, terminate this Agreement with immediate effect, by providing a written notice to that effect to SCG, *provided* that for the purpose of this Section 8.1.2, the phrase "SCG" shall mean the change in Control over the majority of the Shares held by SCG and its Affiliates, in the aggregate;

8.1.3 This Agreement shall terminate automatically at such time as either of Scailex and its Affiliates or SCG and its Affiliates ceases to hold, in the aggregate, at least 5% or more of the issued and outstanding share capital of the Company;

8.1.4 In the event that Scailex and its Affiliates shall, in the aggregate, hold more Shares than SCG and its Affiliates, each of SCG and Scailex shall be entitled, for any reason, to terminate this Agreement with immediate effect, by providing a written notice to that effect to the other party;

For the purpose of this Section 8.1 the term "*hold*" shall not include "*holding…together with others*" as defined under Section 1 of the Israeli Securities Law, 1968 (except for holdings with Affiliates).

8.2 Change of Control. Each of Scailex and SCG shall be obligated, and undertakes, to provide the other party with a written notice regarding any Change of Control therein or, in the case of Scailex, in SU-Corp, at least 48 hours prior to the occurrence of such Change of Control.

8.3 Liability. Termination of this Agreement pursuant to Section 8.1 above shall not relieve any Shareholder from any liability arising from any breach of this Agreement by such Shareholder prior to such termination or thereafter, to the extent applicable under the terms hereof.

ARTICLE IX

COMPANY'S OBLIGATIONS; SHAREHOLDERS' OBLIGATIONS; PROPER DISCLOSURE

9.1 Company Not A Party. Without the Company being a party hereto and without derogating from any of the Shareholders' covenants, obligations and undertakings set forth herein, the Shareholders agree to use all their efforts to cause, subject to any Applicable Law, the Company to comply with each term and condition set forth in this Agreement relating to it, including, without limitation, by voting affirmatively all of their Shares in the Company, in a manner which conforms with the Company's covenants, obligations and undertakings set forth herein.

9.2 Shareholders' Obligations. Each Shareholder undertakes to use all commercially reasonable efforts to, and to cause the Company to, remain at all times in compliance with the terms and conditions of the License and of the provisions of the Relationship Agreement which apply to such Shareholder. For the avoidance of any doubt, the provisions of the Relationship Agreement which apply to SCG shall be strictly in accordance with SCG's letter of undertaking attached hereto as ***Exhibit D*** (the "**Binding Provisions**"). For the avoidance of any doubt, any amendment to the current form of the Relationship Agreement (attached herein as ***Exhibit E***) and the Binding Provisions, shall not be binding upon SCG, unless SCG has provided its explicit written consent to such amendment.

9.3 Proper Disclosure. Each Shareholder undertakes to promptly notify the other Shareholder, during the term of this Agreement, with respect to any occurrence which may, at the reasonable discretion of such Shareholder, prevent and/or jeopardize the ability of such Shareholder to perform its respective obligations under this Agreement, when they become due, or effect the validity and/or accuracy of any representation made by such Shareholder under this Agreement. In any event, such notice shall be provided no later than within 48 hours following any such occurrence.

9.4 Samsung Activity. For the avoidance of doubt, Scailex and its Affiliates may continue to engage in the import, marketing, distribution and sale of Samsung handheld devices, tablets and other products, and the provision of related services.

ARTICLE X

INFORMATION RIGHTS

10.1 Subject to Applicable Law and the execution by Scailex and/or its professional advisors of the relevant non-disclosure undertakings, in the form reasonably acceptable to the Company, in order to enable Scailex to comply with the reporting requirements applicable to it as a reporting company, the Shareholders shall support Scailex and make reasonable efforts as shareholders of the Company, to cause the Company to deliver to Scailex, in a timely manner, in hard copy and soft copy (Excel) as requested, sufficient to enable Scailex to comply with its reporting obligations under any applicable law, (including Israeli "Barnea" reports) the following documentation and information, including, where applicable, consents for the inclusion thereof in its filings: (1) yearly and quarterly financial statements as set forth above, for the inclusion thereof in Scailex's consolidated financial statements, together with all respective management's letter, accountants/auditors' comfort letters and consent letter from the accountants for the inclusion of the audit report in Scailex's public regulatory filings, as applicable, (2) claims letters with respect to financial statements and responses thereto; and (3) any other information and/or documentation reasonably required by Scailex to (i) enable Scailex to duly prepare its audited and non-audited consolidated financial statements, to lodge an immediate and/or periodic reports and announcements to the relevant stock exchange and to adhere to and fully comply with the regulatory reporting obligations to which it is subject and to any requirement under any applicable law if reasonably requested by Scailex; and (ii) as required in the course of preparing and filing of public offerings of any kind (prospectuses, shelf prospectuses, registration statements and the like) or other corporate filings of Scailex. For the avoidance of any doubt, the final decision whether or not to disclose, provide and/or deliver any of the abovementioned materials and/or information to Scailex shall vest with the Company, at its sole and absolute discretion, and Scailex shall have no claim and/or demand towards SCG in the event the Company eventually decides not to provide any such materials and/or information to Scailex. It is hereby clarified that this Article X shall only apply with respect to Scailex (in order to enable Scailex to comply with the reporting requirements applicable to it as a reporting company) and shall not bind SCG (or any transferee thereof) with respect to any Joining Third Party and/or Scailex Affiliate.

ARTICLE XI

GENERAL PROVISIONS

11.1 Amendment and Waiver. Any party may waive any provision hereof intended for its benefit in writing. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof. The waiver of certain rights or remedies hereunder arising from any specific occurrence or event shall not operate as a waiver of any other rights and/or remedies related to such occurrence or event or a waiver of any rights or remedies hereunder arising from any other occurrence or event. This Agreement may be amended and any provision waived with the prior written consent of SCG and Scailex.

11.2 Severability; Validity; Binding Effect. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of any party hereto under this Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such provision had never comprised a part hereof, (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by such provision or its severance herefrom and (d) in lieu of such provision, there will be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such provision as may be possible. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

11.3 Entire Agreement. Except as otherwise expressly set forth herein, this Agreement (a) constitutes the entire agreement and supersedes all other prior agreements and understandings both written and oral, between the parties, with respect to the subject matter hereof; and (b) is not intended to or shall confer upon any other third party any rights, benefits or remedies of any nature whatsoever.

11.4 Assignment. Except as otherwise expressly set forth herein, neither SCG nor Scailex may assign its rights or obligations under this Agreement without the prior written approval of the other party.

11.5 Further Assurances; Post-Closing Cooperation. Each Shareholder agrees to cooperate fully with the other Shareholder and to execute such further instruments, documents and agreements, and to give such further written assurances, as may be reasonably requested by the other Shareholder to evidence and reflect this Agreement and to carry into effect the intents and purposes of this Agreement.

11.6 Remedies. Without derogation from the exclusive arbitration mechanism set forth below, the parties agree that irreparable damage would result if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly acknowledged that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in a court located in Tel Aviv, Israel, in addition to any other remedy to which the parties are entitled at law or in equity. Each party to this Agreement hereby agrees to waive the defense in any such suit that the other parties to this Agreement have an adequate remedy at law and to interpose no opposition, legal or otherwise, as to the proprietary of an injunction or specific performance as a remedy, and hereby agrees to waive any requirement to post any bond in connection with obtaining such relief.

11.7 Notices. All notices, claims, demands and other communications hereunder shall be in writing and shall be deemed given if delivered personally, by facsimile, mailed by registered or certified mail (postage prepaid, return receipt requested), or delivered by internationally recognized courier to the respective parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Seller:

Scailex Corporation Ltd.
48 Ben Zion Galis St.,
Segula Industrial Area, Petach Tikva
Israel, 49277
Fax: 972-3-9314422
Attn: Yahel Shachar, CEO

With copy to (which shall not constitute a notice):

Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co.
One Azrieli Center, Round Building
Tel Aviv 67021, Israel
Fax: +972-3-607-4433
Attn: Rona Bergman Naveh, Adv.

Yossi Avraham & Co.
Daniel Frish 3
Tel Aviv 64731, Israel
Fax: (972) 3 6963801
Attn: Yossi Avraham , Adv.

If to the Purchaser:

S.B. Israel Telecom Ltd.
c/o Saban Capital Group, Inc
Los Angeles, CA 90067, 10100 Santa Monica Boulevard
Fax: +1-310-557-5215
Attn: Adam Chesnoff & Niveen S. Tadros

With copy to (which shall not constitute a notice):
Zellermayer, Pelossof, Rosovsky, Tsafrir, Toledano & Co.
The Rubinstein House
20 Lincoln Street, Tel Aviv 67134
Fax: +972-3-6255500
Attn: Miki Zellermayer, Adv. and/or Lior Oren, Adv.

The parties hereto agree that notices or other communications that are given in accordance herewith (i) by personal delivery or by facsimile will be deemed received on the day delivered or transmitted (with electronic confirmation of receipt in the case of facsimile) or on the first Business Day thereafter if not delivered or transmitted on a Business Day, (ii) by registered or certified mail, will be deemed received five (5) Business Days immediately following the date mailed.

11.8 Confidentiality. Each of the Shareholders acknowledges that disclosure of this Agreement and the arrangements contemplated herein will cause substantial damage to the other Shareholder and its Affiliates, and therefore each of the Shareholders undertakes that it will, and will cause each of their Affiliates, directors, officers, employees, advisors and representatives ("**Agents**") to maintain the confidentiality of this Agreement, and will not, and will cause each of their Affiliates and Agents not to, issue or cause the publication of any press release or other public announcement with respect to this Agreement without the prior written consent of the other party; *provided, however*, that a party may issue or cause publication of any such press release or public announcement to the extent that such party is required to do so by Applicable Law and determines, after consultation with outside legal counsel, such action to be required by Applicable Law, in which event the party required to make such press release or public announcement or filing shall, prior to making such release, announcement or filing, prepare and send to the other party a draft thereof and will use its commercially reasonable efforts to allow the other party reasonable and sufficient time to comment on such release, announcement or filing in advance of its issuance, and in any event will submit such release for review by the other party as early as possible prior to the legally required timing of such release, and will in good faith consider to accept any comments of the other party, and otherwise reach agreement with the other party as to the form and content of such release, announcement or filing before it is made public, *provided, however* that the decision of the final wording and timing of any such press release shall be made solely by the party required to make such disclosure in consultation with its outside legal counsel. Notwithstanding the foregoing, this Agreement may be provided and its terms may be disclosed: (i) by any party in connection with an enforcement of its rights hereunder; (ii) to each party's advisors, auditors and financing sources and may be disclosed in financial statements of a party or its affiliates as required by its auditors; (iii) to the direct and indirect owners of SCG; (iv) to third parties who conduct diligence with respect to any party or its Affiliates in connection with an investment or other transaction, *provided* such third parties agree to keep such information confidential subject to Applicable Law. Each party shall provide the other parties with a draft of the disclosure relating to this Agreement and/or the arrangements hereunder that it intends to include in any Schedule 13D or any other filing required under Applicable Law in respect of this Agreement, if practicable at least 48 hours prior to filing so that such other parties shall have reasonable opportunity to review and provide comments, *provided* that final disclosure shall be as determined by the filing party in consultation with its legal advisor.

11.9 Governing Law; Arbitration.

11.9.1 This Agreement and all claims, conflicts, disputes and other matters arising out of or related hereto shall be governed by and construed in accordance with the laws of the State of Israel, without regard to the conflicts of law principles or rules of such state.

11.9.2 Subject to the exclusive arbitration mechanism set forth below, to the extent a court decision is required for any reason, the parties hereto irrevocably submit to the exclusive jurisdiction of the Tel-Aviv District Court or the Tel-Aviv Magistrate Court, as applicable, over any dispute arising out of or relating to this Agreement. Each party hereby irrevocably agrees that all claims in respect of such dispute or proceeding will be heard and determined in such courts (and the courts hearing appeals from such courts). The parties hereby irrevocably waive, to the fullest extent permitted by Applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum in connection therewith.

11.9.3 In the event that any dispute or disagreement arises between the parties hereto with regard to any matter concerning this Agreement and/or implementation and/or interpretation thereof (or resulting therefrom) (a "**Dispute**"), the parties to the Dispute shall be obligated to refer the Dispute to the decision of an arbitrator, as an exclusive forum, whose decision shall be final and binding. The arbitrator shall be appointed by the Arbitration Institution of the Israeli Bar Association upon the request of any of the parties (the "**Arbitrator**"). This Section shall constitute an arbitration agreement between the parties and the rules of the Arbitration Institution of the Israeli Bar Association shall apply, including the availability of appeal before a panel of arbitrators. The Arbitrator shall decide the Dispute within a maximum of sixty (60) days from the commencement date of the arbitration proceedings and shall be bound by the substantive law but shall not be bound by the laws of evidence and by the rules of procedure. The arbitration shall be handled in Israel and in English. Any and all costs and expenses associated with the arbitration shall be borne equally by the parties, except that the Arbitrator shall be authorized to hold that the party whose claim was rejected would bear all or substantial part of such costs and expenses.

11.10 Business Days. If any time period for giving notice or taking action hereunder expires on a day which is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day.

11.11 Interpretation. The recitals form an integral part of this Agreement and should be read together with the terms hereof. If the context does not imply otherwise, any reference in this Agreement to any law or regulation or enactment will include any changes therein or enactment or re-enactment thereof, as well as any law, regulation or other enactment replacing them. The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document shall be construed against the party drafting such agreement or document. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party. For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders. Except as otherwise indicated, all references in this Agreement to "Sections" and "Exhibits" are intended to refer to Sections of this Agreement and Exhibits to this Agreement. The Section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement. The Exhibits are incorporated into, and made a part of, this Agreement. As used in this Agreement, (i) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation" and (ii) the words "hereby," "herein," "hereunder" and "hereto" shall be deemed to refer to this Agreement in its entirety and not to any specific Section of this Agreement. In the event of any conflict or contradiction between the terms and provisions of this Agreement and the provisions of the Articles, the terms and provisions of this Agreement shall govern and prevail, and the Shareholders agree to exercise their respective voting rights in the Company to amend the contradicting terms of the Articles.

11.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. This Agreement or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.

[*The remainder of this page is intentionally left blank; following is signature page*]

IN WITNESS WHEREOF, each of the parties hereto has caused this Shareholders Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the date first above written.

SCAILEX CORPORATION LTD.

By: _____
Name:
Title

S.B. ISRAEL TELECOM LTD.

By: _____
Name:
Title:

Exhibits

Exhibit A	-	Post Closing AOA Amendments
Exhibit B	-	General terms of post closing management agreements
Exhibit C	-	Forms of Joinders
Exhibit D	-	Letter of undertaking by SCG regarding the relationship agreement
Exhibit E	-	Copy of relationship agreement as of November 28, 2012

EXHIBIT A

POST CLOSING AMENDMENTS

In accordance with Section 2.5 to this Agreement, immediately following the Closing, the Shareholders shall make all efforts to promptly convene a general meeting of the Company's shareholders and shall affirmatively vote all of their Shares in the Company at such meeting for the adoption of the following amendments to the Company's Articles of Association:

	Current Article		Amended and Restated Article
5.	**Limited Liability** The liability of the Shareholders of the Company is limited, each one up to the full amount he undertook to pay for the Shares allotted to him, at the time of the allotment.	5.	**Limited Liability** The liability of the Shareholders is limited to the amount of the nominal value of the Shares in the Company allotted to them and which remains unpaid, and only to that amount. If the Company's share capital shall include at any time Shares without a nominal value, the Shareholders' liability in respect of such Shares shall be limited to the payment of up to NIS 0.01 for each such Share allotted to them and which remains unpaid, and only to that amount.
13.	**Changes in the Share Capital** The General Meeting is entitled to take any of the following actions at all times, so long as the resolution of the General Meeting is adopted by [a Special Majority]. (…)	13.	**Changes in the Share Capital** The General Meeting is entitled to take any of the following actions at all times, by a majority: (…) [*the remainder of this Article remains unchanged*]
14.1.1	Changes in the Articles of Association, if adopted by a Special Majority.	14.1.1	Changes in the Articles of Association.
14.1.2	The exercise of the authority of the Board of Directors, if resolved by a Special Majority that the Board of Directors is incapable of exercising its authority, and that the exercise of any of its authority is essential to the orderly management of the Company.	14.1.2	The exercise of the authority of the Board of Directors, if resolved that the Board of Directors is incapable of exercising its authority, and that the exercise of any of its authority is essential to the orderly management of the Company.

14.1.6 Changes in the share capital of the Company, if adopted by a Special Majority as set forth in Article 13 above.	14.1.6 Changes in the share capital of the Company, as set forth in Article 13 above.
14.1.7 A merger of the Company, as defined in the Companies Law.	14.1.7 A merger of the Company, as defined in the Companies Law. For the avoidance of any doubt, it is hereby expressly clarified that the majority of the shareholders required to approve a merger of the Company shall be an ordinary majority.
14.1.8 Changes in the objectives of the Company as set forth in Article 4 above, if adopted by a Special Majority.	14.1.8 Changes in the objectives of the Company as set forth in Article 4 above.
14.1.9 Changes in the name of the Company, if adopted by a Special Majority.	14.1.9 Changes in the name of the Company.
14.2 The authority of the General Meeting to transfer authorities between corporate organs. The General Meeting, by a Special Majority, may assume the authority which is given to another corporate organ, and may transfer the authority which is given to the General Manager to the Board of Directors. (…)	14.2 The authority of the General Meeting to transfer authorities between corporate organs. The General Meeting may assume the authority which is given to another corporate organ, and may transfer the authority which is given to the General Manager to the Board of Directors. (…) [*the remainder of this Article remains unchanged*]
16.2 The Convening of an Extraordinary Meeting The Board of Directors may convene an Extraordinary Meeting, as it decides, provided, however, that it shall be obligated to convene an Extraordinary Meeting upon the demand of one of the following: 16.2.1. Any two Directors or a quarter of the Directors, whichever is lower; or 16.2.2. any one or more Shareholders, holding alone or together at least 4.99% of the issued share capital of the Company.	16.2 The Convening of an Extraordinary Meeting The Board of Directors may convene an Extraordinary Meeting, as it decides, provided, however, that it shall be obligated to convene an Extraordinary Meeting upon the demand of one of the following: 16.2.1. Any two Directors or a quarter of the Directors, whichever is lower; or 16.2.2. any one or more Shareholders, holding alone or together (i) at least 5% of the issued share capital of the Company and at least 1% of the voting rights in the Company; or (ii) at least 5% of the voting rights in the Company.

19.1 Resolutions In any General Meeting, a proposed resolution shall be adopted if it receives an Ordinary Majority, or any other majority of votes set by Law or in accordance with these Articles of Association. For the avoidance of doubt, any proposed resolution requiring a Special Majority under the Companies Ordinance shall continue to require the same Special Majority even after the effective date of the Companies Law. In the event of a tie vote, the resolution shall be deemed rejected.	19.1 Resolutions In any General Meeting, a proposed resolution shall be adopted if it receives an Ordinary Majority, or any other majority of votes set by Law or in accordance with these Articles of Association. For the avoidance of doubt, any resolution which required a Special Majority under the Companies Ordinance shall not require the same Special Majority in these Articles of Association. In the event of a tie vote, the resolution shall be deemed rejected.
N/A	[*The following Article shall be added:*] 33.2.5 A payment which the Office Holder is obligated to pay to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law and expenses that the Office Holder incurred in connection with a proceeding under Chapters H3, H4 or I1 of the Securities Law, or under Chapter 4 of Part 9 of the Companies Law, including reasonable legal expenses, which term includes attorney fees.
N/A	[*The following Article shall be added:*] 34.2.5. A payment which the Office Holder is obligated to pay to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law and expenses that the Office Holder incurred in connection with a proceeding under Chapters H3, H4 or I1 of the Securities Law, or under Chapter 4 of Part 9 of the Companies Law, including reasonable legal expenses, which term includes attorney fees.

34.3.2. Matters as detailed in Article 34.2.2 and 34.2.3.	34.3.2. Matters as detailed in Article 34.2.2, 34.2.3 and 34.2.5.
N/A	[*The following Article shall be added:*] 35A. Any amendment to the Companies Law, the Securities Law or any other applicable law adversely affecting the right of any Office Holder to be indemnified or insured pursuant to Articles 33 to Article 35 (including Article 35), shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided under the Companies Law, the Securities Law or such other applicable law.

EXHIBIT B

GENERAL TERMS OF POST CLOSING MANAGEMENT AGREEMENTS

EXHIBIT C

JOINDER TO SHAREHOLDERS' AGREEMENT [*Joining Third Party*]

This Joinder Agreement (this "**Joinder Agreement**") is made as of the date written below by the undersigned (the "**Joining Party**") in accordance with the Shareholders Agreement dated as of _____, between (i) S.B. Israel Telecom Ltd. and (ii) Scailex Corporation Ltd.; as amended and restated or otherwise modified from time to time(the "**Shareholders Agreement**"). Capitalized terms used, but not defined, herein shall have the meaning ascribed to such terms in the Shareholders Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the Joining Party shall be deemed to be a party to the Shareholders Agreement as of the date hereof and shall have the right to be represented at the Preliminary Meeting (pursuant to Article II of the Shareholders Agreement). The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Shareholders Agreement.

The Joining Party confirms and acknowledges that it is has been represented by counsel during the execution of this Joinder Agreement and that it fully understands its rights and obligations pursuant to the provisions of the Shareholders Agreement. Without derogating from the above, the Joining Party specifically confirms and acknowledges that as of the date of execution of this Joinder Agreement it shall be subject to and bound by the provisions of Article II [*Voting Arrangements*], Article III [*Board Composition*], Article IV [*Transfer of Shares*], Article V [*Israeli Holdings*], Article VI [*Dividend Distribution Policy*], Article VIII [*Term and Termination*] and Article IX [*Company Obligations; Proper Disclosure*] of the Shareholders Agreement.

The Joining Party acknowledges, pursuant to Section 4.5 of the Shareholders Agreement that this Joinder Agreement shall enter into force and effect only after SCG has resolved to require such Joining Party to become a party to the Agreement.

The Joining Party hereby irrevocably appoints Scailex as its proxy for any meeting of the shareholders of the Company and undertakes to provide Scailex, with a proxy, prior to any meeting of the shareholders of the Company (or any adjourned meeting thereof), entitling and instructing Scailex to vote the Shares held by such Joining Party, at such meeting of the shareholders of the Company (or any adjourned meeting thereof), in accordance with the resolutions adopted at the respective Preliminary Meeting (or any Adjourned Preliminary Meeting) (the "**Joining Party Proxy**").

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written below.

Date: _____ ___, _____
[NAME OF JOINING PARTY]
By: _____
Name:
Title:

Address for Notices: _____

JOINDER TO SHAREHOLDERS' AGREEMENT [*Scailex Affiliate*]

This Joinder Agreement (this "**Joinder Agreement**") is made as of the date written below by the undersigned (the "**Joining Party**") in accordance with the Shareholders Agreement dated as of _____, among (i) S.B. Israel Telecom Ltd. and (ii) Scailex Corporation Ltd.; as amended and restated or otherwise modified from time to time(the "**Shareholders Agreement**"). Capitalized terms used, but not defined, herein shall have the meaning ascribed to such terms in the Shareholders Agreement.

The Joining Party hereby acknowledges, agrees and confirms that, by its execution of this Joinder Agreement, the Joining Party shall be deemed to be a party to the Shareholders Agreement as of the date hereof and shall have the right to be represented at the Preliminary Meeting (pursuant to Article II of the Shareholders Agreement). The Joining Party hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Shareholders Agreement.

The Joining Party confirms and acknowledges that it is has been represented by counsel during the execution of this Joinder Agreement and that it fully understands its rights and obligations pursuant to the provisions of the Shareholders Agreement. Without derogating from the above, the Joining Party specifically confirms and acknowledges that as of the date of execution of this Joinder Agreement it shall be subject to and bound by the provisions of Article II [*Voting Arrangements*], Article III [*Board Composition*], Article IV [*Transfer of Shares*], Article V [*Israeli Holdings*], Article VI [*Dividend Distribution Policy*], Article VIII [*Term and Termination*] and Article IX [*Company Obligations; Proper Disclosure*] of the Shareholders Agreement.

The Joining Party hereby represents and warrants that it is an Affiliate of Scailex and thereby irrevocably appoints Scailex as its proxy for any meeting of the shareholders of the Company and undertakes to provide Scailex, with a proxy, prior to any meeting of the shareholders of the Company (or any adjourned meeting thereof), entitling and instructing Scailex to vote the Shares held by such Joining Party, at such meeting of the shareholders of the Company (or any adjourned meeting thereof), in accordance with the positions determined at the respective Preliminary Meeting (or any Adjourned Preliminary Meeting) (the "**Scailex Affiliate Proxy**").

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written below.

Date: _____ ___, _____
[NAME OF JOINING PARTY]
By: _____
Name:
Title:

Address for Notices: _____

EXHIBIT D

LETTER OF UNDERTAKING BY SCG REGARDING THE RELATIONSHIP AGREEMENT

Date: _____

To:
Scailex Corporation Ltd.
Shareholders of Partner Communications Company Ltd., listed in Annex A.

Re: **Letter of Undertaking**

Reference is hereby made to the Restated Relationship Agreement by and among the shareholders of Partner Communications Company Ltd. (the "**Company**") listed on Annex A attached hereto, dated April 20, 2005 (the "**Relationship Agreement**").

We, the undersigned, S.B. Israel Telecom Ltd. ("**SPV**") hereby undertake and agree to be bound by the terms of Sections 2 [*Required Israeli and Founders Percentages*], 6 [*Confidentiality*] and 7 [*Compliance with License*] of the Relationship Agreement, in its current form. Any amendment to such Sections of the Relationship Agreement shall not be binding upon SPV, unless SPV have provided its explicit written consent to such amendment.

Without derogating from the above, the undersigned hereby undertake to agree to maintain the "*Required Founders Percentage*" (as such term is defined in the Relationship Agreement and Section 22A of the license dated April 7, 1998 granted by the Minister of Communications to the Company, as amended from time to time).

Sincerely,

S.B. Israel Telecom Ltd.

_____
Name:
Title:

Cc: Partner Communications Company Ltd.
Annex A - Restated Relationship Agreement by and among the shareholders of Partner Communications Company Ltd., dated April 20, 2005 in its form as of November 28, 2012.

EXHIBIT E

COPY OF RELATIONSHIP AGREEMENT

Exhibit 4.(a).1

Dated April 20, 2005

ADVENT INVESTMENTS PTE LIMITED

and

MATAV CABLE SYSTEMS MEDIA LTD.

and

MATAV INVESTMENTS LTD.

and

ELBIT LTD.

and

EUROCOM COMMUNICATIONS LTD.

and

POLAR COMMUNICATIONS LTD.

and

TAPUZ CELLULAR SYSTEMS LTD.

and

HUTCHISON TELECOMMUNICATIONS INTERNATIONAL (NETHERLANDS) B.V.

RESTATEMENT of the Relationship Agreement

This Restatement of the Relationship Agreement is made on April 20, 2005, with an effective date pursuant to Clause 10.9 below.

Between:

(1) **Advent Investments Pte Limited,** whose principal office is at I King George's Avenue, #03-00 Rehau Building, Singapore **("Advent");**

(2) **Matav Cable Systems Media Ltd.** and **Matav Investments Ltd.,** both of whose principal office is at 42 Pinkas Street, North Industrial Area, Netanya 42134, Israel (together, **"Matav"**);

(3) **Elbit Ltd.,** whose principal office is 3 Azrieli Center, Triangle Building, 42nd Floor, Tel Aviv 67023, Israel (**"Elbit"**);

(4) **Eurocom Communications Ltd.,** whose principal office is at *2* Dov Friedman Street, Ramat Gan, Israel (**"Eurocom"**);

(5) **Polar Communications Ltd.,** (formerly known as Hapoalim Electronic Communication Limited), whose principal office is at 21 Ha'arba'ah St., Tel Aviv 64739, Israel (**"Polar"**);

(6) **Tapuz Cellular Systems Ltd.,** whose principal office is at 2 Dov Friedman Street, Ramat Gan, Israel (**"Tapuz"**); and

(7) **Hutchison Telecommunications International (Netherlands) B.V.,** whose registered office is De Boelelaan 7 Official, 1083 HJ Amsterdam, Netherlands (**"Hutchison"**);

(and together referred to hereinafter as the **"Parties"** and individuallya **"Party"**).

Whereas;

(A) The Parties are the parties or successors in title of the parties to a relationship agreement dated 10 October 1999 as amended on 23 April 2002 and 7 February 2005 as well as a Supplemental Agreement dated 18 April 2002 (the **"Relationship Agreement"**); and

(B) The Parties wish to restate the Relationship Agreement further to record certain agreements between them in relation to the Company (defined below), inter alia, for the purpose of complying with certain requirements made by Bank of Israel and changes in the Licence (defined below) of the Company to the intent that this Restatement Agreement (hereinafter **"Agreement"**) will supercede and replace the Relationship Agreement in its entirety as to the subject matter of this Agreement.

It is agreed as follows:

1 Definitions

"Bank of Israel Event" means an action or event that would cause the Company to become obliged, under applicable rules of the Bank of Israel (as in effect from time to time) which restrict loans to related parties, to repay amounts to, or alter the terms of any existing or subsequent credit facility with, any bank on terms substantially different from those applicable to other banks participating in such facility or on terms which would not apply were it not for the application of such rules;

"Business Day" means a day on which banks are open for business in both Hong Kong and Tel Aviv (excluding Saturday, Sunday and public holidays);

"Buyback Letter" means the offer letter dated 7 February 2005, by and among Elbit, Eurocom, Polar, Matav and the Company;

"Company" means Partner Communications Company Ltd.;

"Israeli Entity" or in the plural **"Israeli Entities"** means (a) for an individual — an Israeli citizen or resident of Israel, and (b) for a corporation – a corporation that was incorporated in Israel and an individual that is a citizen and a resident of Israel, controls the corporation either directly or indirectly, as long as the indirect control shall be only through a corporation that was incorporated in Israel, one or more, as such definition is described in more detail in the Licence;

"Israeli Shareholders" means Matav, Elbit, Eurocom and Polar and any transferees pursuant to Clause 2.1 hereof;

"Licence" means a licence dated 7 April 1998 granted by the Minister of Communications to the Company, including the Permit, as such licence has been amended from time to time;

"Market Price" means A/B where,

A = the average of the closing prices of one ADS as quoted on Nasdaq on each of the 30 trading days immediately before the date of a Transfer Notice or Further Offer Notice, as the case may be, issued pursuant to Clause 5; and

B = the number of underlying Share or Shares represented by one ADS;

"MRT Operator" has the meaning given to it in Section 14.1(B) of the Licence;

"Parent" means, in respect of a company, a person who holds 40 per cent or more of the par value of the issued share capital of the company or the voting rights in a general meeting of the company or is entitled to nominate 40 percent or more of the directors or the general manager of the company or is a member of it and controls alone or pursuant to an agreement with other members. 40 percent or more of the voting rights in a general meeting of the company or the parent of each such parent or its parent; and, in respect of a partnership, a person who holds 40 per cent or more of the equity of the partnership or who is a partner of it and controls alone or pursuant to an agreement with other partners 40 per cent or more of the voting rights in the partnership, or the Parent of each such Parent or its Parent;

"Permit" rneans the permit dated 7 April 1998 granted by the Minister of Communications to the Company, as such permit has been amended from time to time;

"Required Israeli Percentage" means the minimum cumulative holding of Shares by Israeli Entities as required under the Licence and the Company's Articles of Association, as each may be in effect from time to time;

"Required Founders Percentage" means the minimum cumulative holdings by the Company's "founding shareholders or their respective substitutes" (as defined in Section 21.8 of the License) as set out in the Licence and the Company's Articles of Association, as each may be in effect from time to time;

"Shares" rneans the issued Ordinary Shares of NIS 0.01 each in the share capital of the Company.

1.1 Clauses, Schedules etc.
References to this Agreement include any Recitals and Schedules to it and references to Clauses and Schedules are to Clauses of and Schedules to this Agreement.

1.2 Headings
Headings shall be ignored in construing this Agreement.

2. Required Israeli and Founders Percentages

2.1 (a) Each of the Israeli Shareholders hereby undertakes and agrees, severally but not jointly, at all times, to hold pro rata a sufficient number of Shares to comply with the Required Israeli Percentage, as detailed on Schedule 1 hereto. Notwithstanding the foregoing, subject to the written approval of the Minister of Communications (to the extent required by law), the Israeli Shareholders shall be entitled to sell their respective Shares but only to an Israeli Entity who undertakes to comply with the Required Israeli Percentage, at all times, in respect of such Shares and to enter into an agreement by which it shall be bound by the provisions of this Agreement and to deliver to the Company's Secretary (a) a share transfer deed that includes an undertaking by the transferee to comply with all requirement of section 22A of the Licence and (b) all information requested with respect to the transferee's qualification as a Founding Shareholder and/or a Founding Israeli Shareholder (as defined in the Licence). Any transfer of Shares by an Israeli Shareholder not in accordance with this Clause 2.1, shall be rejected by the Board of the Company (and the Parties shall procure that the Articles of Association of the Company shall be amended accordingly) and such transfer shall be deemed to be null and void.

(b) Nothing herein shall restrict or limit in any way an Israeli Shareholder's right to freely sell or otherwise dispose of (i) any number of Shares that exceeds its percentage of the Required Israeli Percentage set forth in Schedule 1 hereto or (ii) any Shares acquired by it following the date hereof

(c) Notwithstanding the foregoing, the number of Shares required by this Agreement to be held by any Israeli Shareholder in order to maintain its pro rata portion of the Required Israeli Percentage shall be calculated based on the number of Shares outstanding from time to time up to a maximum of 160,922,344 Shares outstanding, provided, however, that such number shall be adjusted from time to time to reflect stock dividends, stock splits, reverse stock splits and the like which applies to all the Shares.

2.2 Hutchison shall hold such number of Shares to comply with the Required Founders Percentage less the Required Israeli Percentage and the Israeli Shareholders shall bold such number of Shares to comply with the Required Israeli Percentage.

2.3 To the extent that the law (including the Licence or Articles of Association of the Company) requires that the person(s) who is holding Shares to comply with the Required Israeli Percentage to appoint a certain number of Directors of the Company, then the Israeli Shareholders hereby severally agree and undertake to appoint and retain, from time to time, such number of the directors of the Company to comply with such requirement and shall ensure that the appointees are Israeli citizens and residents. In addition, to the extent that the law (including the Licence or Articles of Association of the Company) so requires, each of Advent and Hutchison hereby jointly and severally agree and undertake to vote all their Shares in each general meeting of the Company's shareholders at which any directors arc elected to ensure that a majority of the directors of the Company shall be Israeli citizens and residents.

3. MRT Operator

3.1 A Parent of Advent shall continue to be a Controlling Corporation (as defined in the Licence) of an MRT Operator; such MRT Operator shall, subject to Clause 3.2, be Hutchison Telephone Company Ltd. (**"HTCL"**), for so long as this is required by the Licence.

3.2 Advent may, without having to obtain the prior approval of the other Parties, substitute in place of HTCL another affiliate company of Hutchison Telecommunications International Limited to act as an MRT Operator, if so required by the Licence or if so requested by Advent and permitted under the Licence and applicable approvals of the Minister of Communication or Ministry of Communication are obtained.

4. Permitted Transfers

No party may transfer any Shares if the transfer would result in circumstances (a) constituting a breach or default under the Licence or any of the Company's agreements with its lenders to which it is a party, or (b) which with the lapse of time or service of a notice would constitute such breach or default. Subject to the foregoing, and to the other provisions of this Agreement, any Party may transfer Shares freely provided that all necessary governmental or regulatory approvals for the transfer are granted.

5. Transfer in the Event of Default

5.1 Deemed Transfer Notice

If any Party who directly or indirectly holds Shares commits an Event of Default (defined in Clause 5.3 below), then the Board of the Company, at a meeting in which the Directors nominated by the Party which has committed the Event of Default the **"Defaulting Party"** will not be entitled to participate, shall be entitled, at its discretion, by notice in writing to require the Defaulting Party to give a transfer notice (**"Transfer Notice"**) in respect of all the Shares then registered in the name of the Defaulting Party and procure any person holding any Shares in trust for or on behalf of the Defaulting Party to give a Transfer Notice in respect of all other Shares beneficially owned by the Defaulting Party, and the provisions of clauses 5.4 and 5.5 below shall apply to the transfer of Shares made pursuant to such Transfer Notice(s). The Transfer Notice(s) shall specify a price (the **"Transfer Price"**) for each Share which shall, in the case of an Event of Default specified in Clause 5.3.1, be the Market Price less a discount of 17.5 per cent, and in the case of all other Events of Default, be the Market Price. In the event that the Defaulting Party or any trustee or other person fails to issue the Transfer Notice as aforesaid, such Transfer Notice may be issued on its behalf by a person nominated by the Board at a meeting in which Directors nominated by the Defaulting Party are entitled to attend but not participate with a copy to the Defaulting Party. For the purpose of this Clause 5, the Defaulting Party, the person holding Shares in trust for or on behalf of the Defaulting Party having given a Transfer Notice, shall be referred to as the **"Offeror"** and the Shares which are the subject matter of a Transfer Notice shall be referred to as the **"Offered Shares"**.

5.2 If the Board has exercised its discretion under Clause 5.1 above to require the Defaulting Party, or the Board nominee as aforesaid to give, procure or issue a Transfer Notice and the Defaulting Party contests that an Event of Default has occurred or that the Board was entitled to require it to give a Transfer Notice, and has notified in writing of such contest within seven days of receipt of the Board's requirement to give a Transfer Notice, then:

5.2.1 the Defaulting Party, within seven days following such seven day period, must commence proceedings in respect of the issues in dispute, pursuant to Clause 10.6.2 below;

5.2.2 the Company and the Parties must actively pursue a swift resolution of said proceedings;

5.2.3 provided that the proceedings have been commenced as aforesaid, the Transfer Notice, duly signed by the Defaulting Party or the Board's nominated representative (as the case may be), must be deposited with a custodian, and

5.2.4 the custodian must act in relation to such Transfer Notice in accordance with the decision of the courts.

5.3 Event of Default

An **"Event of Default"** for the purpose of Clause 5 means the occurrence of any of the following:

5.3.1 a Party committing a breach of its obligations under this Agreement which has a material adverse effect on the Company, and, in the case of a breach capable of remedy, failing to remedy the same within 30 days of being specifically required in writing so to do by the Company or any one of the Parties;

5.3.2 a Party committing a breach of its obligations under any of the agreements of the Company's lenders to which it is a party, which has a material adverse effect on the Company and, in the case of a breach capable of remedy, failing to remedy the same within the requisite period (if any) provided under the agreements of the Company's lenders.

5.4 Transfer Notice

In the circumstances in which, pursuant to Clauses 5.1 to 5.3 above, this Clause 5.4 and Clause 5.5 apply, the Offeror shall give a Transfer Notice to the other Parties (the **"Other Shareholders"**) with a copy to the Company, marked for the attention of the Company Secretary. The Transfer Notice shall constitute an offer to sell the Offered Shares, at the Transfer Price to the other Shareholders as nearly as possible in proportion to the Percentage Interests then held by the other Shareholders. For the purpose of this Clause 5, **"Percentage Interests''** means the number of Shares from time to time held, directly or indirectly, expressed as a percentage of the total number of Shares held by the relevant other Shareholders.

5.5 Acceptance

With seven (7) Business Days after the delivery of the Transfer Notice, each of the other Shareholders shall notify the Offeror in writing, with a copy to the Other Shareholders, of the maximum number of the Offered Shares offered to it which it is willing to purchase at the Transfer Price. Any of the Other Shareholders which fails to give such notice within the specified time period shall be deemed to have refused the offer. At the expiry of the seven (7) Business Day period, any of the Offered Shares not so accepted shall be offered by notice in writing (the **"Further Offer Notice"**) to those Other Shareholders who have accepted all of the Offered Shares to which they are respectively entitled, such offer to be as nearly as possible in proportion to the Percentage Interests then held by such Other Shareholders (excluding the Other Shareholders who did not accept the offer set out in the Transfer Notice). The Other Shareholders who receive the further offer may accept the further offer of the Offered Shares in the proportion offered to them respectively or in such other proportion as such Other Shareholders agree between themselves by notice in writing (the **"Acceptance Notice"**) to the Offeror (with copies to the Other Shareholders and the Company) stating the proportion of Shares each such Other Shareholder accepts. The Offeror shall be bound to transfer those of the Offered Shares accepted by the Other Shareholders in accordance with the provisions of this Clause 5.5. Completion of the transfer of the Offered Shares shall take place within 30 days of the expiry of the first or second seven (7) Business Day period as the case may be. If the approval of the Minister of Communications and/or Ministry of Communications is required under the Licence, and such approval is not obtained within such 30-day period, then the period for completion of the transfer of the Offered Shares shall be extended automatically for a further 90 days.

5.6 In the event that Hutchison or any of its affiliate companies accepts to purchase Offered Shares and the result of which would mean the minimum holding of Shares by Israeli Entities would be less than the Required Israeli Percentage, Hutchison or its affiliate companies, as the case may be, shall be entitled to nominate a third party Israeli Entity to hold the relevant number of Offered Shares, on its behalf or on its own right, to avoid any non-compliance with the Licence in this connection.

5.7 To the extent required, the Parties shall arrange for the Company's Articles of Association to incorporate the provisions of this Clause 5.

6. Confidentiality

6.1.1 Subject to Clause 6.1.2 below, each of the Parties shall treat as confidential and not disclose or use any information received or obtained as a result of entering into this Agreement (or any agreement entered into pursuant to this Agreement), which relates to:

(i) the provisions of this Agreement and any agreement entered into pursuant to this Agreement; or

(ii) the negotiations relating to this Agreement (and Such other agreements).

6.1.2 This Clause 6 shall not prohibit disclosure of any information if and to the extent:

(i) the disclosure or use is required by law, any regulatory body or the rules and regulations of any recognised stock exchange;

(ii) the disclosure or use is required to vest the full benefit of this Agreement in the Parties;

(iii) the disclosure or use is required for the purpose of any judicial proceedings arising out of this Agreement or any other agreement entered into under or pursuant to this Agreement or the disclosure is reasonably required to be made to a taxation authority in connection with the taxation affairs of the disclosing Party;

(iv) the disclosure is made to professional advisers of the Parties, provided that such professional advisers are informed of the provisions of this Clause 6 in respect of such information, in which case the Party retaining such adviser shall be held responsible for any breaches by such adviser of the restrictions set forth in this Clause 6;

(v) the information becomes publicly available (other than by breach of this Agreement); or

(vi) the other Parties have given prior written approval to the disclosure or use;

provided that prior to disclosure or use of any information pursuant to paragraphs (ii) or (iii) (except in the case of disclosure to a taxation authority), the Party concerned shall promptly notify the other Parties of such requirement with a view to providing the other Parties with the opportunity to contest such disclosure or use or otherwise to agree the timing and content of such disclosure or use.

7. Compliance with the Licence

7.1 Nothing herein shall be construed as requiring or permitting the performance of any acts, which are inconsistent with the terms of the Licence. If any term or provision of this Agreement shall be found to be inconsistent with the terms of the Licence, such term or provision shall be null and void but the validity, legality or enforceability of the other terms or provisions shall not be affected thereby.

7.2 No Party will permit any act to be done by itself, or any officer holder nominated by it, which would breach the terms of the Licence.

8. Co-operation

8.1 Each Party undertakes with the other Parties:

8.1.1 to perform and observe all the provisions of this Agreement and the agreements with the Company's lenders, from time to time, to which it is a party;

8.1.2 to take all necessary steps on its part to give full effect to the provisions of this Agreement, the Licence and the agreements with the Company's lenders, to which it is a party.

8.2 If a Bank of Israel Event occurs, the Parties shall all discuss in good faith with each other and co-operate in good faith with a view to reaching an agreement to resolve such Bank of Israel Event.

9. Term and Termination

9.1 This Agreement shall continue in full force and effect until the Company is wound up or otherwise ceases to exist as a separate entity or unless terminated earlier by agreement between all the Parties or pursuant to Clause 9.2 below.

9.2 This Agreement shall terminate in relation to any Party after it ceases to hold directly or indirectly any Shares that such Party holds pursuant to the Required Israeli Percentage and/or the Required Founders Percentage, as applicable, provided that such Party has not disposed of such Shares in breach of the provisions of this Agreement, the Licence or the Company's Articles of Association. For the sake of clarity, if and when this Agreement shall terminate in relation to Eurocom pursuant to this Clause 9.2 hereof, Tapuz, an affiliate of Eurocom that owns one Share, shall also be released from all its obligations and restrictions hereunder.

9.3 Termination of this Agreement pursuant to Clause 9.2 above shall not release any Party from any liability, which at the time of termination has already accrued to such Party. Nothing in the immediately preceding sentence shall affect or be construed or operate as a waiver of the right of any Party aggrieved by any breach of this Agreement to be compensated for any loss, injury or damages resulting therefrom which is incurred either before or after such termination. Each Party (the **"Indemnifying Party"**) shall, in addition, on demand by any other Party, indemnify the other Parties against any cost, loss, liability, claim, action, demand or expense which the Company or any such Parties incur or which is made against any of them arising out of or in relation to or in connection with any default by the Indemnifying Party under any agreements with the Company's lenders to which such Party is a party (including misrepresentations made by such Party in relation to information given by it).

10. Other Provisions

10.1 Announcements

No announcement or circular in connection with the existence or the subject matter of this Agreement shall be made or issued by or on behalf of the Parties without the prior written approval of all the Parties. This shall not affect any announcement or circular by or on behalf of any Party required by law or any regulatory body or the rules of any recognised stock exchange, but the Party with an obligation to make an announcement or issue a circular shall consult with the other Parties insofar as is reasonably practicable before complying with such an obligation.

10.2 Successors and Assigns

10.2.1 No Party may, without the prior written consent of the other Parties, assign the benefit of all or any of its obligations under this Agreement.

10.2.2 Notwithstanding anything to the contrary but subject to the License and to applicable law, each Party, by serving notice on the other Parties, shall have the right to nominate an affiliate (that is, a directly or indirectly wholly owned entity of such Party or a directly or indirectly wholly owned entity of the ultimate owner of such Party) to assume any or all of the rights and obligations of such Party under this Agreement, without relieving such Party of its obligations under this Agreement, and such Party shall procure that such affiliate complies with all obligations of such Party under this Agreement as if such affiliate were a party to this Agreement.

10.3 Notices

10.3.1 Any notice or other communication in connection with this Agreement or with any legal proceedings under this Agreement shall be in writing in English (a **"Notice"**) and shall be sufficiently given or served if delivered or sent to such Party's address or facsimile number set forth on Schedule 2 hereto.

10.3.2 Notice may be delivered by hand or sent by fax. Without prejudice to the foregoing, any Notice shall conclusively be deemed to have been received upon the first Business Day following transmission and electronic confirmation of receipt), if sent by fax, or at the time of delivery, if delivered by hand.

10.4 Invalidity

If any term in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such term or part shall to that extent be deemed not to form part of this Agreement but the legality, validity or enforceability of the remainder of this Agreement shall not be affected.

10.5 Counterparts

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any Party may enter into this Agreement by executing any such counterpart.

10.6 Governing Law and Submission to Jurisdiction

10.6.1 This Agreement and the documents to be entered into pursuant to it, shall be governed by and construed in accordance with the laws of the State of Israel.

10.6.2 All the Parties irrevocably agree that the courts of Tel Aviv/Jaffo are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and the documents to be entered into pursuant to it. All the Parties irrevocably submit to the jurisdiction of such courts and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

10.7 Amendments and Waivers

Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the all Parties. In addition, any Party may waive any right or condition of which such Party is the beneficiary.

10.8 Entirety of Agreement

This Agreement supercedes the Relationship Agreement, which shall no longer have any force or effect, save for any breaches prior to the dale hereof. For the avoidance of doubt, and without prejudice to the generality thereof, there shall no longer be any requirement for Parent Guarantees (as set out in Clause 14 of the Relationship Agreement). This Agreement now constitutes the full and entire understanding and agreement among the Parties with regard to the subject matter hereof and thereof, and no Party shall be liable or bound to any other Party in any manner except as specifically set forth herein.

10.9 Effectiveness

This Agreement shall become effective upon the closing of the transaction contemplated by the Buyback Letter.

In witness whereof this Agreement has been duly executed.

SIGNED by [ ]
on behalf of Advent Investments Pte
Ltd. in the presence of:

SIGNED by [ ]
on behalf of Matav Cable Systems
Media Ltd. in the presence of:

SIGNED by [ ]
on behalf of Matav Investments Ltd.
in the presence of:

SIGNED by [ ]
on behalf of Elbit Ltd. in the presence
of:

SIGNED by [ ]
on behalf of Eurocom Communications
Ltd. in the presence of:

SIGNED by [ ]
on behalf of Polar Communications Ltd.
in the presence of:

SIGNED by [ ]
on behalf of Tapuz Cellular Systems
Ltd. in the presence of:

SIGNED by [ ]
on behalf of Hutchison
Telecommunications International
(Netherlands) B.V. in the presence of:

Schedule 1

Respective Percentage of
the Required Israeli Percentage

Israeli Shareholder	**Pro Rata Required Israeli Percentage**
Elbit Ltd.	38.313%
Eurocom Communications Ltd.	28.093%
Polar Communications Ltd.	10.233%
Matav Investments Ltd.	23.361%
Total	**100%**

Schedule 2

Address Details tor Notices

Advent Investments Pte Limited 1 King George's Avenue, #03-00 Rehau Building, Singapore Fax: +852 2827 1371 Attention: Legal Department With a copy to Hutchison Telecommunications International Limited 18/F Two Harbourfront 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong, fax: +852 2827 1371, Attention: Legal Department
Matav Cable Systems Media Ltd. **Matav Investments Ltd.** 42 Pinkas Street, Netanya Tel: +972-9-860-2160 Fax: +972-9-860-2286 Attention: Ori Gur Arieh, General Counsel
Elbit Ltd. 3 Azrieli Center Triangle Building, 42nd Floor Tel Aviv 67023 Israel Tel: +972-3-607-5555 Fax: +972-3-607-5556 Attention: MR. Tal Raz (Director & CFO)
Eurocom Communications Ltd. 2 Dov Friedman Street Ramat-Gan 52141 Israel Tel:+972-3-753-0900 Fax: +972-3-752-9699 Attention: Amikam Shorer, Adv. (VP & Legal Counsel)
Polar Communications Ltd. 21 Ha'arba'ah Street, Tel Aviv 64739 Israel Tel: +972-3-684-5795 Fax: +972-3-684-5713 Attention: Ken Lao (Executive Vice President)

Hutchison Telecommunications International (Netherlands) B.V.
De Boelelaan 7 Official: 1083 HJ
Amsterdam, Netherlands

Attention: Legal Department

With a copy to Hutchison Telecommunications International Limited:
18/F Two Harbourfront 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong,
fax: +852 2827 1371,
Attention: Legal Department.

October 28, 2009

To: Advent Investments Pte Ltd
Shareholders of Partner Communications Company Ltd. Listed on Annex A Attached Hereto

Re: **Letter of Undertaking**

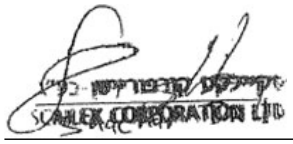
We, the undersigned, Scailex Corporation Ltd (**"Scailex"**), hereby undertake and agree to be bound by the Restatement of the Relationship Agreement by and among the shareholders of Partner Communications Company Ltd. (the **"Company"**) listed on Annex A attached hereto, dated April 20, 2005 (**"Relationship Agreement"**), as if we were an original party thereto.

In no way derogating from the foregoing, the undersigned hereby undertake and agree to maintain the "Required Founders Percentage" (as such term is defined in the Relationship Agreement and Section 22A of the license dated April 7, 1998 granted by the Minister of Communications to the Company, as amended from time to time).

This letter of undertaking shall be deemed to join the undersigned as a party to the Relationship Agreement. As of the date hereof, Advent Investments Pte Ltd shall relinquish their rights and be released from their corresponding obligations under the Relationship Agreement.

Sincerely

SCAILEX CORPORATION LTD.



Signature: _____
Name: [ILLEGIBLE]
Title: CEO; CFO

Acknowledged and Agreed:

ADVENT INVESTMENTS PTE LTD

Signature: _____
Name: Ting Chan
Title: Director

Cc: Partner Communications Company Ltd.

Execution Copy

Exhibit B – Third Party Approvals

1. MoC Approval
2. Antitrust Approval
3. Scailex Bondholders
4. Relevant entity(ies) of Hutchison Group
5. Bank Mizrahi-Tefahot Ltd.

Exhibit 27

SCAILEX CORPORATION LTD.

DATE: November 3, 2011

ADVENT INVESTMENTS PTE LTD

Marina Boulevard, #05-02 Marina Bay

Financial Centre Tower 1, Singapore

("**Advent**")

Ladies and Gentlemen:

Re: **Confirmation and Undertaking**

We refer to the US$300,000,000 in aggregate principal amount of Fixed Rate Secured Bullet Notes due April 27, 2014 issued by Scailex Corporation Ltd. ("**Scailex**") as Issuer in favour of Advent pursuant to and based on (i) that certain Trust Deed dated October 28, 2009 between us and Hermetic Trust (1975) Ltd., as amended by Amendment No. 1 on March 15, 2010, to which certain terms and conditions relating to such Notes were attached as Schedule 2; (ii) that certain Placement Agreement dated October 28, 2009 between us and Advent, as amended by Amendment No. 1 on March 15, 2010; and (iii) certain debentures and other ancillary Issue Documents entered into in connection thereby.

We also refer to that certain Assumption Agreement dated November 30, 2012 between Advent and S.B. Israel Telecom Ltd. (the "**SPV**" and the "**Assumption Agreement**", respectively).

Capitalized Terms used herein and not otherwise defined shall bear the meanings ascribed to them in the Assumption Agreement.

As contemplated in the Assumption Agreement, the undersigned hereby confirms and undertakes as follows, such undertakings and confirmations to be entered into force on the Effective Date subject to the Assumption Transactions and the Acquisition Transactions consummated and closed on the Effective date:

(1) Consents the entering into, delivery and execution of the Assumption Agreement and the other New Issue Documents and the consummation and closing of Assumption Transactions;

(2) Undertakes that until the earlier of (a) one business day after the Effective Date; and (b) 10 Business Days after the date on which the Assumption Agreement and the Assumption Transactions are lawfully terminated in accordance with Clause 3 of the Assumption Agreement, not to incur any "Financial Indebtedness" (as such term defined in the Amended and Restated Conditions) other than non-material Financial Indebtedness required by the undersigned to finance its on-going daily operations in the ordinary course of business;

(3) Waives its Right of First Refusal (included under Clause 6 of the Original Placement Agreement) in respect of the Assumption Transactions;

(4) Undertakes to procure that special meetings of the undersigned's bondholders (series A-D, F-I and series 1 and any other series outstanding as at the Effective Date, other than series E, collectively "**Scailex' Bondholders**") are convened in order to obtain an approval by Scailex' Bondholders to the entering into, delivery and execution of the Assumption Agreement and the other New Issue Documents and the Acquisition Documents and the consummation and closing of the Assumption Transactions and the Acquisition Transactions and further procures that (i) the agenda and materials relating to such Scailex' Bondholders meetings will include a description regarding all of the items required to be approved by the Scailex' Bondholders under Clause 2(c) of the Assumption Agreement and all ancillary materials and sufficient background description reasonably required in connection thereby under applicable law and practice ("**Background Materials**") and that any changes to such Background Materials or to the immediate report published by Scailex in connection thereby shall be coordinated and approved by SPV and Advent, (ii) Background Materials will be submitted to SPV and Advent no later than December 10, 2012 and an immediate report in connection with such meetings will be published no later than December 11, 2012; and (iii) the Scailex' Bondholders' meetings shall be held no later than December 25, 2012;

(5) If Scailex' Bondholders' Approval is not obtained on or before December 25, 2012, or at such deferred date as provided in Clause 3(a) of the Assumption Agreement, and if insolvency proceedings including liquidation proceedings, moratorium or other rehabilitation proceedings under Sections 350 and/or 351 of the Israeli Companies Law, 1999, or immediate threat to initiate proceedings have been initiated against Scailex, then, Scailex shall cooperate with Advent and the SPV such as to submit an application for InCourt Arrangement and Scailex shall support such application for the purpose of obtaining the Court Approval, and for such purposes, shall file, or caused to be filed, with any applicable governmental body or court of competent authority and jurisdiction, all applicable requests, petitions, applications and forms, as required under applicable law and by such governmental body or court of competent authority in connection with such consents, approval and permits, such applicable requests, petitions, applications and forms will be prepared in coordination by Advent, SPV and Scailex;

(6) the existing registration with the Israeli Registrar of Companies of the Original Debentures as a lien of Scailex shall be retained for a period of at least 4 (four) months after the Effective Date;

(7) to pay to Advent accrued and unpaid interest on account of or with respect to the Original Issue Documents, as evidenced by the Notes, such accrued interest up to and until the Effective Date (inclusive);

(8) to deliver irrevocable instructions to the SPA Escrow Agent (together with the SPV), such irrevocable instructions to be in the form attached to the Assumption Agreement as Exhibit 18 provided its terms are acceptable by Scailex; and

(9) Not to use, disclose, or otherwise allow access to any data or information about or relating to the Assumption Agreement and the transactions contemplated thereunder without Advent's prior consent.

Respectfully yours,

/s/ Yahel Shachar

SCAILEX CORPORATION LTD.

BY: Yahel Shachar

TITLE: CEO

Exhibit 28

Form of

Mutual Waiver and Release

Reference is hereby made to the US$300,000,000 Fixed Rate Secured Bullet Notes (the "**Notes**") of Scailex Corporation Ltd. ("**Scailex**"), issued to Advent Investments Pte Ltd. ("**Advent**"), under the Placement Agreement, dated October 28, 2009, between Scailex and Advent and the Trust Deed, dated October 28, 2009, between Scailex and Hermetic Trust (1975) Ltd., which was appointed as a trustee of the Notes (the "**Trustee**") and any other agreement, contract, understanding or other instrument related to the Notes, including any schedules, annexes and exhibits thereto, as may be amended, supplemented or otherwise modified from time to time until the Effective Date, as defined below (together with the Notes: the "**Original Issue Documents**").

Reference is further made to that certain Assumption Agreement dated November 30, 2012 between Advent and S.B Israel Telecom Ltd. (and/or any affiliate thereof) ("**SPV**" and "**Assumption Agreement**", respectively).

Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Assumption Agreement.

Each of Scailex and Advent hereby unconditionally and irrevocably (except as explicitly provided herein) acknowledges and confirms the following items, *subject*, *however*, to the following (i) Scailex' and Advent's consents and acknowledgements set out herein shall be conditional and become effective as of the Effective Date and subject to the closing and the consummation of the Assumption Transactions and the Acquisitions Transactions, as evidenced by the New Issue Documents on the Effective Date; (ii) on the Effective Date, Scailex shall have assigned and SPV shall have assumed all outstanding obligations, liabilities and responsibilities under the Original Issue Documents, as amended and restated by the New Issue Documents, and (iii) On or prior to the Effective Date, Scailex shall have repaid all interest payments accrued under the Notes until the Effective Date (inclusive) (whether such amounts are due or not), as evidenced by and subject to the conditions of the Original Issue Documents.

For the purpose of this Release **"Claims and Demands"** shall mean all liabilities, obligations, demands, claims, actions, costs, taxes, fines, damages and expenses (including reasonable legal fees, court costs, and all amounts paid in investigation, defense or settlement of any of the foregoing), whether or not arising out of third party claims, in law or in equity, of any nature whatsoever, whether expressed or implied, known or unknown, in connection with or in respect of the Original Issue Documents, as of the Effective Date.

(a) Effective as of the Effective Date, each of Scailex and Advent unconditionally, irrevocably and completely (except as explicitly provided or conditioned herein) waives, releases and discharges the other party and all of its direct or indirect, subsidiaries, affiliates, associates, shareholders, agents, directors, officers, partners, employees, representative, and all persons acting by, through, under or in concert with such party (collectively, the "**Personnel**") from and against all Claims and Demands it might have against such party and its Personnel.

(b) For the avoidance of doubt, this Mutual Waiver and Release shall *ab initio* be null and void and shall have no force and effect whatsoever, in the event that at any time (whether, prior to, on or following the Effective Date) the Assumption Transactions and/or the Acquisition Transactions are terminated, annulled, rescinded, or become ineffective or non-enforceable, in whole or in part, for any reason whatsoever, as a result of any judicial proceeding, and in such events: (i) all rights and obligations of the Parties in and under the Original Issue Documents, as evidenced by the Notes, including the Existing Debentures, shall continue to be effective or be reinstated (as the case may be), as though the assignment by Scailex and the Assumption by SPV had not been made; and (ii) all of the obligations of SPV and Advent under the New Issue Documents, as well as Scailex' obligations thereunder, shall be terminated. In such event, each party to the New Issue Documents, as well as Scailex, shall be entitled to full restitution of its original rights and assets prior to the Effective Date.

IN WITNESS WHEREOF, the undersigned Parties executed this Mutual Waiver and Release on this day of _____

Advent Investments Pte Ltd.
By:_____
Name:
Title:

Scailex Corporation Ltd.
By:_____
Name:
Title:

Joint Confirmation

We hereby acknowledge the receipt of the above Mutual Waiver and Release Letter and we unconditionally, irrevocably and completely waive, release and discharge Scailex, Advent, SPV and Trustee and their respective Personnel as of the Effective Date from any Claim or Demand, subject to closing and consummation of the Assumption Transactions and the Acquisitions Transactions, as evidenced by the New Issue Documents, and subject further to the other terms and conditions in the above Mutual Waiver and Release Letter.

Hermetic Trust (1975) Ltd.
By:_____
Name:
Title:

S.B Israel Telecom Ltd.
By:_____
Name:
Title:

Advent Investments Pte Ltd.
By:_____
Name:
Title:

Scailex Corporation Ltd.
By:_____
Name:
Title: