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

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

Partner Communications Company Ltd.

(Name of Issuer)

Ordinary Shares, par value NIS0.01 per share
(Title of Class of Securities)

70211M109*
(CUSIP Number)

Adam Chesnoff
Saban Capital Group, Inc.
10100 Santa Monica Boulevard, Suite 2600
Los Angeles, CA 90067
(310) 557-5100
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

with a copy to:

David Eisman, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071
(213) 687-5381

January 29, 2013
(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 that 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).

* This CUSIP number applies to the American Depositary Shares, evidenced by American Depositary Receipts, each representing one Ordinary Share, par value NIS0.01 per share. No CUSIP number has been assigned to the Ordinary Shares.

1	NAME OF REPORTING PERSON: **S.B. Israel Telecom Ltd.**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF, 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: **48,050,000**** (see Item 5)
		9.	SOLE DISPOSITIVE POWER: **0**
		10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **CO**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

1	NAME OF REPORTING PERSON: **SCG Communication Ventures LLC**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2 (e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Delaware**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: **0**	
	8.	SHARED VOTING POWER: **48,050,000**** (see Item 5)	
	9.	SOLE DISPOSITIVE POWER: **0**	
	10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **HC**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

1	NAME OF REPORTING PERSON: **HSAC Investments LP**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2 (e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Delaware**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: **0**	
	8.	SHARED VOTING POWER: **48,050,000**** (see Item 5)	
	9.	SOLE DISPOSITIVE POWER: **0**	
	10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **HC**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

1	NAME OF REPORTING PERSON: **Saban Capital Group, Inc.**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2 (e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Delaware**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: **0**	
	8.	SHARED VOTING POWER: **48,050,000**** (see Item 5)	
	9.	SOLE DISPOSITIVE POWER: **0**	
	10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **CO**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

1	NAME OF REPORTING PERSON: **SCG Investment Holdings, Inc.**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2 (e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **Delaware**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: **0**	
	8.	SHARED VOTING POWER: **48,050,000**** (see Item 5)	
	9.	SOLE DISPOSITIVE POWER: **0**	
	10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **HC**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

1	NAME OF REPORTING PERSON: **Alpha Family Trust**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF, PF**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2 (e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **California**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: **0**	
	8.	SHARED VOTING POWER: **48,050,000**** (see Item 5)	
	9.	SOLE DISPOSITIVE POWER: **0**	
	10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **OO**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

1	NAME OF REPORTING PERSON: **Haim Saban**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2 (e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **United States; Israel**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: **0**	
	8.	SHARED VOTING POWER: **48,050,000**** (see Item 5)	
	9.	SOLE DISPOSITIVE POWER: **0**	
	10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **IN**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

1	NAME OF REPORTING PERSON: **Cheryl Saban**		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) ☐ (b) ☒		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: **AF**		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2 (e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: **United States**		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: **0**	
	8.	SHARED VOTING POWER: **48,050,000**** (see Item 5)	
	9.	SOLE DISPOSITIVE POWER: **0**	
	10.	SHARED DISPOSITIVE POWER: **48,050,000**** (see Item 5)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: **48,050,000**** (see Item 5)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: ☒		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): **30.9%***		
14	TYPE OF REPORTING PERSON: **IN**		

* Based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.

** Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement.

Item 1. Security and Issuer.

This Schedule 13D (this "Statement") relates to the ordinary shares, par value NIS0.01 per share (the "Ordinary Shares"), of Partner Communications Company Ltd., a company organized under the laws of the State of Israel (the "Issuer"). The address of the principal executive office of the Issuer is 8 Amal Street, Afeq Industrial Park, Rosh Ha'ayin 48103, Israel.

Item 2. Identity and Background.

This Statement is being filed jointly by (i) S.B. Israel Telecom Ltd. ("S.B. Israel"), (ii) SCG Communication Ventures LLC ("SCG Communication"), (iii) HSAC Investments LP ("HSAC"), (iv) Saban Capital Group, Inc. ("SCG"), (v) SCG Investment Holdings, Inc. ("SCG Investment"), (vi) Alpha Family Trust (the "Trust"), (vii) Haim Saban and (viii) Cheryl Saban. S.B. Israel, SCG Communication, HSAC, SCG, SCG Investment, the Trust, Haim Saban and Cheryl Saban are referred to herein, collectively, as the "Reporting Persons". The agreement among the Reporting Persons relating to the joint filing of this Statement is attached hereto as Exhibit 99.1. Neither the present filing nor anything contained herein shall be construed as an admission that the Reporting Persons constitute a "group" for any purpose and the Reporting Persons do not affirm the existence of a group.

S.B Israel Telecom Ltd.

S.B. Israel Telecom Ltd., a corporation existing under the laws of Israel, was formed solely for the purpose of investing in the Issuer. The address of the principal office and principal place of business of S.B. Israel is 20 Lincoln Street, Tel Aviv 67134 Israel. The name, citizenship, residence or business address, and present principal occupation or employment and name, principal business and address of any corporation or other organization in which such employment is conducted with respect to each director and executive officer of S.B. Israel is set forth below:

Name	Citizenship	Residence or Business Address	Principal Occupation / Employment & Address
Adam Chesnoff	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	President and Chief Operating Officer of SCG
Fred Gluckman	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chief Financial Officer of SCG

SCG Communication holds approximately 95% of the redeemable voting shares of S.B. Israel, with the remaining 5% of the redeemable voting shares held by various co-investors. All of the redeemable voting shares of S.B. Israel are beneficially owned pursuant to Rule 13d-3 under the Act by SCG Communication.

SCG Communication Ventures LLC

SCG Communication Ventures LLC, a limited liability company existing under the laws of Delaware, is principally a holding company for S.B. Israel. The address of the principal office and principal place of business of SCG Communication is 10100 Santa Monica Boulevard, Suite 2600, Los Angeles, California 90067. The name, citizenship, residence or business address, and present principal occupation or employment and name, principal business and address of any corporation or other organization in which such employment is conducted with respect to each director and executive officer of SCG Communication is set forth below:

Name	Citizenship	Residence or Business Address	Principal Occupation / Employment & Address
Adam Chesnoff	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	President and Chief Operating Officer of SCG
Niveen Tadros	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Executive Vice President and General Counsel of SCG
Fred Gluckman	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chief Financial Officer of SCG
Philip Han	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chief Investment Officer of SCG

HSAC Investments holds approximately 97% of the limited liability company interests of SCG Communication, with the remaining 3% of the limited liability company interests held by various co-investors. All of the limited liability company interests of SCG Communication are beneficially owned pursuant to Rule 13d-3 under the Act by HSAC .

HSAC Investments LP

HSAC Investments LP, a limited partnership existing under the laws of Delaware, is principally a holding company for subsidiaries engaged in investing in, or acquiring interests in, businesses. The address of the principal office and principal place of business of HSAC is 10100 Santa Monica Boulevard, Suite 2600, Los Angeles, California 90067.

The sole general partner of HSAC is SCG.

Saban Capital Group, Inc.

Saban Capital Group, Inc., a corporation existing under the laws of Delaware, is a private investment firm specializing in the media, entertainment and communication industries. The address of the principal office and principal place of business of SCG is 10100 Santa Monica Boulevard, Suite 2600, Los Angeles, California 90067. The name, citizenship, residence or business address, and present principal occupation or employment and name, principal business and address of any corporation or other organization in which such employment is conducted with respect to each director and executive officer of SCG is set forth below:

Name	Citizenship	Residence or Business Address	Principal Occupation / Employment & Address
Haim Saban	United States; Israel	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chairman and Chief Executive Officer of SCG
Adam Chesnoff	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	President and Chief Operating Officer of SCG
Niveen Tadros	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Executive Vice President and General Counsel of SCG
Fred Gluckman	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chief Financial Officer of SCG
Philip Han	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chief Investment Officer of SCG

SCG Investment is the sole shareholder of SCG.

SCG Investment Holdings, Inc.

SCG Investment Holdings, Inc, a corporation existing under the laws of Delaware, is a holding company whose direct and indirect subsidiaries invest in businesses and operate businesses. The address of the principal office and principal place of business of SCG Investment is 10100 Santa Monica Boulevard, Suite 2600, Los Angeles, California 90067. The name, citizenship, residence or business address, and present principal occupation or employment and name, principal business and address of any corporation or other

organization in which such employment is conducted with respect to each director and executive officer of SCG Investment is set forth below:

Name	Citizenship	Residence or Business Address	Principal Occupation / Employment & Address
Haim Saban	United States; Israel	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chairman and Chief Executive Officer of SCG
Adam Chesnoff	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	President and Chief Operating Officer of SCG
Niveen Tadros	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Executive Vice President and General Counsel of SCG
Fred Gluckman	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chief Financial Officer of SCG
Philip Han	United States	10100 Santa Monica Boulevard, Suite 2600 Los Angeles, CA 90067	Chief Investment Officer of SCG

Alpha Family Trust is the sole shareholder of SCG Investment.

Alpha Family Trust

Alpha Family Trust is a trust established under the laws of California for the benefit of Haim Saban and Cheryl Saban. The address of the principal office and principal place of business of the Trust is 10100 Santa Monica Boulevard, Suite 2600, Los Angeles, California 90067.

The co-trustees of the Trust are Haim Saban and Cheryl Saban.

Haim Saban

Haim Saban, a natural person, is the Chairman and Chief Executive Officer of SCG and a co-trustee of the Trust. Mr. Saban is a United States citizen and an Israeli citizen. The business address of Mr. Saban and the address of SCG is 10100 Santa Monica Boulevard, Suite 2600, Los Angeles, California 90067.

Cheryl Saban

Cheryl Saban, a natural person, is a co-trustee of the Trust. Mrs. Saban is a United States citizen. The business address of Mrs. Saban and the address of the Trust is 10100 Santa Monica Boulevard, Suite 2600, Los Angeles, California 90067.

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

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

Scailex Share Purchase Agreement

On January 29, 2013, S.B. Israel and Scailex Corporation Ltd. ("Scailex") completed the main portion of the transactions contemplated by a share purchase agreement, dated as of November 30, 2012, between S.B. Israel and Scailex (the "Scailex Share Purchase Agreement"), pursuant to which S.B. Israel purchased 47,833,333 Ordinary Shares from Scailex. Of these shares, (i) 44,850,000 Ordinary Shares were transferred to S.B. Israel on January 29, 2013, and (ii) 2,983,333 Ordinary Shares are to be transferred by Scailex to S.B.

Israel free and clear of any lien on one or more future deferred closing dates, subject to the conditions set forth in the Scailex Share Purchase Agreement. Scailex retained the entitlement to dividends in respect of the 44,850,000 Ordinary Shares transferred to S.B Israel at closing out of the amount of the Issuer's distributable profits accrued as of December 31, 2012, up to an aggregate amount of approximately NIS115,000,000. The delivery of 2,983,333 Ordinary Shares is deferred (see Items 5 and 6 hereunder).

In consideration for the purchase of such Ordinary Shares, S.B. Israel paid to Scailex NIS250,000,000 in cash and, pursuant to an Assumption Agreement, dated as of November 30, 2012, between S.B. Israel and Advent Investment Pte. Ltd. ("Advent"), S.B. Israel assumed a loan in the principal amount of $300,000,000 (the "Advent Loan") that was provided to Scailex by Advent . The Assumption Agreement became effective on January 29, 2013, concurrent with the closing under the Scailex Share Purchase Agreement. The cash payment was provided from general funds available to the Reporting Persons and the applicable subsidiaries, co-investors and affiliates thereof.

In connection with the assumption of the Advent Loan, S.B. Israel and Advent also executed the Amended and Restated Terms and Conditions of the Notes (the "Notes Terms") with respect to the NIS1,166,100,000 fixed rate secured notes ("Notes") comprising the Advent Loan. The Notes Terms are effective as of January 29, 2013.

The Notes are due on January 29, 2020 and are secured by various debentures over the assets of S.B. Israel, including, without limitation, the bank accounts of S.B. Israel and the Ordinary Shares held by S.B. Israel. The trustee of the Notes is Hermetic Trust. On January 29, 2013, S.B. Israel paid an amount equal to NIS46,800,000 for the partial redemption of the Notes' principal.

The Notes Terms contain several covenants of S.B. Israel in favor of the lenders, including a covenant by S.B. Israel that it shall hold Ordinary Shares representing at least 6.2% of all issued shares as unrestricted shares that will not constitute or be classified as or otherwise be counted as part of the "Minimum Founding Shareholders Shares" and/or "Minimum Founding Shareholders Holding" and/or "Minimum Israeli Holding Shares" and/or "Minimum Israeli Holding" within the meaning of the Issuer's articles of association and Section 22A of the MRT License.

The foregoing summaries of the Assumption Agreement and of the Notes Terms are not intended to be complete and are qualified in their entirety by reference to the Assumption Agreement and the Amended and Restated Terms and Conditions of the Notes, copies of which are attached hereto as Exhibit 99.2 and 99.3, respectively, and are incorporated herein by reference.

Leumi Share Purchase Agreement

In addition, on January 29, 2013, S.B. Israel purchased 3,200,000 Ordinary Shares from Leumi Partners Ltd. ("Leumi") pursuant to a share purchase agreement, dated as of January 23, 2013, between S.B. Israel and Leumi (the "Leumi Share Purchase Agreement"). In consideration of the purchase of such Ordinary Shares, S.B. Israel paid to Leumi NIS80,000,000 in cash. Pursuant to the Leumi Share Purchase Agreement, S.B. Israel also paid to Leumi NIS3,500,000 as consideration for the termination of certain pre-existing minority protection rights that had been granted by Scailex to Leumi. See Item 6. The cash payments were provided from general funds available to the Reporting Persons and the applicable subsidiaries, co-investors and affiliates thereof.

Item 4. Purpose of Transaction.

The information set forth in Item 6 of this Statement is hereby incorporated by reference in this Item 4.

The Reporting Persons acquired the Ordinary Shares for investment purposes.

On January 29, 2013, certain directors resigned from the Issuer's board of directors and the following new directors were appointed: Mr. Arieh Saban, Mr. Adam Chesnoff, Mr. Shlomo Rodav, Mr. Fred Gluckman, Mr. Elon Shalev, Mr. Sumeet Jaisinghani and Mr. Yoav Rubinstein.

The Reporting Persons intend to review their investment in the Issuer on a regular basis. 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 or 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 price per share of the Ordinary Shares as well as the Issuer's 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 Shareholders' Agreement (as defined below), 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 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 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.

Item 5. Interest in Securities of the Issuer.

(a) As of the date hereof, the Reporting Persons beneficially own the aggregate number and percentage of outstanding Ordinary Shares set forth below:

Reporting Person	Aggregate Number of Ordinary Shares Beneficially Owned (1)	Percentage of Outstanding Ordinary Shares(2)
S.B. Israel	48,050,000	30.9%
SCG Communication	48,050,000(3)	30.9%
HSAC	48,050,000(3)	30.9%
SCG	48,050,000(3)	30.9%
SCG Investment	48,050,000(3)	30.9%
The Trust	48,050,000(3)	30.9%
Haim Saban	48,050,000(3)	30.9%
Cheryl Saban	48,050,000(3)	30.9%

(1) Does not include Ordinary Shares beneficially owned by the other parties to the Shareholders' Agreement, as to which the Reporting Persons disclaim beneficial ownership. Also does not include 2,983,333 Ordinary Shares that are to be transferred to S.B. Israel on one or more future deferred closing dates pursuant to the terms of the Scailex Share Purchase Agreement. See Item 6. Prior to the time that such Ordinary Shares may be transferred to S.B. Israel, Scailex is deemed to be the beneficial owner of such Ordinary Shares pursuant to Rule 13d-3 under the Act.
(2) Calculated based on 155,645,708 Ordinary Shares outstanding as of January 29, 2013.
(3) By virtue of the relationships reported in Item 2 and pursuant to Rule 13d-3 under the Act, each of such Reporting Persons may be deemed to indirectly beneficially own the 48,050,000 Ordinary Shares beneficially owned by S.B. Israel.

(b) By virtue of the relationships reported in Item 2 and pursuant to Rule 13d-3 under the Act, each of S.B. Israel, SCG Communication, HSAC, SCG, SCG Investment, the Trust, Haim Saban and Cheryl Saban may be deemed to have shared voting and dispositive power with respect to 48,050,000 Ordinary Shares.

As a result of the voting and disposition provisions in the Shareholders' Agreement, the Reporting Persons may also be deemed to be a member of a group, within the meaning of Rule 13d-5 under the Act, with the other shareholders of the Issuer party to the Shareholders' Agreement and to share beneficial ownership over the Ordinary Shares owned by such other shareholders. The filing of this Statement shall not be construed as an admission that the Reporting Persons share beneficial ownership of these Ordinary Shares, and the Reporting Persons expressly disclaim such beneficial ownership.

(c) Except as set forth in this Statement, none of the Reporting Persons has engaged in any transaction during the past 60 days in respect of any Ordinary Shares.

(d) Subject to the conditions set forth in the Scailex Share Purchase Agreement, Scailex has retained the right to receive dividends in respect of the 44,850,000 Ordinary Shares transferred to S.B. Israel on January 29, 2013, in the amount of up to approximately NIS115 million out of the Issuer's distributable profits as of December 31, 2012 for the 2011 and 2012 financial years (the "Dividend Amount"). The Dividend Amount reflects a dividend per share of up to NIS2.56994 per Ordinary Share and will be reduced proportionately insofar as the Issuer's total distributable profits as of December 31, 2012 for the 2011 and 2012 financial years are below NIS400 million.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to the Securities of the Issuer.

Scailex Share Purchase Agreement

On November 30, 2012, S.B. Israel and Scailex entered into the Scailex Share Purchase Agreement, pursuant to which Scailex agreed to sell to S.B. Israel and S.B. Israel agreed to acquire from Scailex a total of 47,833,333 Ordinary Shares, out of which (i) 44,850,000 Ordinary Shares were transferred to S.B. Israel on January 29, 2013, and (ii) 2,983,333 Ordinary Shares are to be transferred by Scailex to S.B. Israel free and clear of any lien on one or more future deferred closing dates, subject to the conditions set forth in the Scailex Share Purchase Agreement. To the extent that such 2,983,333 Ordinary Shares (or a portion

thereof) will not be transferred as described above, then the Dividend Amount (or to the respective portion of the Dividend Amount as described below) will be forfeited by Scailex.

Subject to the conditions set forth in the Scailex Share Purchase Agreement, Scailex has retained the right to receive the Dividend Amount. The Dividend Amount reflects a dividend per share of up to NIS2.56994 per Ordinary Share and will be reduced proportionately insofar as the Issuer's total distributable profits as of December 31, 2012 for the 2011 and 2012 financial years are below NIS400 million. Pro rata to, and concurrent with the receipt by Scailex of, the then relevant portion of the Dividend Amount, Scailex will transfer to S.B. Israel the 2,983,333 deferred Ordinary Shares (or a portion thereof), which shall be transferred free and clear of any and all liens, pursuant to the terms of the Scailex Share Purchase Agreement.

The Scailex Share Purchase Agreement provides that Scailex will indemnify S.B. Israel in respect of damages incurred by S.B. Israel as a result of or related to a breach of any representations made by Scailex in the Scailex Share Purchase Agreement. The Scailex Share Purchase Agreement provides that, subject to the terms and conditions set forth in the Scailex Share Purchase Agreement, Scailex will not be required to indemnify S.B. Israel until the total of the accumulated damages incurred by S.B. Israel exceeds US$1.5 million, in which event Scailex will be liable for the full amount of such damages, subject to the limitations set forth in the Scailex Share Purchase Agreement.

The foregoing summary of the Scailex Share Purchase Agreement is not intended to be complete and is qualified in its entirety by reference to the Scailex Share Purchase Agreement, a copy of which is attached hereto as Exhibit 99.4 and is incorporated herein by reference.

Leumi Share Purchase Agreement

On January 23, 2013, S.B. Israel and Leumi entered into the Leumi Share Purchase Agreement, pursuant to which Leumi agreed to sell to S.B. Israel 3,200,000 Ordinary Shares. See Item 4. Pursuant to the Leumi Share Purchase Agreement, S.B. Israel also paid to Leumi NIS3,500,000 as consideration for the termination of certain pre-existing minority protection rights that had been granted by Scailex to Leumi. Such minority rights included certain veto rights in favor of Leumi, the right of Leumi to designate a member to the board of directors of the Issuer, and tag-along rights and registration rights in favor of Leumi. Pursuant to the terms of the Leumi Share Purchase Agreement, Leumi has also agreed that so long as S.B. Israel or any of its affiliates own the controlling stake in the Issuer, Leumi will not enter into any voting agreement with respect to any Ordinary Shares held by Leumi.

Under the terms of the Leumi Share Purchase Agreement, S.B. Israel will have a right of first opportunity in the event that Leumi seeks to transfer to a third party any Ordinary Shares held by Leumi, subject to the terms and conditions set forth in the Leumi Share Purchase Agreement. The above right of first opportunity will not apply in connection with any sale to a third party by Leumi of up to 440,000 Ordinary Shares during any calendar year.

The foregoing summary of the Leumi Share Purchase Agreement is not intended to be complete and is qualified in its entirety by reference to the Leumi Share Purchase Agreement, a copy of which is attached hereto as Exhibit 99.5 and is incorporated herein by reference.

Shareholders' Agreement

On January 29, 2013, S.B. Israel and Scailex entered into a shareholders' agreement with respect to their holdings of Ordinary Shares, regulating their mutual agreement relative to the Issuer (the "Shareholders' Agreement"). Subject to applicable law, under the Shareholders' Agreement, S.B. Israel and Scailex have agreed to hold a preliminary meeting to coordinate a uniform vote in advance of each shareholders' meeting of the Issuer. This voting arrangement will apply so long as S.B. Israel 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 Ordinary Shares, and which shall be joined to the Shareholders' Agreement (each, a "Joining Third Party"). Decisions pursuant to the Shareholders' Agreement shall be made by a simple majority of the voting rights in the Issuer held by S.B. Israel, Scailex, their respective affiliates and any Joining Third Parties. Pursuant to the Shareholders' Agreement, the parties have agreed to vote in favor of the following items:

a. the appointment of members to the Issuer's board of directors in accordance with the composition specified in the Shareholders' Agreement;

b. the execution of amendments to the Issuer's Articles of Association described in the Shareholders' Agreement;

c. the approval of management agreements between S.B. Israel and/or its affiliates, on the one hand, and the Issuer, on the other hand;

d. the approval of a registration rights agreement among the Issuer, S.B. Israel and Scailex, pursuant to which S.B. Israel and Scailex will be entitled to demand particular rights from the Issuer with respect to the registration of securities of the Issuer under applicable U.S. securities laws;

e. the approval of run-off insurance for certain officers of the Issuer; and

f. the approval of a release, indemnity and insurance for certain officers of the Issuer.

In addition, pursuant to the Shareholders' Agreement, the parties have agreed to vote against the adoption of any resolution or material amendment thereto not discussed at the relevant preliminary meeting.

The Shareholders' Agreement further provides that so long as Scailex and its affiliates cumulatively hold at least 10% of the Issuer's outstanding shares, subject to applicable law, S.B. Israel and its affiliates will not be allowed to approve any of the following actions during the Issuer's general meeting without receipt of Scailex's written consent:

a. a material change in the Issuer's line of business, or entry into a material new line of business;

b. a merger of the Issuer with a communications service-provider, or the acquisition thereof by the Issuer, 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 Ordinary Shares within the scope of a rights offering of the Issuer, the pro-rata receipt of dividends or distributions or a new registration rights agreement;

e. a change in the Issuer's share capital that has a material and disproportionate adverse impact on the rights attached to the Ordinary Shares held by Scailex, or the issuance of a class of shares (or similar security) senior to the Ordinary Shares;

f. voluntary delisting of the Ordinary Shares from the Tel-Aviv Stock Exchange Ltd.; and

g. amendments to the Issuer's Articles of Association that have a material and disproportionate adverse impact on Scailex's rights.

Pursuant to the Shareholders' Agreement, S.B. Israel and Scailex have also agreed to vote their respective Ordinary Shares (including at an annual or special meeting of the Issuer's shareholders) and to take all necessary actions to ensure that the composition of the Issuer's board of directors will be as follows: (a) the majority of the members of the board of directors will be candidates recommended by S.B. Israel; (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 the Issuer'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 the Issuer'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 the Issuer by the Issuer's shareholders that are classified as "Israeli entities". In addition, subject to applicable law, 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 the Issuer's board of directors. The Shareholders' Agreement also provides that the chairman of the Issuer'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 S.B. Israel and its affiliates.

Under the terms of the Shareholders' Agreement, Scailex is 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, S.B. Israel will have a right of first offer in the event that Scailex or any of its affiliates seeks to transfer to a third party 5% or more of the issued and outstanding Ordinary Shares of the Issuer, and if S.B. Israel does not exercise its right of first offer, it will have a right to match with respect to the offered Ordinary Shares in the event an offer from a third party is made, all subject to the terms and conditions 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 in the public market; (b) a sale of Ordinary Shares in the public market; (c) a transfer of Ordinary Shares to a party controlled by Scailex (and which will join Scailex as a party to the Shareholders' 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 the issued and outstanding Ordinary Shares of the Issuer during a consecutive 12-month period.

The Shareholders' Agreement may be terminated by S.B. Israel in the event of a change in control or insolvency event in respect of Scailex, and may be terminated by Scailex, based on reasonable considerations, in the event of a change in control or insolvency event in respect of S.B. Israel. The Shareholders' Agreement will terminate automatically in the event that either Scailex and its affiliates or S.B. Israel and its affiliates cumulatively hold less than 5% of the Issuer's share capital. In addition, the Shareholders' Agreement may be terminated by Scailex or S.B. Israel in the event that Scailex and its affiliates hold more Ordinary Shares than S.B. Israel and its affiliates.

The foregoing summary of the Shareholders' Agreement is not intended to be complete and is qualified in its entirety by reference to the Shareholders' Agreement, a copy of which is attached hereto as Exhibit 99.6 and is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Exhibit 99.1 Joint Filing Agreement, dated as of February 8, 2013, among the Reporting Persons.

Exhibit 99.2 Assumption Agreement, dated as of November 30, 2012, by and between S.B. Israel Telecom Ltd. and Advent Investments Pte. Ltd.

Exhibit 99.3 Amended and Restated Terms and Conditions of the Notes

Exhibit 99.4 Share Purchase Agreement, dated as of November 30, 2012, by and between Scailex Corporation Ltd. and S.B. Israel Telecom Ltd.

Exhibit 99.5 Share Purchase Agreement, dated as of January 23, 2013, by and between Leumi Partners Ltd. and S.B. Israel Telecom Ltd.

Exhibit 99.6 Shareholders' Agreement, dated as of January 29, 2013, by and between Scailex Corporation Ltd. and S.B. Israel Telecom Ltd.

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: February 8, 2013

S.B. ISRAEL TELECOM LTD.

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

SCG COMMUNICATION VENTURES LLC

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

HSAC INVESTMENTS LP

By: /s/ Adam Chesnoff
Name: Adam Chesnoff
Title: President and Chief Operating Officer of Saban Capital Group, Inc., the general partner of HSAC Investments LP

SABAN CAPITAL GROUP, INC.

By: /s/ Adam Chesnoff
Name: Adam Chesnoff
Title: President and Chief Operating Officer

SCG INVESTMENT HOLDINGS, INC.

By: /s/ Adam Chesnoff
Name: Adam Chesnoff
Title: President and Chief Operating Officer

ALPHA FAMILY TRUST

By: /s/ Haim Saban
Name: Haim Saban
Title: Co-Trustee

HAIM SABAN

/s/ Haim Saban

CHERYL SABAN

/s/ Cheryl Saban

Exhibit 99.1

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended, each of the persons named below agrees to the joint filing of a Statement on Schedule 13D (including amendments thereto) with respect to the ordinary shares, par value NIS0.01 per share, of Partner Communications Company Ltd., without the necessity of filing additional joint filing agreements. Each person further agrees that this joint filing agreement be included as an exhibit to such filings, and acknowledges that each person shall be responsible for the timely filing of such amendments, and for the completeness and the accuracy of the information concerning such person contained therein, but shall not be responsible for the completeness or accuracy of the information concerning the other persons, except to the extent that it knows or has reason to believe that such information is inaccurate.

Dated: February 8, 2013

S.B. ISRAEL TELECOM LTD.

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

SCG COMMUNICATION VENTURES LLC

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

HSAC INVESTMENTS LP

By: /s/ Adam Chesnoff
Name: Adam Chesnoff
Title: President & COO of Saban Capital Group, Inc., the general partner of HSAC Investments LP

SABAN CAPITAL GROUP, INC.

By: /s/ Adam Chesnoff
Name: Adam Chesnoff
Title: President and Chief Operating Officer

SCG INVESTMENT HOLDINGS, INC.

By: /s/ Adam Chesnoff
Name: Adam Chesnoff
Title: President & COO

ALPHA FAMILY TRUST

By: /s/ Haim Saban
Name: Haim Saban
Title: Co-Trustee

HAIM SABAN

/s/ Haim Saban

CHERYL SABAN

/s/ Cheryl Saban

Exhibit 99.2

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ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (including all Exhibits hereto, as may be amended, supplemented, or otherwise modified from time to time, the "**Agreement**") is made on November 30, 2012.

BETWEEN

(1) **S.B. ISRAEL TELECOM LTD**., a company incorporated under the laws of the State of Israel under company number 51-484322-6, with its principal place of business at c/o Zellermayer, Pelossof, Rosovsky, Tsafrir, Toledano & Co., the Rubinstein House, 20 Lincoln Street, Tel Aviv 67134 ("**SPV**"), which, as of the date hereof, is directly or indirectly Controlled (as such term is defined in the Amended and Restated Conditions) by Haim and/or Cheryl Saban and/or their heirs; and

(2) **ADVENT INVESTMENTS PTE LTD**., a company incorporated under the laws of Singapore, with its principal place of business at**1** Coleman Street, #08-07 The Adelphi, Singapore ("**Advent**").

Any capitalized terms used herein shall have the meanings ascribed to such terms hereunder.

WHEREAS

(A) On October 28, 2009 Scailex Corporation Ltd. ("**Scailex**") and Hermetic Trust (1975) Ltd. (the "**Trustee**") entered into a certain Trust Deed (such trust deed as amended by Amendment No. 1 on March 15, 2010, the "**Original Trust Deed**") relating to the US$300,000,000 in aggregate principal amount of Fixed Rate Secured Bullet Notes due April 27, 2014 (the "**Notes**"), to which certain Terms and Conditions relating to such Notes were attached as Schedule 2 (the "**Original Conditions**");

(B) On October 28, 2009 Scailex and Advent entered into a certain Placement Agreement (such Placement Agreement as amended by Amendment No. 1 on March 15, 2010, the "**Original Placement Agreement**") pursuant to which, on the Purchase Date (as defined therein), Scailex issued and Advent purchased US$ 300,000,000 of the Notes, constituting 100% of the Notes;

(C) The Notes are registered for trading on the TACT (Tel-Aviv Continuous Trading) Institutional Board of the Tel Aviv Stock Exchange (מערכת המסחר למוסדיים) ("**TACT**");

(D) Scailex' obligations and liabilities towards the Noteholders (as defined in the Amended and Restated Conditions, the "**Noteholders**") under the Original Issue

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Documents are secured by (A) a Debenture dated October 28, 2009 (such Debenture together with all Schedules, Annexes and Exhibits attached thereto, including the irrevocable instructions provided thereunder to Partner, the "**First Debenture**"), pursuant to which Scailex created a first ranking fixed charge over 17,142,858 ordinary shares of Partner Communications Company Ltd. (a company incorporated under the laws of the State of Israel under company number 520044314, "**Partner**") with par value of NIS 0.01 each (the "**First Portion of the Pledged Shares**"), together with all rights and privileges attached to such First Portion of the Pledged Shares or connected therewith (including, without limitation, dividends and participation in any distributions, bonus shares, voting rights, and any other right vested in the holder of the relevant shares or other equity securities under any applicable law and the articles of incorporation of a company, collectively, "**Related Rights**") and a first ranking fixed and floating charge over account no. 101-014504 in the name of Scailex at HSBC Bank plc. (Tel-Aviv branch) (including, without limitation, all amounts and assets deposited therein from time to time); and (B) a Debenture dated March 28, 2010 (such Debenture together with all Schedules, Annexes and Exhibits attached thereto, including the irrevocable instructions provided thereunder to Partner, the "**Second Debenture**" and together with the First Debenture, the "**Original Debentures**"), pursuant to which Scailex created a first ranking fixed charge over 1,913,862 ordinary shares of Partner with par value of NIS 0.01 each (the "**Second Portion of the Pledged Shares**" and together with the First Portion of the Pledged Shares, the "**Existing Pledged Shares**"), together with all Related Rights;

(E) Together with the Original Trust Deed and the Notes, the Original Conditions attached to the Original Trust Deed, the Original Placement Agreement and the Original Debentures, Noteholders, Scailex and the Trustee have executed several other ancillary Issue Documents (as such term is defined in the Original Conditions, and all such Issue Documents and ancillary documents together with the Original Trust Deed, the Original Conditions attached to the Original Trust Deed, the Original Placement Agreement and the Original Debentures are collectively referred to as the "**Original Issue Documents**");

(F) The SPV contemplates a transaction, whereby, *inter alia*: (A) on the Effective Date, SPV will acquire the Existing Pledged Shares from Scailex and will acquire from Scailex an additional 25,793,280 ordinary shares of Partner with par value of NIS 0.01 each (the "**First Portion of the Additional Shares**"), such that immediately following the Effective Date, the Existing Pledged Shares together with the First Portion of the Additional Shares will constitute an aggregate of 44,850,000 ordinary shares of Partner, representing, immediately after purchase thereof approximately 28.8% per cent. of Partner's issued and paid up share capital; (B) no later than 6 months following the Effective Date, SPV may acquire additional 3,166,667 ordinary shares of Partner with par value of NIS

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0.01 each (the "**Second Portion of the Additional Shares**"), such that immediately following such date, the Existing Pledged Shares together with the First Portion of the Additional Shares and the Second Portion of the Additional Shares will constitute an aggregate of 48,016,667 ordinary shares of Partner (representing, immediately after purchase thereof approximately 30.8% per cent. of Partner's issued and paid up share capital), all subject to Clause 1(C)(a) of this Agreement; and (C) SPV may acquire from Scailex only (and not from any other third party) additional 2,983,333 ordinary shares of Partner with par value of NIS 0.01 each, subject to Clause 1(C)(b) of this Agreement (the "**Third Portion of the Additional Shares**" and together with the First Portion of the Additional Shares and the Second Portion of the Additional Shares, the "**Additional Shares**"), such that immediately following such date, the Existing Pledged Shares together with the Additional Shares (collectively, the "**Purchased Shares**") will constitute an aggregate of 51,000,000 ordinary shares of Partner, representing, immediately after purchase thereof, approximately 32.8% of Partner's issued and paid up share capital;

(G) Pursuant to the terms of the contemplated transactions described in clause F of the preamble of this Agreement, the SPV contemplates an Assumption of all rights, obligations and liabilities under the Original Issue Documents, as evidenced by the Notes and as amended by this Agreement and the other New Issue Document, and Advent is willing to consent to such contemplated transactions and to such Assumption, all subject to and in accordance with the terms set out herein.

IT IS AGREED as follows:

(1) **ASSUMPTION**.

On the terms and subject to the conditions contained in this Agreement, on the Effective Date, Scailex will assign and SPV will assume all of such obligations, liabilities and rights of Scailex in and under the Original Issue Documents, as amended and restated by the New Issue Documents, and SPV shall agree to pay, perform, observe and discharge, fully and timely, all liabilities and obligations assumed in and under the Original Issue Documents, as evidenced by the Notes, as amended and restated by the New Issue Documents, *provided, however*, that such assumption shall be effective from the Effective Date and that the SPV shall not be liable for, or from any failure of Scailex to perform under the Original Issue Documents on or prior to the Effective Date, including, without limitation, any breach of, or default under, the Original Issue Documents as evidenced by the Notes, by Scailex on or prior to the Effective Date (such liability due to failure to perform under the Original Issue Documents, "**Pre Closing Liabilities**"), such assumption to be made subject to and in accordance with the following modifications, accommodations and undertakings (the "**Assumption**" and the "**Assumption Transactions**", respectively):

(A) **On the Effective Date**:

(a) This Agreement replaces and constitutes an amendment and restatement of the Original Placement Agreement;

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(b) A notice regarding the de-registration of the Notes from the TACT shall be filed with the Tel Aviv Stock Exchange together with all other filings, procedures and actions which are required in connection thereby for the purpose of de-registering the Notes from the TACT;

(c) The Trust Deed shall be amended and restated in the form attached hereto as **Exhibit 1** (the "**Amended and Restated Trust Deed**");

(d) The Original Conditions shall be amended and restated, in accordance with the form attached hereto as **Exhibit 2** (the "**Amended and Restated Conditions**");

(e) SPV shall issue certificates representing the Notes evidencing the obligations and liabilities to be assumed under the New Issue Documents in connection with the Assumption, in the forms attached hereto as **Exhibit 3**, such certificates representing in the aggregate NIS 1,166,100,000 (One Billion One Hundred and Sixty Six Million and One Hundred Thousand New Israeli Shekels) Fixed Rate Secured Bullet Notes due on the seventh anniversary of the Effective Date (the "**Amended and Restated Certificate**");

(f) All obligations under the Original Issue Documents, as amended and restated by the New Issue Documents, will be assumed by the SPV, except for the Pre Closing Liabilities; For the avoidance of doubt, no funds shall be transferred from the Noteholders to the SPV as consideration for the Assumption; and

(g) All Original Issue Documents will be amended and restated in the manner set out herein.

(B) **Additionally, on the Effective Date**:

(a) The Existing Pledged Shares will be sold by Scailex to the SPV pursuant to the Acquisition Documents subject to the pledges and charges created under the Original Debentures over such Existing Pledged Shares which will remain attached to the Existing Pledged Shares and shall continue to secure obligations under the Original Issue Documents evidenced by the Notes, as assumed under the

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Assumption and be amended and restated in accordance with this Agreement and the other New Issue Documents and: (i) the Original Debentures will be amended and restated in accordance with the forms attached hereto together as **Exhibit 4** (the "**Amended and Restated Original Debentures**") and the Existing Pledged Shares shall be transferred to the Distribution Bank Account, such Amended and Restated Original Debentures will be stated to be effective as of their original date of creation and will be filed with the Israeli Registrar of Companies as a lien of the SPV on or prior to the Effective Date; and (ii) 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.

(b) The following pledges and charges shall be created in favour of the Trustee for the benefit of the Trustee and the Noteholders and be filed with the Israeli Registrar of Companies, the Israeli Registrar of Pledges and with the U.S. authorities, as applicable:

(i) SPV shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders the First Portion of the Additional Shares (which will be deposited in the Distribution Bank Account), by a first ranking fixed pledge and charge, together with all Related Rights, in accordance with the form of Debenture attached hereto as **Exhibit 5** (the "**Debenture over the First Portion of the Additional Shares**").

(ii) SPV shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders, by a first ranking fixed pledge and charge and by way of an assignment by way of charge, all of its rights in and under the Share Purchase Agreement dated November 30, 2012 between Scailex and the SPV and the Shareholders Agreement to be entered into between Scailex and the SPV in connection therewith and all other documentation governing the Acquisition Transactions, copies of which are attached hereto together as **Exhibit 6** (the "**Acquisition Documents**"), including, without limitation, all of SPV's rights to receive indemnity amounts (other than costs payable to third parties incurred by the SPV for which indemnification is provided to the SPV under the Acquisitions Documents) from Scailex or from any other third party which is a party to or guarantees such Acquisition Documents. Advent acknowledges that it

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has been advised that the terms of the Acquisition Documents restrict the assignment by the SPV of certain rights contained in such documents. All such pledges and charges to be made in accordance with the form of Debenture attached hereto as **Exhibit 7** (the "**Debenture over the Acquisition Documents**"), which shall provide that such debenture shall not derogate from the rights of the SPV to receive any such indemnity amounts and to operate all rights under the Acquisition Documents, unless and until any Default or an Event of Default (each as defined in the Amended and Restated Conditions) has occurred and is continuing.

(iii) SCG Communication Ventures LLC ("**SCG**") shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders, and shall procure that any other shareholder of the SPV as of the Effective Date (if any) shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders, by a first ranking fixed pledge and charge, all of the shares of the SPV or of such other shareholder of the SPV (as applicable), all such shares constituting as of the Effective Date 100% of the issued and outstanding share capital of the SPV, together with all Related Rights, in accordance with the form of Debenture attached hereto as **Exhibit 8** (the "**Debenture over the SPV's Shares**"), *provided, however*, that the Debenture over the SPV's Shares shall not limit SCG from selling shares in the SPV (and the Noteholders will direct the Trustee to release from the Debenture over the SPV's Shares (created by SCG) such sold shares in the SPV), *subject, however*, to all restrictions contained in the New Issue Documents on the change of control and change of ownership structure of the SPV, and that any consideration paid for the sale of any shares in the SPV which are not restricted under the New Issue Documents shall not be subject to the "waterfall" limitations imposed under Clause 7(c) of the Amended and Restated Conditions and may be transferred to the SPV's shareholders.

(iv) (A) SPV will provide irrevocable instructions to Partner, in the form attached hereto as **Exhibit 9** ("**Partner Irrevocable Instructions**"), such Irrevocable Instructions to provide that (1) any and all dividends payable in respect of the Purchased Shares (whether such Purchased Shares are

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purchased on or following the Effective Date), will be paid and deposited by Partner directly into a bank account in the name of the SPV ("**Distribution Bank Account**"); (2) notwithstanding Sub-Clause (1) above, the first dividends distributed by Partner in an aggregate amount of NIS 115,261,771 will be paid to a trust account in the name of the SPA Escrow Agent; and (3) all other Income (other than the dividends referred to in sub-Clause 1(b)(iv)(A)(2) above) to be paid and deposited by Partner directly into the Distribution Trust Account; (B) the Existing Pledged Shares and all other Purchased Shares pledged under the Additional Debentures shall be deposited in the Distribution Bank Account; (C) SPV shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders by a first ranking fixed pledge and charge all of its rights in and to the Distribution Bank Account and funds and assets deposited therein on and promptly after the Effective Date, and by way of a first ranking floating charge all of its rights in and to the Distribution Bank Account and the funds and assets which will be deposited and maintained in the Distribution Bank Account in the future from time to time, such pledges and charges, in the form of Debenture attached hereto as **Exhibit 10** (the "**Distribution Bank Account Debenture**"); (D) SPV shall provide the bank maintaining the Distributions Bank Account with irrevocable instructions, in the form attached hereto as **Exhibit 10A** ("**Bank Irrevocable Instructions**"), duly acknowledged by the bank maintaining the Distribution Bank Account, pursuant to which, *inter alia*, any action in connection with or in respect of the Distribution Bank Account, including, without limitation, withdrawal of monies, funds, the Existing Pledged Shares and all other Purchased Shares pledged under the Additional Debentures which shall be deposited in the Distribution Bank Account, and/or other equity securities or assets deposited in the Distribution Bank Account, shall be subject to and mandatorily require two confirmatory signatures, one by an authorized signatory on behalf of the SPV and the other by an authorized signatory on behalf of the Trustee, in accordance with the form of instructions attached as Annex A to the Bank Irrevocable Instructions ("**Distribution Bank Account Withdrawal Instructions**"), *and the following agreements shall apply:* (1) within no later than the third Business Day following the deposit of any funds in the Distribution Bank Account (other than with respect to the Second Portion Consideration if deposited in it, the transfer of which shall be governed by Clause 1(C)(a) below), the SPV will sign the Distribution Bank Account Withdrawal Instructions regarding all funds then deposited in the Distribution Bank Account instructing the bank at which the Distribution Bank Account is held to transfer all monies and funds deposited therein to a certain trust account (the "**Distribution Trust Account**") to be maintained in the name of the Trustee and deliver such signed Distribution Bank Account Withdrawal Instructions to the Trustee, and upon instruction from Noteholders holding at least 66.7% of the Principal Outstanding Amount of the Notes (as defined in the Amended and Restated Conditions), the Trustee shall also sign and confirm such Distribution Bank Account Withdrawal Instructions and these will be submitted to the bank at which the Distribution Bank Account is held; and (2) failure by the SPV to provide such Distribution Bank Account Withdrawal Instructions to the Trustee as detailed in the preceding Sub-Clause (1) shall be deemed as an "Event of Default" under the Amended and Restated Conditions and the other New Issue Documents; (E) Two additional trust accounts will be opened and maintained by the Trustee, the first in respect of the Second Portion Consideration ("**Second Portion Trust Account**"), and the second in respect of the Third Portion Consideration ("**Third Portion Trust Account**", and together with the Distribution Trust Account and the Second Portion Trust Account, the "**Trust Accounts**"); and SPV shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders by a first ranking fixed pledge and charge all of its rights in and to the Trust Accounts and funds deposited therein on and promptly

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after the Effective Date, and by way of a first ranking floating charge all of its rights in and to the Trust Accounts and the funds which will be deposited and maintained in the Trust Accounts in the future from time to time, such pledges and charges in the form of Debenture attached hereto as **Exhibit 11** (the "**Trust Bank Account Debenture**"); and (F) SPV shall irrevocably instruct the Trustee, pursuant to the form attached hereto as **Exhibit 11A** ("**Trustee Irrevocable Instructions**"), that (1) all funds deposited from time to time in the Distribution Trust Account shall be released to the SPV and the Noteholders in accordance with and subject to the "waterfall" provision included in Clause 7(c) of the Amended and Restated Conditions, (2) all funds deposited from time to time in the Second Portion Trust Account shall be released to the SPV and the Noteholders in accordance with the provisions of Clause 1(C)(a) of this Agreement, and (3) all funds deposited from time to time in the Third Portion Trust Account shall be released to the SPV and the Noteholders in accordance with the provisions of Clause 1(C)(b) of this Agreement, all subject to the exceptions therein and immediately upon receipt thereof.

(v) The following instruments shall be defined as the "**Debentures at the Effective Date**": the Amended and Restated Original Debentures, the Debenture over the First Portion of the Additional Shares, the Debenture over the Acquisition Documents, the Debenture over the SPV's Shares, the Partner Irrevocable Instructions, the Distribution Bank Account Debenture, the Bank Irrevocable Instructions, the Trustee Irrevocable Instructions, the Trust Bank Account Debenture, and all Exhibits, Schedules and Annexes attached thereto.

(vi) If the Second Portion of the Additional Shares or any part thereof shall not be purchased by the SPV on or before the Effective Date, and pledged in favour of the Trustee for the benefit of the Trustee and the Noteholders immediately upon consummation of such purchase, then the following provisions shall apply: (A) an amount of NIS 79,166,675 (the "**Second Portion Consideration**") less the product of: (x) the number

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of Second Portion of the Additional Shares purchased and pledged in accordance with the terms hereof prior to or on the Effective Date, *multiplied by* (y) NIS 25 per share, will be deposited by the SPV on or prior to the Effective Date in the Second Portion Trust Account; and/or the Distribution Bank Account and (B) any part of the Second Portion Consideration which will be deposited in the Second Portion Trust Account will be part of and subject to the Trust Bank Account Debenture and shall be subject to the provisions of Clause 1(C)(a) of this Agreement and any part of the Second Portion Consideration which will be deposited in the Distribution Bank Account will be part of and subject to the Distribution Bank Account Debenture and shall be subject to the provisions of Clause 1(C)(a) of this Agreement.

(C) **Following the Effective Date**:

(a) Second Portion of the Additional Shares.

(i) For the purpose of this Clause 1(C)(a), "**Second Portion Consideration Purchase Price**" shall mean the lesser of: (x) NIS 25; and (y) the share market value of each Second Portion of Additional Shares, as quoted on the Tel Aviv Stock Exchange in the preceding trading day prior to the purchase of such shares.

(ii) The following shall apply with respect to the Second Portion of the Additional Shares:

(1) The purchase of all or part of the Second Portion of the Additional Shares (such purchase to be carried out not later than 6 (six) months following the Effective Date (such date the "**6 Month Anniversary**"), may be made at the discretion of the SPV either by (x) use of the funds deposited in the Second Portion Trust Account, provided, however, that SPV's right to withdraw funds from the Second Portion Trust Account to purchase shares constituting part of the Second Portion of the Additional Shares shall be limited to purchases in an average price per share not exceeding at any given time the Second Consideration Purchase Price and provided further that such purchase of shares shall only be effected if, concurrently with such withdrawal of funds, those shares constituting part of the Second Portion of the Additional Shares being purchased using such funds, shall be deposited in the Distribution Bank Account; or (y) if, all or part of the Second Portion Consideration was deposited in the Distribution Bank Account on or prior to the Effective Date, such portion of the Second Portion Consideration so deposited may be used by the SPV to purchase shares constituting part of the Second Portion of Additional Shares, *provided, however*, that SPV's right to withdraw funds from the Distribution Bank Account to purchase shares constituting part of the Second Portion of the Additional Shares shall be: (1) limited to such portion of the Second Portion Consideration actually deposited in the Distribution Bank Account and shall not apply to any other funds deposited therein after the Effective Date; (2) limited to purchases in an average price per share not exceeding at any given time the Second Consideration Purchase Price; (3) shall only be effected if, concurrently with such withdrawal of funds, those shares constituting part of the Second Portion of the Additional Shares being purchased using such funds, shall be deposited in the Distribution Bank Account (as evidenced by the records of the bank maintaining the Distribution Bank Account on the day following the deposit); and *the following agreements shall apply*; (1) on the third Business Day following the Effective Date, any funds in the Distribution Bank Account, constituting part of the Second Portion Consideration, will be transferred to the Second Portion Trust Account and will be used in accordance with this Clause 1(C)(a) (and if until such time, the SPV shall have deposited in the Distribution Bank Account funds exceeding the Second Portion Consideration, then the SPV shall instruct the bank at which the Distribution Bank Account is held to transfer such excess funds to a specific "Expense Account" (as defined in the Bank Irrevocable Instructions); (2) no later than the third Business Day following the Effective date, the SPV will sign instructions to bank at which the Distribution Bank Account is held to so transfer the funds constituting part of the Second Portion Consideration as described in the preceding Sub-Clause (1) and deliver such signed instructions to the Trustee, and upon instruction from Noteholders holding at least 66.7% of the Principal Outstanding Amount of the Notes (as defined in the Amended and Restated Conditions), the Trustee shall also sign and confirm such instructions and these will be submitted to the bank at which the Distribution Bank Account is held ; and (3) failure by SPV to act in accordance with the preceding Sub-Clause (2) shall be deemed as an "Event of Default" under the Amended and Restated Conditions and the other New Issue Documents; and/or (z) from SPV's resources (which, for the avoidance of doubt, do not include funds deposited or to be deposited from time to time in the Distribution Bank Account or the Trust Accounts), (*subject, however,* to the limitations on the ability of the SPV to incur obligations or indebtedness pursuant to Clause 5 (e) of this Agreement). For the purpose of this Clause 1(C)(a)(ii)(1), and Clause 1(B)(b)(iv) "Business Day" means a day on which banks are open for business in the State of Israel and the State of New York.

Immediately upon and subject to the purchase of all or part of the Second Portion of the Additional Shares by the SPV, SPV shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders, by a first ranking fixed pledge and charge, the Second Portion of

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the Additional Shares or any portion thereof so purchased (such purchased shares will be deposited in the Distribution Bank Account), together with all Related Rights, in accordance with the form of Debenture attached hereto as **Exhibit 12** (the "**Debenture over the Second Portion of the Additional Shares**").

In case of use of SPV's resources, SPV shall be entitled to be repaid from the Second Portion Trust Account, as provided in sub-Clause 1(C)(a)(ii)(2) below, at any time after the Effective Date; and

(2) On the first Business Day after the day on which shares constituting part of the Second Portion of the Additional Shares have been purchased by the SPV and pledged in favour of the Trustee and the Noteholders as required in sub-Clause 1(C)(a)(ii)(1) of this Agreement, the following shall apply: an amount reflecting the ratio between the aggregate number of the Second Portion of the Additional Shares so purchased and pledged as aforesaid using SPV's resources and the aggregate number of all Second Portion of the Additional Shares *multiplied by* the Second Portion Consideration Purchase Price, will be transferred to the SPV from the Second Portion Trust Account and shall also be released from the Trust Bank Account Debenture, such amount may be transferred by the SPV to the SPV's shareholders.

(iii) All remaining balance of the Second Portion Trust Account (including all funds constituting part of the Second Portion Consideration which were transferred to the Second Portion Trust Account from the Distribution Bank Account on the third Business Day following the Effective Date, as a foresaid) at the 6 Month Anniversary, shall be applied and used to prepay outstanding amounts under the New Issue documents, evidenced by the Notes.

(iv) For the removal of doubt, if prepayment in the amount of the Second Portion Consideration (as adjusted above) is duly made under this Clause 1(C)(a) (or any combination of a purchase and pledge of portion of the Second Portion of the Additional Shares together with prepayments of the Notes in such corresponding amounts relating to shares not purchased and pledged is duly made), the fact that the Second Portion of the Additional Shares (or any part thereof) is not purchased by the SPV and pledged in favour of the Trustee for the benefit of the Trustee and the Noteholders, will not in and by itself be considered as an Event of Default or a Default under the New Issue Documents (as such terms are defined therein).

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(b) Third Portion of the Additional Shares.

(i) For purposes of this Clause 1(C)(b):

(1) Any amount distributed by Partner in respect of the "Scailex 2012 Dividend Amount" (as defined in the Amended and Restated Conditions, which for the avoidance of doubt is payable strictly in respect of the Existing Pledged Shares and the First Portion of the Additional Shares) shall be referred to herein as the "**Special Dividend**".

(2) The date falling 7.5 months following the Effective Date shall be referred to herein as the "**7.5 Month Anniversary**".

(3) Any part of the Special Dividend to which Scailex is not entitled pursuant to the Acquisition Documents shall be referred to as the "**Forfeited Scailex Dividend**".

(ii) Any Forfeited Scailex Dividend (up to a maximum amount of NIS 115,261,771 in accordance with the provisions of this Clause 1(C)(b)) shall be immediately deposited in the Third Portion Trust Account on or prior to the 7.5 Month Anniversary and will be applied and used to prepay outstanding amounts under the New Issue Documents, evidenced by the Notes.

(iii) At the Effective Date, SPV shall provide the Trustee with a written acknowledgement and confirmation from the SPA Escrow Agent, in the form attached to this Agreement as Exhibit 19 below.

(iv) Immediately upon and subject to the purchase of the Third Portion of the Additional Shares, SPV shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders, by a first ranking fixed pledge and charge, the Third Portion of the Additional Shares or any portion thereof (such purchased shares will be deposited in the Distribution Bank Account), together with all Related Rights, in accordance with the form of Debenture attached hereto as **Exhibit 13** (the "**Debenture over the Third Portion of the Additional Shares**" and together with the Debenture over

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the Second Portion of the Additional Shares and the Debentures at the Effective Date, the "**Additional Debentures**", and together with this Agreement, the Amended and Restated Trust Deed, the Amended and Restated Conditions and the Amended and Restated Certificate, and any Schedules, Annexes and Exhibits hereto, the "**New Issue Documents**").

Without derogating from the above mentioned obligations of the SPV, on the Effective Date, the SPV shall authorize the Trustee to pledge in favour of the Trustee to the benefit of the Trustee and the Noteholders, the Third Portion of the Additional Shares or any part thereof which is purchased by the SPV and is required to be pledged in accordance with the provisions of this Agreement, and for such purposes, the Trustee shall be entitled and empowered on behalf of the SPV and in its name and place to sign and execute the Debenture over the Third Portion of the Additional Shares and subsequent amendments intended to create a pledge over the Third Portion of the Additional Shares so purchased, to fill in the date and description of the Third Portion of the Additional Shares as the pledged shares and other related assets in and under such debentures which shall be substantially in the form of the Amended and Restated Debenture and amendments thereto and to sign, execute and deliver all ancillary documents, forms and instruments and to perform all such acts as required for the filing and registration of such debentures and amendments with the Registrar of Companies.

(v) If the Third Portion of the Additional Shares or any portion thereof shall not have been purchased in full and pledged in accordance with the terms hereof until the 7.5 Month Anniversary, then at the 7.5 Month Anniversary, SPV shall pay to the Trustee, for the benefit of the Noteholders, an amount equal to NIS 74,583,325 (the "**Third Portion Consideration**") less: (1) the product of: (x) the number of Third Portion of the Additional Shares purchased and pledged in accordance with the terms hereof prior to or on the 7.5 Month Anniversary, *multiplied by* (y) NIS 25 per share; and less (2) any Forfeited Scailex Dividend (such Third Portion Consideration less the amounts specified under (1) and (2) above, the "**Top Up Amount**").

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(vi) On the 7.5 Month Anniversary, the aggregate of all Forfeited Scailex Dividend *plus* the Top Up Amount will be applied and used to prepay outstanding amounts under the New Issue Documents, evidenced by the Notes.

(vii) If: (i) all of the Third Portion of the Additional Shares shall have been purchased and pledged in accordance with the terms hereof until the 7.5 Month Anniversary; and/or (ii) any combination of such Third Portion of the Additional Shares shall have been so purchased and pledged (each valued at NIS 25 per Share) together with cash received in respect of the Forfeited Scailex Dividend, equals at least NIS 74,583,325 (either of the above, a "**Release Event**"), then SPV shall not be required to pay any Top Up Amount.

(viii) Following the 7.5 Month Anniversary the following shall apply:

(1) Immediately upon and subject to the purchase and/or receipt by the SPV of any additional Third Portion of Additional Shares, SPV shall pledge in favour of the Trustee for the benefit of the Trustee and the Noteholders, such purchased shares by a first ranking fixed pledge and charge, in accordance with the form attached hereto as Exhibit 13; and

(2) If subsequent to the 7.5 Month Anniversary additional cash proceeds are deposited in the Third Portion Trust Account in respect of the Forfeited Scailex Dividend, then the first amounts so deposited shall be paid to the SPV up to an amount equal to the Top Up Amount. Amounts so received by the SPV may be distributed to the SPV's shareholders and shall not be subject to the "waterfall" as per Clause 7(c) of the Amended and Restated Conditions.

(ix) Following the payment of the Top Up Amount to the SPV as indicated in the preceding sub-Clause 1 (C)(b)(viii)(2), any remaining amount attributable to the Forfeited Scailex Dividend shall be applied and used to prepay outstanding amounts under the New Issue Documents, evidenced by the Notes.

(x) For the removal of doubt, if prepayment in an amount of the Third Portion Consideration (as adjusted above) is duly

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made under this Clause 1(C)(b) of this Agreement (or any combination of a purchase and pledge of a portion of the Third Portion of the Additional Shares and prepayments of the Notes in such corresponding amounts relating to shares not purchased and pledged), the fact that the Third Portion of the Additional Shares (or any part thereof) is not purchased by the SPV and pledged in favour of the Trustee for the benefit of the Noteholders, will not in and by itself be considered as an Event of Default or a Default under the New Issue Documents (as such terms defined therein).

(c) (A) Any prepayment of the Notes which is made in accordance with Clauses 1(C)(a) or 1(C)(b) of this Agreement shall not be subject to the "waterfall" limitations imposed under Clause 7(c) of the Amended and Restated Conditions. Similarly, payments to the SPV under Clause 1(C)(b) of this Agreement shall not be subject to the above "waterfall" and SPV shall be entitled to pay such amounts to its shareholders; and (B) any breach of SPV's undertakings and obligations under such Clauses 1(C)(a) or 1(C)(b) of this Agreement shall constitute an "Event of Default" under the Amended and Restated Conditions.

(D) Unless a Default or an Event of Default (as such terms are defined in the Amended and Restated Conditions) has occurred and is continuing, the SPV shall retain all voting rights with respect to any Purchased Shares pledged under the Additional Debentures, *provided, however*, that (i) the SPV shall not vote the Purchased Shares in any manner which may adversely affect the Noteholders' rights under the New Issue Documents, evidenced by the Notes; and (ii) SPV's rights to vote the Purchased Shares shall be subject to the terms and conditions set forth in this respect under the Amended and Restated Conditions.

(E) On the Effective Date and subject to the closing and consummation of the Assumption Transactions and the Acquisition Transactions, Advent and Scailex shall sign a mutual a waiver and release letter in the form attached hereto as **Exhibit 14**, which will be confirmed by the Trustee and the SPV.

(F) On or before the Effective Date, the SPV shall notify the Trustee of the identity of the person to be nominated as Chairman of Partner's Board of Directors and Chief Executive Officer.

(G) For the purpose of this Agreement, the "**Effective Date**" means the date of the closing of the Acquisition Transactions which shall take place concurrently with the closing of the Assumption Transactions, *provided*,

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that, all the Conditions Precedent set forth in Clause 2 of this Agreement shall have been satisfied or waived no later than such day (such waiver to be made by such party who is entitled to waive the applicable Condition Precedent), in accordance with the terms of this Agreement and Clause 3 of this Agreement.

(2) **CONDITIONS PRECEDENT**.

Advent's and SPV's obligations to consummate and perform the Assumption and the other transactions contemplated by the Assumption Transactions under this Agreement and the New Issue Documents shall be subject to the satisfaction or waiver by the relevant party of all of the following conditions precedent ("**Conditions Precedent**"):

(a) *Certain Payments.*

(1) All 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), as calculated in the attached **Exhibit 15**, shall have been paid irrevocably and completely by Scailex to the Noteholders; and

(2) SPV shall have delivered to the Trustee a written certificate, not later than three (3) Business Days before the Effective Date, evidencing that an amount of NIS 46,800,000 has been deposited in an escrow account in the name of a trustee, satisfactory to the Trustee, such amount will be applied at the Effective Date and subject to closing of the Assumption Transactions, to make a "Mandatory Initial Partial Redemption", as defined in and required by the Amended and Restated Conditions and shall be returned promptly to SPV if closing of the Assumption Transactions does not occur.

(b) *Scailex' Approvals and Undertakings.*

Scailex shall provide the confirmations and undertaking in the forms attached hereto as **Exhibit 16A** and **Exhibit 16B**, such confirmations and undertakings constitute an "Issue Document" (as defined in the Original Issue Documents).

(c) *Scailex' Bondholders' Approval; Alternative Court Approval.*

(i) Scailex' bondholders (series A-D, F-I and series 1 and any other series outstanding as at the Effective Date, other than

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series E, collectively "**Scailex' Bondholders**"), shall have approved in writing the Assumption Transactions and the purchase of the Purchased Shares by SPV and all other ancillary transactions contemplated in connection thereby under the Acquisition Documents (collectively, the "**Acquisition Transactions**"), such approvals to be in the form attached hereto as **Exhibit 17** ("**Scailex' Bondholders' Approval**") and given in accordance with and pursuant to all requirements set out under applicable law and under the terms of the trust deeds of each outstanding series of Scailex' Bondholders, by such majority and in accordance with such terms as required under the trust deeds governing each such series of Scailex' Bondholders;

(ii) Alternatively, in the event the Scailex' Bondholders' Approval is not obtained timely as provided in Clause 3(a) of this Agreement, a competent court shall have approved (in a proceeding under sections 350 and/or 351 of the Companies Law, 1999) a scheme of arrangement to be based on substantially the same terms and conditions set forth under this Agreement and the New Issue Documents and the Acquisition Documents (an "**InCourt Arrangement**" and "**Court Approval**", respectively), and such Court Approval shall be deemed sufficient to satisfy the Condition Precedent set forth under this Clause 2(c).

(d) *Acquisition Transactions*.

(i) The SPV is entitled pursuant to the Acquisition Documents to recommend the nomination of the majority of the directors to Partner's board of directors (such directors to be appointed at the Effective Date); and

(ii) All conditions precedent to the closing and consummation of the Acquisition Transactions and the Assumption Transactions (including, without limitation, the approval of the Israeli Ministry of Communication and the Israeli Antitrust Commissioner (collectively, "**Special Regulatory Approvals**") shall have been satisfied or duly waived and the Acquisition Transactions shall have been completed and the Purchased Shares (other than the Second Portion of the Additional Shares and the Third Portion of the Additional Shares) shall have been purchased by SPV pursuant to the Acquisition Documents at the Effective Date.

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(e) *Creation of Pledges and Charges.*

The pledges and charges created by the Debentures at the Effective Date shall have been duly created in favour of the Trustee for the benefit of the Noteholders and filed with the Israeli Registrar of Companies, the Israeli Registrar of Pledges and U.S. authorities (as applicable) as a lien on the SPV, such Israeli filings to be stamped "received" by the applicable authorities in Israel and reasonably satisfactory to the Trustee.

(f) *SPV's Articles of Association*.

SPV's Articles of Association shall be amended in accordance with the form attached hereto as **Exhibit 18**.

(g) *Nomination to SPV's Board of Directors*.

Mr. Adam Chesnoff or another senior officer of Saban Capital Group (to be approved by the Trustee, such approval not to be unreasonably withheld) has been nominated to the board of directors of the SPV.

(h) *No Impediment.*

There shall be no impediment, restriction, limitation or prohibition imposed under law and/or by any governmental body and/or under any temporary, provisional or permanent award, decision, injunction, judgment, order ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other governmental body or by any arbitrator, to close and consummate the transactions contemplated by the New Issue Documents and the Acquisition Documents, or to provide the security interests to be created under the Additional Debentures.

(i) *Representation and Warranties True and Accurate.*

The representations and warranties by the parties in this Agreement and the other New Issue Documents shall be true and correct on the Effective Date and SPV shall have delivered to the Trustee a certificate evidencing the same with respect to the representations and warranties provided by it on the Effective Date, signed and delivered by SPV's Chief Executive Officer and Chief Financial Officer, or if such offices are not occupied, by a member of the Board of Directors.

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(j) *Special Dividend*.

SPV shall have provided to the Trustee a signed acknowledgement letter of the Escrow Agent (as defined in the Acquisition Documents) (the "**SPA Escrow Agent**"), in the form attached hereto as **Exhibit 19.**

(k) *SPV's Tax Ruling*. Either: (i) A tax ruling or a series of tax rulings (the "**Tax Ruling**") to be approved by the Israeli tax authorities to: (x) confirm that the dividends paid by Partner to SPV are exempted from withholding tax, and (y) confirm that SPV shall be treated as a flow-through entity for Israeli tax purposes; or (ii) such other satisfactory evidence that dividends paid by Partner to SPV are exempted from withholding tax.

Provided, however, that Advent may, at its discretion, waive satisfaction of any of the conditions specified in Clauses 2(a), 2(e), 2(f), 2(g) and 2(j), and both parties may mutually agree to waive the conditions specified in Clauses 2(b), 2(c), 2(d), 2(h), 2(i) and 2(k).

(3) **TERMINATION**.

Advent or the SPV may give a written termination notice to the other party to terminate this Agreement and all other New Issue Documents in the event any of the following conditions are not met by the applicable Drop Dead Date as provided below (provided, that a party shall not be entitled to terminate this Agreement and all other New Issue Documents on that basis if the non-satisfaction of the applicable Condition Precedent is due to such party's breach of its undertakings hereunder and thereunder):

(a) Receipt of the Scailex' Bondholders' Approval no later than December 25, 2012 (the "**December Drop Dead Date**"), *provided, however*, that (i) if Scailex publishes an immediate report in which it declares its intention to defer all payments due on December 31, 2012 to Scailex' Bondholders to a specific later date ("**Deferred Payment Date**"), the December Drop Dead Date shall be deferred to such date which occurs five (5) days prior to the Deferred Payment Date but not later than January 25, 2013; and (ii) each of the parties may by notice to the other party extend the December Drop Dead Date (or the deferred drop dead date under Sub-Clause 3(a)(i) above in case of a deferred payment as provided above) by seeking Court Approval to an InCourt Arrangement and, in such case, subject to satisfying the remaining Conditions Precedent (as provided in sub-Clauses (b) and (c) below) the Court Approval may be obtained by the earlier of (x) the date on which a court of competent authority rejects, changes or otherwise condition the InCourt Arrangement; and (y) April 7, 2013, provided that neither party shall be required to extend the December Drop Dead Date unless the other party complies with its best efforts undertakings set forth under Clause 5 of this Agreement in respect of the InCourt Arrangement and the Court Approval.

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(b) All Conditions Precedent other than the Special Regulatory Approvals and the Court Approval (if required) have been met on or before February 25, 2013.

(c) All Conditions Precedent including the Special Regulatory Approvals but except for the Court Approval (if required) have been met no later than March 18, 2013.

Either party may further give a termination notice if the other party breaches, repudiates, rescinds, or abandons its obligations under this Agreement or under the other New Issue Documents or the Acquisition Documents to which it is a party ("**Breach**"), such termination notice may be given on the date the Breach occurs and for a reasonable time thereafter.

Upon the giving of a termination notice under this Clause 3, Advent and SPV will be discharged from performance of their respective obligations under this Agreement and the other New Issue Documents.

No party shall have any claims against the other party in the event of termination of this Agreement in accordance with the provisions of this Clause 3, except that the foregoing shall not prevent any party from asserting any claims against the other party relating to any Breach by such other party prior to the date of termination.

(4) **REPRESENTATIONS AND WARRANTIES**.

The SPV and Advent represent and warrant (as applicable):

(a) *Incorporation, capacity and authorisation*: (A) SPV represents that SPV is duly incorporated and validly existing under the laws of the State of Israel with full power and capacity to own or lease its property and assets and to conduct its business and is lawfully qualified to do business in the State of Israel; SPV has full power and capacity to assume Scailex' obligations and liabilities under the Original Issue Documents as evidenced by the Notes on the Effective Date, to execute this Agreement and the other New Issue Documents and to undertake and perform the obligations expressed to be assumed by it herein and therein, and SPV has taken all necessary action to approve and authorise the same; (B) Advent represents that it is duly incorporated and validly existing under the laws of the State of Singapore with full power and capacity to own or lease its property and assets and to conduct its business and is lawfully qualified to do business in the State of Singapore; Advent has full power and capacity to execute this Agreement and the other

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New Issue Documents to which it is a party and to undertake and perform the obligations expressed to be assumed by it herein and therein, and Advent has taken all necessary action to approve and authorise the same.

(b) *No violation/default*: (A) SPV represents that SPV is not (i) in breach of its constitutive documents or (ii) in default in the performance of any obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party (including the Acquisition Documents) or by which it or any of its properties may be bound, which may adversely affect the rights of Advent in the Original Issue Documents or the New Issue Documents, as evidenced by Notes, in any material respect; (B) Advent represents that Advent is not (i) in breach of its constitutive documents or (ii) in default in the performance of any obligation, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, which may adversely affect the rights of SPV in the New Issue Documents, in any material respect.

(c) *No breach*: (A) SPV represents that the creation, issue and the assumption by SPV on the Effective Date of Scailex' liabilities and obligations under the Original Issue Documents, as evidenced by the Notes, and the undertaking and performance by SPV of the obligations expressed to be assumed by it herein and therein will not conflict with, or result in a breach of or default under, the laws of the State of Israel, any agreement or instrument to which SPV is a party or by which it is bound or in respect of indebtedness in relation to which it is a surety, which may adversely affect the rights of Advent in the Original Issue Documents or the New Issue Documents, as evidenced by the Notes, in any material respect; (B) Advent represents that the execution by Advent of this Agreement and the other New Issue Documents to which it is a party and the undertaking and performance by Advent of the obligations expressed to be assumed by it herein and therein will not conflict with, or result in a breach of or default under, the laws of the State of Singapore, any agreement or instrument to which Advent is a party or by which it is bound or in respect of indebtedness in relation to which it is a party, which may adversely affect the rights of SPV in the New Issue Documents, in any material respect.

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(d) *Legal, valid, binding and enforceable Obligations*: (A) SPV represents that this Agreement and the other New Issue Documents constitute legal, valid, binding and enforceable obligations of SPV. On the Effective Date or on such later dates as required by this Agreement, the Additional Debentures will validly and effectively create the security it purport to create as described therein; (B) Advent represents that this Agreement and the other New Issue Documents, to which Advent is a party, constitute legal, valid, binding and enforceable obligations of the Advent.

(e) *Status*: SPV represents that the Notes will constitute direct, general and unconditional obligations of SPV which (i) rank *pari passu* among themselves and (ii) will, as a result of the Original Debentures and the Additional Debentures, rank senior to all existing and future indebtedness of SPV in respect of the Purchased Shares pledged under the Original Debentures and the Additional Debentures.

(f) *Approvals*: (A) SPV represents that all authorisations, consents and approvals required by SPV in connection with the assumption of Scailex' obligations and undertakings under the Original Issue Documents, the execution of this Agreement and the other New Issue Documents, the performance by SPV of the obligations expressed to be undertaken by it herein and therein, have been obtained and are in full force and effect; (B) Advent represents that all authorisations, consents and approvals required by Advent in connection with the execution of this Agreement and the other New Issue Documents, to which it is a party, and the performance by Advent of the obligations expressed to be undertaken by it herein and therein, have been obtained and are in full force and effect.

(g) *Ownership*: Advent represents that: (A) Advent is the sole legal owner and beneficiary of the Notes and all of its rights in and to the Notes and the Original Issue Documents are free and clear of any pledge, charge, encumbrance, option or any other third party right, except for the Right of First Refusal included under Clause 6 of the Original Placement Agreement; (B) SPV represents that as of the Effective Date (or at such later dates as indicated herein with respect to the Second Portion of the Additional Shares and the Third Portion of the Additional Shares): (i) SPV shall be the sole owner and beneficiary of the Purchased Shares and other rights and assets included in or governed by the Additional Debentures (collectively, the "**Pledged Assets**"); (ii) the Pledged Assets shall be free and clear of any mortgage, charge (whether fixed or floating), pledge,

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lien, assignment, title retention or other encumbrance of any kind securing any obligation of any person and any other type of preferential arrangement having similar effect, other than Scailex' right to receive the Special Dividend pursuant to the Dividend Assignment.

(h) *Entire Agreements*: (A) SPV represents that the Acquisition Documents constitute the entire agreements governing the purchase of the Purchased Shares, and that there are no other agreement, contract, deed or instrument of any kind relating to or affecting the Purchase of the Purchased Shares; (B) Advent represents that the Original Issue Documents constitute the entire agreements governing the Notes as of the date hereof, and that there are no other agreement, contract, deed or instrument of any kind relating to or affecting the Notes and the Original Issue Documents.

(5) **FURTHER ASSURANCES; CERTAIN COVENANTS**.

(a) Advent and the SPV shall each use its commercially reasonable efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things necessary, proper or advisable, in order to obtain all consents, approvals and permits which are required to be granted as Conditions Precedent in connection with or in respect of the consummation of the Assumption Transactions.

(b) SPV shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and do, or cause to be done, all things necessary, proper or advisable in order to obtain all consents, approvals and permits which are required to be granted as conditions precedent under the Acquisition Documents in connection with or in respect of the consummation of the Acquisition Transactions (other than consents to be obtained by Scailex).

(c) 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 this Agreement, and/or 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, Advent and SPV shall cooperate such as to submit an application for InCourt Arrangement 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

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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 (including the Special Regulatory Approvals) will be prepared in coordination by Advent and the SPV and be filed or delivered only subject to both parties' approval for their content, such approval not to be unreasonably withheld.

(d) It is agreed and acknowledged by the parties that other than legal and professional fees and related out-of-pocket costs and expenses which may be incurred by the parties in connection with the InCourt Arrangement as required by this Clause 5, parties shall not be obligated to bear other costs, expenses or other payments in connection with such InCourt Arrangement or the Court Approval and the parties shall not be required to enter into any other agreements or arrangements in connection thereby.

(e) From the date hereof and until the earlier of termination in accordance with Clause 3 herein or the Effective Date, SPV undertakes not to: (i) amend, alter, waive, rescind or cancel any of the Acquisition Documents or its rights thereunder or enter into any new arrangement with Scailex or with any third party with respect to or in connection with the Purchased Shares, which may adversely affect the Acquisition Transactions or the Purchased Shares, except where such recession or cancellation is permitted under the Acquisition Documents, such as in the event of breach or failure to satisfy a condition precedent; (ii) take any other action or avoid from taking any action, which may adversely affect the Assumption Transactions or the Acquisition Transactions or Advent's or SPV's ability to perform their obligations thereunder or to consummate such transactions except as permitted under the Acquisition Documents, such as in the event of breach or failure to satisfy a condition precedent; (iii) incur or otherwise be bound by such obligation or indebtedness of any kind other than pursuant to the terms hereof or as permitted under the Amended and Restated Terms and Conditions; or (iv) pledge, charge, encumber, transfer, sale, provide an option to acquire or to receive, or otherwise dispose of (in whole or in part, in cash or in kind), or undertake to do the same, any of its assets and rights, including, without limitation, the Purchased Shares, its rights in and under the assets and rights subject to the Additional Debentures, its rights in and under this Agreement and the other New Issue Document or its rights in and under the Acquisition Documents and the Shareholders' Agreement

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to be entered into in connection thereby (in each case other than in favour of Advent), except as permitted under the Amended and Restated Terms and Conditions.

(f) Until the earlier of the Effective Date and the date on which this Agreement and the other New Issue Documents have been terminated in accordance with Clause 3, Advent shall not enforce any rights against Scailex based on the occurrence of an event of default specified in the followings Events of Defaults included in the Original Conditions: Clauses 10(e) and 10(p), but only with respect to the following covenants - 4(g) (*reports and notifications*), 4(l) (*stamp duties*); 10(j) (*MAE*); 10(n) (*No trading in the Issuer's securities*) and 10(r) (*no listing of notes*), *provided, however*, that Advent shall not be prevented from enforcing any of its other rights under the Original Issue Documents, including where another Default or an Event of Default shall have occurred under the Original Issue Documents which is not specifically referred to herein.

(g) SPV hereby undertakes: (i) that its Israeli GAAP financial statements as of the Effective Date shall recognize the Consideration as provided in Section 2.2 of the Acquisition Document, which as of November 30, 2012, is approximately in the sum of US$ 299 million and NIS 250 million as the cost of 47,833,333 of the Purchased Shares acquired from Scailex ("**Carrying Costs**") under the Acquisition Transactions, and will do the same for tax purposes; (ii) that the liability to Advent under the assumed Notes and the New Issue Documents shall be recognized as of the Effective Date NIS 1,119,300,000 after accounting for the Mandatory Initial Partial Redemption payment as defined in the Amended and Restated Conditions and shall not record or claim any discount and will do the same for tax purposes; (iii) to comply with any withholding confirmation which is provided to it which refers to the payment of up to US$ 299 million, being the principal loan amount of the assumed liabilities evidenced by the Notes and the other New Issue Documents; (v) if SPV at any time for whatever reasons is required to recognize in its financial statements any reduction in the Carrying Costs, it will recognize such reduction as an impairment charge in accordance with Israeli GAAP; (vi) in any application to the Israeli Tax Authority or any governmental body to treat the amount of NIS 1,119,300,000 (after accounting for the Mandatory Initial Partial Redemption payment as defined in the Amended and Restated Conditions) as principal loan amount; and (vii) to provide Advent with access to its tax reports relating to or governing its undertakings under this Clause 5(g).

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(h) A valuation opinion shall have been provided by the SPV to Advent that: (i) is prepared by a certified valuation firm of good reputation in Israel as approved by Advent; (ii) is to be provided to Advent no later than 45 days after the Effective Date; and (iii) is (x) confirming the fair market value of the Notes as equivalent to their face value loan amount; (y) confirming that the value of the Purchased Shares from Scailex is consistent with the value as expressed in the Acquisition Documents taking into account the terms of the acquisition; and (z) supporting presentation of the face value of the loan amount without discount in the balance sheet of the SPV under Israeli GAAP as of the Effective Date.

(i) Advent and SPV shall procure that all Exhibits to this Agreement shall be prepared within 28 (Twenty eight) Business Days from the date hereof and, within 3 (three) days after such period, will be jointly approved by Advent and SPV (acting reasonably) and will be deemed as having been attached to this Agreement on the date hereof, such approvals by Advent and SPV not be unreasonably withheld. Such Exhibits shall not be inconsistent with the terms and provisions of this Agreement and shall not modify the scope of the parties' obligations hereunder.

(j) SPV shall indemnify and hold Advent harmless from and against any and all liabilities, obligations, demands, claims, actions, costs, taxes, fines, damages and expenses (including reasonable out of pocket legal fees, court costs, and all reasonable amounts paid in investigation, defence or settlement of any of the foregoing) ("**Advent Losses**"), whether or not arising out of third party claims suffered or incurred by Advent arising from the Tax Ruling as compared to the SPV not having received such Tax Ruling. For the avoidance of doubt, Advent shall have no right to settle any matter that gives rise to the SPV's indemnification obligation under this clause without the prior written approval of SPV, which shall not be unreasonably withheld, and Advent shall take all reasonable actions to mitigate any such Advent Losses. In addition, any Advent Losses shall be determined taking into consideration any insurance proceeds, credits, or other benefits or offsets that Advent may receive in connection therewith.

(k) SPV shall have a right to perform a due-diligence with respect to Partner in accordance with the terms and subject to the restrictions

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imposed under the Acquisition Documents, *provided, however*, that (i) such due-diligence shall be concluded not later than the end of the Business Day of December 19, 2012; (ii) SPV shall immediately notify advent in writing of any material due-diligence finding which, in SPV's reasonable discretion, adversely affects SPV's ability to consummate the Assumption Transactions and the Acquisition Transaction (a "**DD Notice**"), such DD Notice to provide reasonable description of all material adverse findings and grounds on which the DD Notice is based; and (iii) in case a DD Notice has been provided to Advent in accordance with this Clause 5(k), the SPV shall be entitled to terminate this Agreement in accordance with Clause 3 of this Agreement not later than the end of the Business Day of December 19, 2012.

(6) **NOTICES**.

All notices and other communications hereunder shall be made in writing and in English (by letter or fax) and shall be sent as follows:

If to the Advent: Advent Investments Pte Ltd
1 Coleman Street, #08-07
The Adelphi, Singapore
Facsimile: +65 6448 1512
Attn.: The Board of Directors

With a copy to (which shall not constitute notice): c/o 22/F, Hutchison House
10 Harcourt Road,
Hong Kong
Facsimile: +852 2128 1778
Attn.: The Company Secretary

With a copy to (which shall not constitute notice): Herzog, Fox & Neeman
Asia House, 4 Weizmann Street,
Tel Aviv, Israel 64239
Facsimile: +972 3 696 6464
Attn: Ehud Sol, Adv., Ilanit Landesman Yogev, Adv. and Irit Roth, Adv.
Email: sol@hfn.co.il; landesmani@hfn.co.il; rothi@hfn.co.il

If to the SPV: Adam Chesnoff
Managing Director
S.B. Israel Telecom Ltd.
C/O Saban Capital Group, Inc.
10100 Santa Monica Blvd, Ste 2600
Los Angeles, CA 90067
Tel: 310-557-5115
Fax: 310-557-5215
E-mail: achesnoff@saban.com

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With copies to (which shall not constitute notice):

Niveen Tadros
EVP and General Counsel
S.B. Israel Telecom Ltd.
C/O Saban Capital Group, Inc.
10100 Santa Monica Blvd, Ste 2600
Los Angeles, CA 90067
Tel : 310.557.5132
Fax : 310.564.0470
E-mail: ntadros@saban.com ; and

Zellermayer, Pelossof, Rosovsky, Tsafrir, Toledano & Co.
20 Lincoln Street, 12 Floor
Tel Aviv, 67134
Israel
Facsimile: +972-3-625-5500
Attn: Miki Zellermayer, Adv. and Doni Toledano, Adv.
E-mail: miki@zelpel.com; doni@zelpel.com

Every notice or other communication sent in accordance with this Clause 6, delivered in person or by courier service shall be deemed to have been given upon delivery, those given by facsimile transmission shall be deemed given on the Business Day following transmission with confirmed answer back, and all notices and other communications sent by registered mail (or air mail if the posting is international) shall be deemed given five (5) Business Days after posting. All notices shall be made in English.

(7) **TAXES**.

(a) Each party shall bear the payment of any taxes to which it is subject as a result of this Agreement and the other New Issue Documents and consummation of the Assumption Transactions, unless otherwise explicitly provided in this Agreement.

(b) Any references to the Noteholders and the Trustee in this Agreement and the other New Issue Documents shall include references to their assignees.

(c) All Interest amounts and Default Interest (as defined in the Amended and Restated Conditions) due in respect of the obligations of the SPV payable to the Noteholders under this Agreement and

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the other New Issue Documents shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties or levies of whatever nature, imposed on or withheld by or on behalf of the State of Israel and United States of America, unless such withholding or deduction is required by applicable law and practice. In such event, the SPV shall gross-up and pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by it if no such withholding or deduction had been required ("**Tax Gross Up**"); *provided, that*, Noteholders shall use its best efforts and coordinate with the SPV to secure a withholding tax certificate from the Israeli Tax Authorities no later than 7 (seven) Business Days before the first interest payment due under the New Issue Documents such that the withholding tax due on the interest payments from the SPV to Noteholders shall suffer a withholding tax under the Israeli-Singapore Income Tax Treaty of no more than 7% (seven per cent.).

(d) SPV and Advent acknowledge that the final withholding tax rate on interest that shall apply shall be determined by the Israeli Tax Authorities and/or United States of America Tax Authorities where applicable. However, for Israel, SPV and Advent agree that if Notheholders take any actions leading to an increase in the withholding tax rate on interest above the rate determined in the initial withholding tax certificate, then such Tax Gross Up shall be capped at the rate determined in the initial withholding tax certificate secured by the Noteholders for SPV. Any actions by the Noteholders to transfer, syndicate or otherwise amend the ownership or terms of the Notes shall not result in an increase in the Tax Gross Up borne by the SPV. Any amounts which SPV withholds from any payment in accordance with this Clause 7 will be paid by the SPV to the Israeli Tax Authority and where applicable to the United States of America's Tax Authority on behalf of the Noteholders within the required time for such payment under any applicable law and practice, and the SPV will promptly provide the Noteholders with a valid certificate of payment to the Israeli Tax Authority and the United States of America's Tax Authority where applicable. The SPV shall indemnify the Noteholders for any withholding tax, penalty, interest or other cost or expense resulting from any failure to comply with the requirements of this Clause 7. In the event that withholding tax rate increases as a result of change of law, then the parties shall use reasonable efforts to mitigate such increase.

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(e) To the extent that the Noteholders, or an entity which reports taxes together with the Noteholders is otherwise subject to tax on the interest income in its country of tax residence and is entitled to obtain a tax credit with respect to the taxes withheld hereunder, Noteholders shall use their best efforts to avail themselves of such a credit and will remit to the SPV any such credit obtained, provided that SPV, upon the request of the Noteholders, agrees to repay the amount received by the SPV to the Noteholders in the event Noteholders are later required to repay such refund to such governmental authority.

(f) For the avoidance of doubt, all amounts payable under this Agreement and the other New Issue Documents do not include any Value Added Tax ("VAT") liability, and to the extent required to be paid under any applicable law, the SPV shall bear and indemnify the Noteholders for any such VAT liability to cover Israel, the United States and Singapore.

(g) To the extent required, SPV with the reasonable cooperation of the Noteholders shall procure a certificate or certificates such that all principal payments to the Noteholders shall be paid without withholding any tax.

(8) **GENERAL PROVISIONS**.

(a) *Clauses and Exhibits*. Any reference in this Agreement to a Clause, a Sub-Clause or an Exhibit is, unless otherwise stated, to a clause or sub-clause hereof or an exhibit hereto.

(b) *Headings*. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

(c) *Law and Jurisdiction*. This Agreement and all matters arising from or connected with it are governed by, and shall be construed in accordance with, the laws of the State of Israel, without regard to conflict of law principles thereof. The competent courts in the city of Tel Aviv - Jaffa have exclusive jurisdiction to settle any dispute, arising from or connected with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement) or the consequences of its nullity.

(d) *Counterparts*. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

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(e) *Reinstatement*. The Assumption Transactions 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 Noteholders and Scailex 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) all, as though the assignment by Scailex and the Assumption by SPV had not been made; and (ii) all of the obligations of SPV, Advent and the Noteholders under this Agreement and 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 and its original rights and assets prior to the Effective Date.

(f) *Inconsistency*. In the event of any conflict or inconsistency between any provision in this Agreement and the other New Issue Documents, the provisions in this Agreement shall prevail. Without derogating from the foregoing, in the event of any conflict or inconsistency between any provision in this Agreement and the other New Issue Documents (including with any Exhibit to this Agreement) which relates, affected by or otherwise connected to tax issues and matters, this Agreement shall prevail and this Agreement shall constitute the sole document governing the relationship between the parties relating to such tax issues and matters.

(g) *Assignment*.

(i) SPV shall not be permitted to assign or transfer any of its rights or obligations under this Agreement or the other New Issue Documents without Trustee's prior written consent; and

(ii) Advent and Noteholders (as applicable) shall be permitted to assign or otherwise transfer all or any part of their respective rights and obligations in and under this Agreement, in the Notes assumed hereunder and in and under any other New Issue Documents in accordance with the terms and conditions under the Amended and Restated Conditions.

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(h) *Business Day; Day:* As used in this Agreement, the term "Business Day" means any day on which banks are open for business in the State of Israel. Any reference to a "day" shall mean a day starting at midnight and ending at 23:59 (Israel Time).

(i) *Confidentiality.* Each of Advent and SPV undertakes (A) not to use, disclose, or otherwise allow access to any data or information about the other party, the other party's business, the other party's subsidiaries and affiliated companies and their respective businesses, the signing of this Agreement and the other New Issue Documents and their content thereof, other details concerning the Assumption Transactions, other than: (i) any information that is or becomes publicly available through no act of, or failure to act by, the recipient or any of its personnel in breach of this confidentiality undertaking, including any information which is publicly filed or reported by the disclosing party; and (ii) any information that is required to be disclosed by the recipient pursuant to an order of a court or governmental body, or is otherwise required to be disclosed by law, regulation or stock exchange rule to which the recipient is subject; *provided*, *however*, that the recipient shall first and as soon as reasonably practicable notify the disclosing party of any such disclosure requirement, unless prohibited from so notifying the recipient by such law, rule, regulation or order, thereby giving the disclosing party a reasonable opportunity to seek legal remedies or relief to preserve the confidentiality of said information in accordance herewith ("**Confidential Information**"); (B) not disclose the Confidential Information to any third-party without the prior written consent of the other party, except to personnel on a need to know basis and such disclosing party being responsible for any breach by its personnel of this confidentiality undertaking; and (C) keep all Confidential Information strictly confidential by using a reasonable degree of care, but not less than the degree of care used in safeguarding its own confidential information.

(j) *Security Agent.* The parties agree and acknowledge that all security interests created under the Additional Debentures will be created in favour of the Trustee who will be the pledgee under the Additional Debentures for the benefit of the Trustee and the Noteholders and any other person or entity who may acquire the Notes or any part thereof in accordance with the provisions of the New Issue Documents.

(k) *Changes in Capital.* Any reference in the New Issue Documents to number of shares or the price per share shall be adjusted (to the

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extent required) to reflect any future changes in the capital of Partner, including stock splits, reclassifications, reverse splits and a like. For the removal of doubt such adjustment shall not take place in the event of issuance of shares by Partner, *provided*, *however*, that such issuance of shares shall be made subject to and in accordance with the Amended and Restated Conditions.

(l) *Amendment.* This Agreement may be amended or modified only by a written document signed by Advent and the SPV.

(m) *Language.* The parties hereto acknowledge and agree that English shall be the governing language in the New Issue Documents, irrespective of any translations, whether official or unofficial, into any other language.

AS WITNESS the hands of the duly authorised representatives of the parties to this Agreement the day and year first before written.

[*Remainder of this page intentionally left blank*]

/s/ Adam Chesnoff
S.B. ISRAEL TELECOM LTD.

By: Adam Chesnoff
Title: Managing Director
Date: November 30, 2012

Attorney Confirmation:

I, Doni Toledano, Adv., acting as attorney of S.B. Israel Telecom Ltd. (the "**Company**"), hereby approves that:

1. The Company is duly and validly existing under the laws of the State of Israel and has all necessary company power and authority to enter into this Assumption Agreement, to carry out its obligations thereunder and to consummate the transactions contemplated thereby.

2. The execution and delivery of this Assumption Agreement by the Company, the performance by the Company of its obligations thereunder and the consummation by the Company of the transactions contemplated thereby have been duly authorised by all requisite corporate action on the part of the Company. Without derogating from the foregoing, the resolutions of Company's Board of Directors approving this Assumption Agreement were duly received, and such organs of the Company have duly authorized the Company to enter into this Assumption Agreement in accordance with all requirements under applicable law.

3. The Agreement has been duly executed and delivered by the Company, and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

4. (i) there are no pending or anticipated liquidation or receivership proceedings in respect of the Company and/or in respect of any of its respective assets; (ii) no liquidator, special manager or receiver (whether temporary or permanent), were appointed or are anticipated to be appointed in respect of the Company and its respective assets; and (iii) no rehabilitation proceedings, settlement proceedings, a creditors' arrangement and/or a freeze of proceedings were initiated or are anticipated to be initiated in respect of the Company and its respective assets.

5. Each of the persons, who, as an officer of the Company, executed this Assumption Agreement and any other New Issue Documents or other documents or instruments necessary or incidental to the transaction or actions contemplated thereby, was validly elected or appointed to, and is an incumbent of, the respective office he purported to hold at the time of such execution and delivery, is duly authorized to execute and deliver the same, and the signatures of such persons on all such documents and certificates are their genuine signatures.

IN WITNESS WHEREOF, I, the undersigned have executed this Attorney's confirmation as of the date first written above.

/s/ Doni Toledano, Adv.

Name: Doni Toledano, Adv.
Date: November 30, 2012

ADVENT INVESTMENTS PTE LTD.

/s/ Robin Sng Cheng Khoong

By: Robin Sng Cheng Khoong
Title: Director
Date: November 30, 2012

ACKNOWLEDGEMENT AND UNDERTAKING

SCG Communication Ventures LLC hereby acknowledges the obligation in Clause 1(b)(2)(iii) of this Assumption Agreement and undertakes to pledge and to procure that any other shareholder of SPV shall pledge, all of its shares in the SPV, as described in this Clause 1(b)(2)(iii).

SCG COMMUNICATION VENTURES LLC

/s/ Adam Chesnoff

By: Adam Chesnoff

Title: Managing Director

Date: November 30, 2012

Exhibit 99.3

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AMENDED AND RESTATED TERMS AND CONDITIONS OF THE NOTES

NIS 1,166,100,000 (One Billion, One hundred and Sixty Six Million, One Hundred Thousand New Israeli Shekel) Fixed Rate Secured Notes due on the seventh anniversary of the Effective Date (the "**Notes**"), of S.B. Israel Telecom Ltd. ("**Issuer**") are constituted by, are subject to, and have the benefit of, an Assumption Agreement dated as of November 30, 2012 and an amended and restated trust deed (as amended or supplemented from time to time, the "**Trust Deed**") between Issuer and Hermetic Trust (1975) Ltd. (the "**Trustee**", which expression includes all Persons being trustee or trustees appointed under the Trust Deed).

The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Assumption Agreement and the Trust Deed applicable to them. Copies of the Trust Deed are available for inspection by Noteholders during normal business hours at the registered office for the time being of the Trustee, being at the date hereof 113 Hayarkon Street, Tel-Aviv, Israel (which, subject to change by notice to the Noteholders and Issuer, is the Specified Office of the Trustee (including in its capacity as Registrar).

1. **Definitions**

"**2012 Dividend Amount**" means an amount paid by the Company as cash dividend to its shareholders for the financial year of 2012, which is (a) 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; **minus** (b) any dividend paid by the Company to its shareholders from the date of the Assumption Agreement and up to (and including) the Effective Date.

"**2012 Dividend Amount per Share**" means the 2012 Dividend Amount divided by the aggregate number of Shares issued as at 31 December 2012.

"**Additional Debentures**" shall have the meaning assigned to such term in the Assumption Agreement.

"**Additional Shares**" shall have the meaning assigned to such term in the Assumption Agreement.

"**Affiliate**" of a Person means any entity Controlled, directly or indirectly by that Person, any entity that Controls, directly or indirectly, the Person or any entity directly or indirectly under common Control with the Person.

"**Applicable Law**" means all laws, rules and regulations of the State of Israel applicable to the Issuer and/or the Company and their Subsidiaries, the Licences, all regulations, binding resolutions of competent authorities and orders promulgated under any of the foregoing and any replacements to or amendments of any of the foregoing including, without limitations, with respect to the MoC.

"**Acquisition Documents**" shall have the meaning assigned to such term in the Assumption Agreement.

"**Assumption Agreement**" means the Assumption Agreement between the Issuer and the Original Noteholder dated November 30, 2012.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

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"**Business Day**" means any day on which banks are open for business in the State of Israel.

"**Change in Capital**" means any future changes in the capital of the Company, including stock splits, reclassifications, reverse splits and other similar events.

"**Change of Control**" means, at any time, (i) Issuer shall cease to beneficially own at least 28% of the economic and voting interests in the Company; (ii) the Issuer shall cease to have the ability to appoint the majority of the members of the Board of Directors of the Company ; or (iii) Mr. Haim Saban and/or Mrs. Cheryl Saban and/or their legal heirs, shall cease to beneficially own more than 50% of the economic and voting interests in the Issuer and Control directly or indirectly the Issuer.

"Companies Law" means the Israeli Companies Law 1999, as amended from time to time.

"**Company**" means Partner Communications Company Ltd., Registration Number 520044314.

"**Consideration**" means consideration paid in respect of a Permitted Disposal.

"**Control**" means the ability to direct the business of a corporation. The holding of more than 50 per cent. of the voting rights and the ability to appoint the majority of the members of the Board of Directors of such corporation shall each be a conclusive evidence to the existence of Control.

"**day**" means a day starting at midnight and ending at 23:59 (Israel Time).

"**Debentures**" means the Original Debentures and the Additional Debentures.

"**Default**" means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

"**Distribution**" shall have the meaning assigned to the term "חלוקה" in the Companies Law.

"**Distribution Termination Event**" occurs when the aggregate cash dividend paid by the Company in respect of the Existing Pledged Shares and the First Portion of the Additional Shares amounts to the Scailex 2012 Dividend Amount.

"**Distribution Bank Account**" shall have the meaning assigned to it under the Assumption Agreement.

"**Effective Date**" shall have the meaning assigned to it under the Assumption Agreement.

"**Event of Default**" means any one of the circumstances described in Condition 10 (*Event of Default*).

"**Excluded Shares**" means the difference (if positive) between the number of Shares owned by the Issuer and: 51,000,000 less the number of Shares previously disposed in a Permitted Disposal and subject to adjustment for any partial redemption of the Notes in lieu of purchase of all or part of the Second and/or Third Portion of Additional Shares as provided in the Assumption Agreement (all numbers to be adjusted for any Change in Capital taking place after the date of the Assumption Agreement). For avoidance of doubt Pledged Shares shall not be Excluded Shares.

"**Existing Pledged Shares**" shall have the meaning assigned to such term under the Assumption Agreement.

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"**First Portion of the Additional Shares**" shall have the meaning assigned to such term under the Assumption Agreement.

"Final Maturity Date" means the seventh anniversary of the Effective Date.

"GAAP" means, in relation to a company, accounting principles, concepts, bases and policies generally adopted and accepted in Israel.

"**Income**" means any payment of dividends, compensation, directors' remuneration, management fees or other similar payments by the Company to the Issuer. For the removal of doubt, directors' remuneration paid by the Company to any individual Board member shall not be deemed as Income, provided, however, that solely with respect to directors' remuneration paid to individual directors nominated by the Issuer, such remuneration is made in accordance with customary practices and is approved under all requirements of laws and regulations.

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) moneys borrowed and debit balances at banks or other financial institutions;

(b) amounts raised by acceptance under any acceptance credit facility;

(c) amounts raised under any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(e) any counter indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or a financial institution;

(f) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the issuer) or are otherwise classified as borrowings under the accounting principles as applicable to the Issuer;

(g) the amount of any undisputed liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 180 days;

(h) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

(i) any derivative transaction entered into in connection with the protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and

(j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above.

"**Interested Party**" shall have the meaning assigned to the term "בעל עניין" in the Israeli Securities Law 1968, as amended from time to time.

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"**Issue Documents**" the Assumption Agreement, the Trust Deed, the Debentures, and the Notes (as per these Amended and Restated Terms and Conditions of the Notes), including any Schedules, Annexes and Exhibits thereto, as may be amended, supplemented or otherwise modified from time to time. For the removal of doubt, the term "Issue Documents" in these Amended and Restated Terms and Conditions of the Notes shall have the same meaning as the term "New Issue Documents" as such term is defined in the Assumption Agreement.

"**Issuer's Expenses**" means payments on account of legal and accounting costs and expenses and payments on account of other costs and expenses of the Issuer (including travel expenses and other direct expenses) all in connection with its holding of the Shares only, to persons or entities who are not Interested Parties of the Issuer or any Affiliate thereof including fees and expenses payable under the Issue Documents (including the cost of the valuation/fairness opinion contemplated in the Assumption Agreement), in an aggregate amount not to exceed NIS 2,925,000 per annum. For the avoidance of doubt, the Issuer shall be entitled, to reimburse any such Interested Party or an Affiliate thereof for any such payments made on its behalf.

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

"**Licences**" means the licences held or required to be held by the Company or any Subsidiary thereof for the purposes of any communication businesses, as have been, and in the future may be, amended or supplemented from time to time, including, without limitations, the licence dated 7 April, 1998 (and terminating on 1 February 2022) granted to the Company by the MoC for providing mobile radio telephone services using the cellular method (the "**MRT Licence**").

"**Material Adverse Effect**" means any event, occurrence or development having a material adverse effect on: (a) the business, financial condition or results of operations of the Company or the Issuer; (b) the ability of the Issuer to perform its obligations under the Notes or the other Issue Documents; (c) the validity or enforceability of, or the effectiveness or ranking of the Debentures or the rights or remedies of the Trustee or the Noteholders under any of the other Issue Documents; or (d) the Issuer as a result of any relevant change of law, regulation, licence, permit, approval, or other regulatory matter that could affect the ability to perform its obligations under the Notes or the other Issue Documents, but excluding a change as described in (iii) below; *provided*, however, that (and without affecting the ability of such events (if applicable) from constituting any other Event of Default under the terms of the Notes) an adverse effect on the business of the Company or the Issuer pursuant to clause (a) above that results from any one or more of the following shall not constitute a "Material Adverse Effect" and shall not be considered in determining whether a "Material Adverse Effect" has occurred: (i) changes in political conditions in general; (ii) any natural disaster or any acts in the State of Israel of massive military action or war (whether or not declared), and other acts of hostility of similar nature and magnitude, whether or not occurring or commenced before or after the date hereof; or (iii) changes in laws and regulations that do not disproportionately affect the Company or its Subsidiaries differently than other operators of cellular telecommunication business in Israel;

"**MoC**" means the Israeli Ministry of Communications.

"**Net Outstanding Amount**" means , at any time, the then Principal Outstanding Amount minus the aggregate amount of cash (if any) then pledged under the Debentures and deposited in the Second Portion Trust Account and in the Third Portion Trust Account;

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"**Original Debentures**" shall have the meaning assigned to such term in the Assumption Agreement.

"**Original Noteholder"** means Advent Investments PTE Ltd.

"**Permitted Acquisition"** means, the acquisition of Additional Shares in the Company.

"**Permitted Disposal**" means a sale of Pledged Shares pursuant to the terms of Section 4(v) below.

"**Person**" means any individual, company, corporation, partnership, Joint Venture, association, joint stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

"Pledged Shares" means the Shares pledged under the Debentures.

"**Principal Outstanding Amount**" means, at any time, the then outstanding unpaid principal amount of the Notes.

"**Quasi-Security**" has the meaning given to that term in section 4(a)(2).

"**Remaining Shares**" means, in respect of any sale of Shares, the number of remaining Pledged Shares immediately after the completion of any such sale.

"**Scailex**" means Scailex Corporation Ltd., Registration Number 52-003180-8.

"**Scailex 2012 Dividend Amount**" means the 2012 Dividend Amount per Share multiplied by 44,850,000 subject to adjustment for Change in Capital occurring from the date of the Assumption Agreement and until 31 December 2012, but not subject to any adjustment for Change in Capital occurring on or after 1 January 2013.

"**Second Portion Consideration**" shall have the meaning assigned to such term in the Assumption Agreement;

"**Second Portion of the Additional Shares**" shall have the meaning assigned to such term in the Assumption Agreement;

"**Second Portion Trust Account**" shall have the meaning assigned to such term in the Assumption Agreement.

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect.

"**Shareholders' Agreement**" means the agreement entered or to be entered into between the Issuer and Scailex regarding their shares in the Company.

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

"**SPA"** means the share purchase agreement dated November 30, 2012 between the Issuer and Scailex for the purchase of Shares.

"**Subsidiary**" means any entity in which any Person holds: (i) more than 50% of the issued share capital or participation interests; (ii) such share capital as carries directly or indirectly, more than 50% of the shareholder votes in a general meeting; or (iii) the ability to appoint or elect more than 50% of the directors or equivalent of such entity.

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"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature, including value added tax (and including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same)."

"**Third Portion of the Additional Shares**" shall have the meaning assigned to such term in the Assumption Agreement;

"**VWAP"** means, on any day, the volume weighted average price per Share over a period of thirty (30) trading days ending on that day, which, in the absence of manifest error shall be the Bloomberg VWAP published on the Bloomberg page PTNR IT <Equity> VWAP <GO> for the period commencing 30 trade days prior to that day.

Additional Definitions. Any capitalized terms herein not otherwise defined shall have the meanings assigned thereto in the other Issue Documents, in each case unless the context otherwise requires.

2. **Form, Denomination and Status**

(a) *Form and denomination:* The Notes are in registered form in the minimum denominations of NIS 390,000 each.

(b) *Status of the Notes:* The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves.

The Notes will be secured by the Debentures. The Debentures will be granted to the Trustee for the benefit of the Noteholders and the Trustee. The Notes will, as a result of the Debentures, rank senior to all existing and future Indebtedness of the Issuer in respect of the Pledged Shares and all assets pledged under the Debentures.

3. **Register, Title and Transfers**

(a) *Register:* The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Trust Deed. In these Conditions, the "**Holder**" of a Note means the Person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. A certificate (each, a "**Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register, and shall be made in English.

(b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no Person shall be liable for so treating such Holder.

(c) *Transfers:* The Notes shall be freely transferable to:

(i) any Affiliate of the Original Noteholder; and

(ii) any other Person, provided the Original Noteholder and/or its Affiliates retain at all times an aggregate of 66.7% of the Principal Outstanding Amount of the Notes.

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subject to limitations, if any, pursuant to Section 15 of the Israeli Securities Law, 1968 (as may be amended, supplemented or modified from time to time), and provided however that the Notes shall be freely transferable to any third party, without limitation, if any of the following occur:

(i) An Event of Default under Section 9(b), 9(c) and/or 9(d) hereunder has occurred and is continuing; or

(ii) the Trustee has demanded that all or part of the Notes be immediately due and payable, pursuant to the provisions of Section 9 hereunder.

4. **Certain Covenants**

(a) *Negative Pledge:* In this Section (a), "Quasi-Security" means an arrangement or transaction described in clause Section (a) (2) below.

Except as permitted under Section (a)(3) below,

(1) The Issuer shall not create or permit to subsist any Security Interest over any of its assets.

(2) The Issuer shall not:

(i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Issuer or any affiliate of the Issuer;

(ii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts (excluding customary set off rights included in standard bank documentation that is not put in place for the purpose of financing); or

(iii) enter into any other preferential arrangement having a similar effect (e.g., a share repurchase transaction),

in each case, such shall be prohibited in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(3) Section (a)(1) and (a)(2) above do not apply to any Security Interest or (as the case may be) Quasi-Security, which is created under the Debentures, or to secure the transactions and restrictions contemplated in the SPA and in the Shareholders' Agreement.

(4) The Issuer shall not incur or suffer to exist any Security Interest (including by way of a floating charge) upon the Pledged Shares, other than Security Interests created under the Debentures.

(b) *Impairment of Debentures:* The Issuer shall not take or omit to take any action which could adversely affect the validity or enforceability of, or the effectiveness or ranking of, the Debentures.

(c) *Dilution of Shares and Other Equity Interests:* The Issuer shall exercise its Control over the Company to prevent the Company from issuing any Shares or

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other equity interests in the Company or securities convertible into Shares or into such other equity interests in the Company to any Interested Party of the Company except for bonus shares and except where distributions are made to all of the Company's shareholders on a pro rata basis, in which case Interested Parties who are shareholders of the Company shall be entitled to participate. In addition, the Issuer shall prevent the Company from issuing any Shares or other equity interests, unless the proposed issue price multiplied by the number of Pledged Shares at the time the Company makes a valid resolution to issue such Shares is equal to or greater than the Principal Outstanding Amount at such time **and** no Change of Control occurs as a result of such issue.

(d) *Conduct of Business:*

The Issuer shall conduct its business in a proper manner, amongst other things, maintain and exercise its Control over the Company to maintain in all material respects the terms of the Licences and act in all material respects in each case in accordance with, or as required by:

(A) Applicable Law; and

(B) its constitutive documents;

The Issuer shall perform in all material respects its obligations under and comply in all material respects with the terms of the Issue Documents.

(e) *Merger*: Neither the Issuer nor the Company shall merge into any other Person, unless (x) the Company, shall be the surviving entity of such merger and, (y) in the case of a merger between the Issuer and the Company, the prior written approval of Noteholders holding 66.7% of the Principal Outstanding Amount shall have been obtained with respect to such merger and the alternative and/or additional security to be granted to the Noteholders.

(f) *No Amendment Limitation*s: Except for an undertaking relating to the "Special Dividend" (which, for the avoidance of doubt, if taken and contracting to the Issue Documents, shall not be binding on the Trustee or the Noteholders without their prior written consent), the Issuer will not limit nor will it agree, consent, accept or otherwise allow any Person to limit its ability or discretion to amend, supplement or otherwise modify the Issue Documents, except for the limitations under the Issue Documents themselves and except for any limitations imposed pursuant to the requirements of the MoC, provided such limitations do not adversely affect the rights of the Noteholders.

(g) *Notification*, *Reports and Financial Statements:* The Issuer shall procure that each set of financial statements delivered pursuant to this Section (g) is prepared in accordance with GAAP and shall furnish within the periods specified below (together with a translation to English, if the original information was in Hebrew) to the Trustee:

(i) as soon as practicable and not later than five Business Days after so becoming aware, details of any event or circumstances that could reasonably be expected to constitute an Event of Default;

(ii) in the case of annual financial statements no later than 105 days after the end of each year, two copies in the English language of the Issuer's audited separate entity financial statements for the year;

(iii) in the case of quarterly financial statements for the quarters ending 31 March, 30 June and 30 September of each year - no later than 75 days after the end of each respective quarter, two copies in the English language of the Issuer's unaudited separate entity financial statements for the quarter.

(iv) within 15 days of any request by the Trustee or Noteholder/s holding at least 66.7% of Principal Outstanding Amount, and at the time of the despatch to the Trustee of its annual audited separate entity financial statements, and in any event not later than 105 days after the end of its financial year, a certificate in the English language, signed by two officers of the Issuer certifying that up to a specified date not earlier than seven days prior to the date of such certificate (the "**Certified Date**") the Issuer has complied with its obligations under the Notes (or, if such is not the case, giving details of the circumstances of such non-compliance) and that as at such date there did not exist any Event of Default, any Mandatory Redemption Event (as defined in Section 7(b)) or other matter of which such officers have actual knowledge, existing as at such date, or which existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the Effective Date), which would affect the Issuer's ability to perform its obligations under the Issue Documents or (if such is not the case) specifying the same;

(v) at all times give to the Trustee such information and other evidence in each case to the extent available to the Issuer, as the Trustee (acting at the request of Noteholder/s holding at least 66.7% of the Principal Outstanding Amount) shall reasonably require;

(vi) provide to the Trustee copies of all written communications and reports exchanged between the Issuer and the MoC regarding the requirements of the MoC, including holdings of Shares to satisfy the requirements of the MRT Licence regarding the "Israeli Requirement" and holdings of Founding Shareholders and their Substitutes (all as defined in the MRT Licence) (all of the above, the "Restricted Shares") and advise the Trustee of any direction, decision or ruling issued by the MoC regarding the Restricted Shares or which affects or may affect the Restricted Shares.

(vii) deliver to the Trustee within 30 days of 30 June and 31 December each year (each a "Delivery Date"):

(A) a certificate signed by a duly authorized officer of the Company certifying, as at the relevant Delivery Date the names of all Founding Shareholders or their Substitutes (including any of the above which are Israeli Entities, as defined in the MRT Licence ("Israeli Entities") as at the relevant Delivery Date and the number of Restricted Shares that each holds in such capacity on that Delivery Date (the "Restricted Shares Particulars");

(B) a certificate signed as above with details of any changes to the Restricted Shares Particulars since the most recent semi-annual certificate delivered to the Trustee pursuant to (A) above ; and

(C) to the extent available to the Issuer, copies of all agreements entered into, or undertakings given by, the Founding Shareholders or their Substitutes (including any of the above which are Israeli Entities) to any other Founding Shareholders or their Substitutes (including any Israeli Entities) in force regarding fulfillment of the provisions of Article 22A of the MRT License.; and

(viii) together with the annual financial statement, a report setting forth the nature and amounts of the Issuer's Expenses in the preceding financial year.

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(h) *Further Assurances*. The Issuer shall promptly execute any further instruments and take further reasonable action as the Trustee or the Noteholders request in connection with the execution, delivery, validity, enforceability or admissibility in evidence of the Issue Documents or the performance of its respective obligations under the Issue Documents.

(i) Deleted.

(j) Deleted.

(k) *Excess Distributions.* Without derogating from Clause 4(y) below, the Issuer shall procure that the Company shall not pay any dividend or make any other Distribution, direct or indirect, in cash or in kind, which requires court approval pursuant to Section 303 of the Companies Law (including any succeeding provision), or which is not paid or made out of "profits" as defined in Section 302(b) of the Companies Law (including any succeeding provision) (in each case, an "**Excess Distribution**"), except for an Excess Distribution for the purpose of paying cash dividends to all shareholders in the Company, declared after the occurrence of the Distribution Termination Event.

(l) Deleted.

(m) Deleted.

(n) *Unrestricted Shares.* The Issuer confirms and undertakes that Shares held by the Issuer representing at least 6.2% of all issued Shares will at all times be Unrestricted Shares and will not constitute, be classified as or otherwise be counted as part of the "Minimum Founding Shareholders Shares" and/or "Minimum Founding Shareholders Holding" and/or "Minimum Israeli Holding Shares" and/or "Minimum Israeli Holding" within the meaning of all such terms in the Company's Articles of Association and Section 22A of the MRT Licence in each case, as may be amended, supplemented or otherwise modified from time to time ("**Unrestricted Shares**", and Shares that are not Unrestricted Shares - "**Restricted Shares**"). The Issuer shall be permitted to convert Unrestricted Shares into Restricted Shares, and *vice versa*, strictly for the purpose of complying with the Company's Articles of Association and Licenses, but subject, however, to all limitations and requirements herein and under the other Issue Documents;

(o) Deleted.

(p) *No Delisting*. The Issuer shall not (i) make or institute any tender offer or merger offer if as a result of such tender offer or merger offer the Shares will be delisted from both the Tel-Aviv Stock Exchange and NASDAQ; (ii) accept any tender offer or merger offer in relation to the Shares pledged under the Debentures; and (iii) accept any tender offer or merger offer in relation to any Shares owned by it if as a result of such tender offer or merger offer the Shares will be delisted from both the Tel-Aviv Stock Exchange and NASDAQ or a Change of Control will occur.

(q) *Voting Covenant.* If a Default or an Event of Default shall have occurred and be continuing, the Issuer undertakes to attend or validly appoint its proxy to attend any meeting of the shareholders of the Company and vote by virtue of all of the

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Shares owned by it against the adoption of any resolution in any of the following matters: (a) issuance of Shares or other equity interests in the Company or securities convertible into Shares or other equity interests in the Company (including, without limitation, increasing the registered capital of the Company); (b) sale, transfer, conveyance or other disposition of all or substantially all of the assets of the Company; (c) merger, split or other structural change in or of the Company; (d) any transaction involving an Interested Party; (e) amendment, supplement or other modification of the organizational documents of the Company; or (f) any matter which is prejudicial to the rights of the Noteholders as creditors of the Issuer with respect of the Pledged Shares. The provisions of this Section 4(q) shall supersede and prevail over the provisions of Sections 4(c) and (e).

(r) Deleted.

(s) *Acquisitions*

(1) Except as permitted under Section (s)(2) below, the Issuer shall not:

(i) acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or

(ii) incorporate a company.

(2) Section (s)(1) above does not apply to an acquisition of Shares which is a Permitted Acquisition.

(t) *Joint ventures*

(1) the Issuer shall not enter into, invest in or acquire (or agree to acquire) any shares, stocks, securities or other interest in any Joint Venture; or

(2) transfer any assets or lend to or guarantee or give an indemnity for or give Security for the obligations of a Joint Venture or maintain the solvency of or provide working capital to any Joint Venture (or agree to do any of the foregoing).

(u) *Holding Company*

The Issuer shall not trade, carry on any business, own any assets or incur any liabilities except for:

(1) entering into Permitted Acquisitions, into the SPA and any ancillary agreements and agreements which are required to be entered into under the SPA, the Shareholders' Agreement, a possible agreement with Bank Leumi L'Israel Ltd. in terms substantially similar but not better to Bank Leumi L'Israel Ltd. than the terms included in the agreement between Bank Leumi L'Israel Ltd. and Scailex dated August 21, 2009, and a management agreement on customary terms with the Company and, in each case, in a manner and pursuant to such terms that will not adversely affect the rights of the Noteholders;

(2) any liabilities under the Issue Documents to which it is a party and professional fees and administration costs and owning any assets all as may be required in the ordinary course of business as a holding company.

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(v) *Disposals*

(1) Except as permitted under Section (v)(2) below, the Issuer shall not execute a single transaction or a series of transactions (whether related or not) whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.

(2) Section (v)(1) above does not apply: (i) to a sale of Excluded Shares; or (ii) to a sale of Shares with regard to which all of the following apply:

a. Would not result in a Change of Control.

b. At the time of entry into a binding agreement for the sale of Shares VWAP multiplied by the number of Remaining Shares is equal to or greater than the then Net Outstanding Amount (assuming application of the Consideration to reduce the Principal Outstanding Amount as contemplated in Section 7(c) below)

c. Upon completion of such Disposal, the Consideration is paid in cash and is paid in full to the Trustee and applied pursuant to the provisions of Section 7(c) hereunder; and

d. Settlement in respect of such sale of Shares occurs not later than five trade days following the entry into the binding agreement for the sale of such shares.

(a "**Permitted Disposal**").

Shares being disposed of under a Permitted Disposal shall be released form any pledges in favour of the Noteholders or the Trustee.

(w) *Loans or credit*

The Issuer shall not be a creditor in respect of any Financial Indebtedness.

(x) *No Guarantees or indemnities*

The Issuer shall not incur or allow to remain outstanding any guarantee in respect of any obligation of any person.

(y) *Dividends and equity redemption*

Subject to last paragraph of this sub-section, the Issuer shall not:

(1) declare, make or pay any dividend, charge, fee or other Distribution (or interest on any unpaid dividend, charge, fee or other Distribution) (whether in cash or in kind) on or in respect of its shares and other equity securities (or any class of its shares or other equity securities);

(2) repay or Distribute any dividend or share premium reserve;

(3) pay any management, advisory or other fee to or to the order of any of the shareholders and other equity holders of the Issuer; or

(4) redeem (at Issuer's will or at the requirement of its shareholders and other equity holders), repurchase, defease, retire or repay any of its share capital or resolve to do so.

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In each case, other than in an amount not exceeding the aggregate amount released to the Issuer pursuant to the terms of Section 7(c) below and amounts released from the Second Portion Trust Account and/or from the Third Portion Trust Account pursuant to the terms of the Assumption Agreement as well as any Consideration received for the sale of Excluded Shares and any Income paid in respect of Excluded Shares.

(z) *Financial Indebtedness*

the Issuer shall not incur or allow to remain outstanding any Financial Indebtedness other than under the Issue Documents.

(aa) *Capital Contributions and Share capital*

(1) Subject to all other limitations and covenants herein, the Issuer may accept capital contributions or funds disbursed against the issuance of redeemable shares, which contributions or disbursements may be made by the Issuer's shareholders at their sole discretion and at any time, provided, however, that (i) the receipt or making of such capital contribution or disbursement does not result in the Issuer incurring any indebtedness or otherwise assuming any payment obligations to any person, and (ii) that if new shares, assets or other equity securities of any kind are issued or granted to any person in respect of such capital contributions or disbursements, then concurrently with the granting or issuance of such shares, assets and/or equity securities, the recipient thereof will pledge in favour of the Trustee to the benefit of the Noteholders such shares, assets and equity securities (including the voting rights), by a first ranking fixed pledge, in accordance with debentures in the form and substance used in respect of their existing shares in the Issuer as of the Effective Date. Funds received as such capital contributions may be used for any of the Issuer's needs in connection with activities permitted or not prohibited to be undertaken by the Issuer under the provisions of the Issue Documents, including without limitation, for operating expenses and for the purpose of making interest or principal payments due on account of the Notes.

(2) The Issuer shall not issue any additional shares unless such shares are pledged to the Noteholders and the Trustee.

(bb) *Organisational Documents*

The Issuer shall not amend its articles of association, and shall procure that the Company does not amend its articles of association in a manner that may materially and adversely affect the rights of the Noteholders, in each case, without the prior written consent of the Trustee.

(cc) *Shareholders Agreement*

The Issuer shall not agree to any amendment or modification to the Acquisition Documents in a manner that may materially and adversely affect the rights of the Noteholders without the prior written consent of the Trustee.

5. **Interest**

(a) *Accrual of interest:* The Notes as amended and restated, bear interest from the Effective Date (excluding) on their principal amount outstanding, payable on the date falling nine months after the Effective Date (the "**Initial Payment Date**") and then every six months thereafter and on the Final Maturity Date (each, an "**Interest Payment Date**") (each payment to be made as set forth in Section 8 (*Payments*)

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below); *provided*, however, that, if any Interest Payment Date would occur on a date which is not a Business Day, then the interest payable on such Interest Payment Date will be paid on the next Business Day (and, for the avoidance of doubt, no change shall be made in the Record Date (as defined below) as a result of such delayed payment). Each period beginning on (and including) the Effective Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**". The Interest Payment Date shall initially fall on the Initial Payment Date, and every six months thereafter from and including the Initial Payment Date, and the last Interest Payment Date shall fall on the Final Maturity Date. On the Initial Payment Date the interest payable to the Noteholders shall be calculated for the preceding nine months. On the Final Maturity Date the interest payable to the Noteholders shall be calculated for the preceding three months.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 and Condition 6 (both before and after judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

(b) *Rate of interest:* The rate of interest applicable to the Notes (the "**Rate of Interest**") shall be 2% per annum.

(c) *Calculation of Interest Amount:* the amount of interest (the "**Interest Amount**") payable in respect of each Note for any Interest Period (except for the period between the Effective Date and the Initial Payment Date and except for the period immediately prior to the Final Maturity Date) will be calculated by applying the Rate of Interest for such Interest Period (i.e., 1% for each 6 month period) to the outstanding principal amount of the Notes, provided, however, if interest is to be calculated for a period not ending on an Interest Payment Date, it shall be calculated by applying the Rate of Interest to the relevant amount and multiplying the product by the actual number of days in the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due divided by 365, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6. **Default Interest**

(a) *Default Interest:* Upon the occurrence of an Event of Default or in the case of any late payment of any amount, a Default, interest ("**Default Interest**") shall accrue on the outstanding principal amount under the Notes (both before and after judgment) at a rate which is 6% per annum higher than the Rate of Interest, until such Event of Default or Default, as the case may be, shall have been cured to the full satisfaction of the Noteholders.

(b) *Default Interest Calculation:* The amount of Default Interest payable in respect of each Note for any Interest Period, or any other period, shall be calculated on the basis described in Condition 5(c) (*Calculation of Interest Amount*).

7. **Redemption and Purchase**

(a) *Scheduled redemption:* the Notes will be redeemed in one instalment on the Final Maturity Date.

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(b) *Mandatory Full Redemption:* the Notes will become immediately redeemable in full upon the occurrence of any of the following events (each a "**Mandatory Redemption Event**"):

(i) Change of Control;

(ii) Issuer or the Company sells, transfers, conveys or otherwise disposes of all or substantially all of its assets.

The Trustee shall not be responsible for ascertaining or monitoring whether or not a Mandatory Redemption Event has occurred and, unless and until it has actual knowledge to the contrary in writing, shall be entitled to assume that no such event has occurred.

(b1) Mandatory Initial Partial Redemption - on the Effective Date the Issuer shall pay an amount of NIS 46,800,000 (Forty six million eight hundred thousand New Israeli Shekel) for the partial redemption of the Notes' principal to the Original Noteholder;

(c) *Mandatory Partial Redemption*: in the event of the occurrence of any Permitted Disposal (other than a sale of Excluded Shares) or any payment of Income (other than Income paid in respect of Excluded Shares), such Income and Consideration, as the case may be, shall be paid in full to the Trustee. The Trustee shall apply such Income or Consideration in the following manner -

(i) In respect of Income paid to the Trustee -

(1) **First** for the repayment of any amount outstanding on account of expenses owing to the Trustee (or any permitted delegate thereof) pursuant to the terms of the Trust Deed and any due and owing interest on the Notes;

(2) **Second** an amount not to exceed the outstanding amount on account of Issuer's Expenses or reimbursement thereof, if any, will be released to the Issuer;

(3) **Third** an amount equal to the next scheduled interest payment on the Notes shall be retained in the pledged account unless such amount has already been deposited in the pledged account; and

(4) **Fourth** any remainder shall be applied -

(i) if at such time the VWAP multiplied by the number of Pledged Shares was less than the Net Outstanding Amount **or** if the Principal Outstanding Amount is greater than NIS 559,650,000 **then** 100% of the proceeds will be paid to the Trustee and distributed by the Trustee pro rata to each Noteholder and be applied towards the Principal Outstanding Amount.

(ii) if at such time the VWAP multiplied by the number of Pledged Shares was equal to or greater than the Net Outstanding Amount **and** the Principal Outstanding Amount is equal to or greater than NIS 279,825,000 and equal to or less than NIS 559,650,000 **then** 67% of the proceeds shall be paid to the Trustee and distributed by the Trustee pro-rata to each Noteholder and be applied towards the Principal Outstanding Amount and the remaining 33% shall be paid to the Issuer (that may distribute or otherwise disburse the funds to its shareholders); or

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(iii) if at such time the VWAP multiplied by the number of Pledged Shares was equal to or greater than the Net Outstanding Amount **and** the Principal Outstanding Amount is less than NIS 279,825,000 **then** 50% of the proceeds shall be paid to the Trustee and by the Trustee pro-rata to each Noteholder and be applied towards the Principal Outstanding Amount and the remaining 50% shall be paid to the of Issuer (that may distribute or otherwise disburse the funds to its shareholders).

(ii) In respect of Consideration paid to the Trustee.

(1) **First** such amount shall be applied for the repayment of any amount outstanding on account of due and owing interest on the Notes;

(2) **Second** an amount equal to the next scheduled interest payment on the Notes shall be retained in the pledged account unless such amount has already been deposited in the pledged account and

(3) **Third** any remainder shall be applied -

(i) if at such time the VWAP multiplied by the number of Remaining Shares was less than the Net Outstanding Amount **or** if the Principal Outstanding Amount is greater than NIS 559, 650,000 **then** 100% of the proceeds will be paid to the Trustee and distributed by the Trustee pro rata to each Noteholder and be applied towards the Principal Outstanding Amount.

(ii) if at such time the VWAP multiplied by the number of Remaining Shares was equal to or greater than Net Outstanding Amount **and** the Principal Outstanding Amount is equal to or greater than NIS 279,825,000 and equal to or less than NIS 559,650,000 **then** 67% of the proceeds shall be paid to the Trustee and distributed by the Trustee pro-rata to each Noteholder and be applied towards the Principal Outstanding Amount and the remaining 33% shall be paid to the Issuer (that may distribute or otherwise disburse the funds to its shareholders); or

(iii) if at such time the VWAP multiplied by the number of Remaining Shares was equal to or greater than the Net Outstanding Amount **and** the Principal Outstanding Amount is less than NIS 279,825,000 **then** 50% of the proceeds shall be paid to the Trustee and by the Trustee pro-rata to each Noteholder and be applied towards the Principal Outstanding Amount and the remaining 50% shall be paid to the Issuer (that may distribute or otherwise disburse the funds to its shareholders).

(d) *Additional Partial Mandatory Prepayments*

(i) In the event the number of Pledged Shares on the date that is six months after the Effective Date is less than 48,016,667 Shares (which number shall be reduced by any Pledged Shares disposed of in Permitted Disposals and all subject to adjustments by the Trustee, if necessary, to account for any Change in Capital occurring after the date of the Assumption Agreement[1](“**the First Required Share Amount”),** the Issuer will pay to the Trustee an amount equal to NIS25 multiplied by the

[1] an example for such adjustment is set forth in Exhibit 7(d) to this document.

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difference between the First Required Share Amount and the number of Pledged Shares, for the partial redemption of the Notes. The Trustee shall pay such amount pro-rata to each Noteholder and be applied towards the Principal Outstanding Amount. The Trustee will apply any funds deposited to the Second Portion Trust Account for such payment obligation. and

(ii) In the event the number of Pledged Shares on the date that is 7 months and 15 days after the Effective Date is less than 51,000,000 Shares (which number shall be reduced by (a) any Pledged Shares disposed of in Permitted Disposals and (b) any partial redemption of the Notes in lieu of purchase of all or part of the Second Portion of the Additional Shares pursuant to the terms of the Assumption Agreement) and all subject to adjustments by the Trustee, if necessary, to account for any Change in Capital occurring after the date of the Assumption Agreement ("**the Second Required Share Amount"),** the Issuer will pay to the Trustee an amount equal to NIS25 multiplied by the difference between the Second Required Share Amount and the number of Pledged Shares , for the partial redemption of the Notes. The Trustee shall pay such amount pro-rata to each Noteholder and be applied towards the Principal Outstanding Amount; The Trustee will apply any funds deposited to the Third Portion Trust Account for such payment obligation;

For the avoidance of doubt: in the event of any discrepancy between the amount of payment due under Section 7(d)(i) and the amount of payment due under Clause 1(C)(a) of the Assumption Agreement, or in the event of any discrepancy between the amount of payment due under Section 7(d)(ii) and the amount of payment due under Clause 1(C)(b) of the Assumption Agreement, the amounts determined pursuant to Clauses 1(C)(a) and 1(C)(b) of the Assumption Agreement (as applicable) shall prevail.

(e) Reduction of Principal Outstanding Amount

Unless a Default shall have occurred and is continuing, in the event that -

(i) The Principal Outstanding Amount as at fifth anniversary of the Effective Date is equal to or less than NIS 46,800,000, **then** the Principal Outstanding Amount at the time shall be reduced to nil. Such reduction shall be applied pro rata across all Noteholders; or

(ii) The Principal Outstanding Amount as at sixth anniversary of the Effective Date is equal to or less than NIS 23,400,000, **then** the Principal Outstanding Amount at the time shall be reduced to nil. Such reduction shall be applied pro rata across all Noteholders;

(f) *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise and at any price.

(g) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any Affiliate thereof shall be cancelled and may not be reissued or resold.

8. **Payments**

(a) Payments due on account of the Notes (including, without limitation, principal and interest) shall be made by NIS wire transfer to such account or accounts of each Noteholder as appears in the Register on the Record Date (as defined below).

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(b) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the State of Israel, but without prejudice to the provisions of Section 8(d) hereof and Section 7 of the Assumption Agreement. No banking commissions or expenses shall be charged to the Noteholders in respect of such payments.

(c) *Record Date:* Each payment in respect of a Note will be made to the Person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the twelfth day before the due date for such payment (the "**Record Date**").

(d) The provisions of Clause 7 of the Assumption Agreement shall apply to any tax payable under the Notes or any other Issue Document.

9. **Events of Default**

If any of the following events occurs, then the Trustee (only if required by an Extraordinary Resolution or a Written Resolution (as such terms are defined in the Trust Deed) of the Noteholders) or Noteholders comprising not less than 66.7% of the Principal Outstanding Amount may: (i) demand that all or part of the Notes, together with accrued interest and all other amounts accrued under the Issue Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or (ii) take any action to realise any Security Interest under the Debentures (*provided* that the realisation of any Security Interest in the Shares pledged under the Debentures shall be subject to Applicable Law) and/or to make any claim or take any action to enforce any of their rights under Applicable Law as the Trustee or such Noteholders may determine in their absolute discretion (subject to the receipt of the MOC Approval) take any action pursuant to the Trust Deed), all of the foregoing without further action or formality:

(a) *Non Payment of Interest/other amounts:* The Issuer does not pay on the due date any amount of interest or other amount (other than principal) payable on the Notes or under any other Issue Document at the place and in the currency in which it is expressed to be payable unless payment is made within seven days of its due date.

(b) *Non Payment of Principal:* The Issuer does not pay on the due date (whether at maturity, upon acceleration, redemption or otherwise) any amount of principal payable on the Notes at the place and in the currency in which it is expressed to be payable.

(c) *Insolvency or Bankruptcy:*

(i) The Issuer or the Company is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under Applicable Law, suspends or threatens to suspend making payments on any of its debts; or

(ii) a moratorium or a freeze proceeding is declared in respect of any indebtedness of the Issuer or the Company provided that the ending of the moratorium or a freeze proceeding will not remedy any Event of Default caused by such moratorium or freeze proceeding; or

(iii) the Issuer or the Company (i) adopts a resolution for winding-up or dissolution, entry into receivership or administration, or (ii) an order of liquidation is issued in respect of the Issuer or the Company; or (iii) the Issuer or the Company enters into receivership.

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(d) *Insolvency Proceedings:*

(i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(A) the suspension of payments, a moratorium or a freeze proceeding of any indebtedness, winding-up, dissolution (whether temporary or permanent), administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or the Company;

(B) a composition, compromise, assignment or arrangement with any creditor of the Issuer or the Company, other than any such arrangement entered into for the purpose of a solvent restructure or merger which (i) does not require the consent of any creditor including the Noteholders or (ii) if the consent of any such creditor is required, where such consent has been given by such relevant creditor and the Trustee (acting on the instructions of the Noteholders);

(C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager, custodian, trustee or other similar officer (each such appointment, whether temporary or permanent) in respect of the Issuer or the Company; or

(D) (i) any crystallisation or enforcement of any security, or placement of any attachment over assets of the Company with a value exceeding US$25,000,000 (or its equivalent in any other currency or currencies) which is not discharged, stayed or dismissed within 45 days of commencement; or (ii) placement of any attachment over the Shares pledged under the Debentures, which is not discharged, stayed or dismissed within 14 days, except for attachments placed solely as a result of or in connection with any obligations of the Noteholders.

(E) (i) any crystallisation or enforcement of any security, or placement of any attachment over any asset of the Issuer; or (ii) placement of any attachment over the Pledged Shares , except for attachments placed solely as a result of or in connection with any obligations of the Noteholders.

(ii) Paragraphs (i)(A) and (C) shall not apply to any petition (except a petition that was initiated by the Issuer, the Company or any Affiliate of the Issuer or the Company, or which such person indicates its consent to, approval of or acquiescence in) which is, in the reasonable opinion of the Noteholders frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement or, if earlier, the date on which it is advertised.

(e) *Breach of covenants:* The Issuer does not comply with any of the covenants set out in the Issue Documents (other than an event that is an Event of Default under Section 9(a) above), which remains un-remedied for 30 days after the Trustee has given written notice of such event or circumstance.

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(f) Deleted.

(g) *Unlawfulness and invalidity:*

(i) It is or becomes unlawful for the Issuer to perform any of its obligations (i) under the Issue Documents which is material in the context of the Notes or (ii) under the Debentures; or

(ii) any obligation or obligations of the Issuer under the Issue Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Noteholders; (iii) the Debentures ceases to be legal, valid, binding, enforceable or effective or is alleged by the Issuer to be ineffective.

(h) *Cross Default*

(i) Any Indebtedness in an aggregate amount of at least US$25,000,000 (or its equivalent in any other currency or currencies) of the Issuer or the Company is not paid when due or after the expiration of any applicable grace period; or

(ii) any default or event of default (other than if caused solely by virtue of non-payment) shall have occurred under any documentation pertaining to any Indebtedness in an aggregate amount of at least US$25,000,000 (or its equivalent in any other currency or currencies) of the Issuer or in an aggregate amount of at least US$50,000,000 (or its equivalent in any other currency or currencies) of the Company; *provided* that any applicable grace periods under such documentation shall have elapsed, and so long as such default and event of default shall not have been waived or cured.

(i) *Share Delisting:* If the Shares cease to be listed for trading on both the Tel-Aviv Stock Exchange and NASDAQ or if the Company files any application for the delisting of the Shares from both the Tel-Aviv Stock Exchange and NASDAQ.

(j) *Material Adverse Effect:* a Material Adverse Effect has occurred.

(k) *Inaccuracy of representation*: Any representation and warranty by the Issuer in the Issue Documents is or proves to be untrue or incorrect; provided that the Trustee or Noteholders comprising of not less than 66.7% of the Principal Amount Outstanding reasonably determine that such event may adversely affect the rights of the Noteholders in a material respect.

(l) *Licences*: If any Licence is surrendered, terminated, withdrawn, suspended for at least seven consecutive days, cancelled or revoked or does not remain in full force and effect or otherwise expires and is not renewed prior to its expiry (in each case, without replacement by a licence(s) or Authorisation, as applicable having substantially equivalent effect) or if any event occurs which is reasonably likely to give rise to the revocation, termination, cancellation or suspension for at least seven consecutive days of any Licence (without replacement) in such circumstance where the Issuer is unable to demonstrate to the reasonable satisfaction of the Trustee and the Noteholders within 7 days of such event

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occurring that such termination, suspension or revocation will not occur; *provided* that the foregoing shall only apply to such Licence or Licences which, individually or collectively, accounted for at least 5% of the gross revenues of the Company in the preceding four fiscal quarters.

(m) *No Trading in Company Securities*: In the event that with respect to any Shares or other securities convertible into Shares of the Company which are traded on a stock exchange, there is no trading in such Shares or other securities convertible into Shares which are traded on a stock exchange for a consecutive period of (i) 14 days or more on which trading is conducted on such stock exchange if trading continues on at least one other Exchange; or (ii) 7 days or more on which trading is conducted on such stock exchange if no trading is conducted on any Exchange.

(n) The SPV shall have failed to provide the Trustee with duly executed instructions to Bank Hapoalim B.M. to transfer all Distributions deposited in the Distribution Bank Account to the Distribution Trust Account, within three (3) Business Days after deposit of Distributions in the Distribution Bank Account, or otherwise be in breach of its undertakings pursuant to Clause 1(B)(b)(iv) of the Assumption Agreement and/or shall have failed to provide the Trustee on the third Business Day following the Effective Date with duly executed instructions to Bank Hapoalim B.M. to transfer all funds comprising part of the Second Portion Consideration to the Second Portion Trust Account or otherwise be in breach of its undertaking pursuant to Clause 1(C)(a) of the Assumption Agreement relating to the use of the Second Portion Consideration which is deposited in the Distribution Bank Account.

(o) *Non-Compliance with any Securities Authority or Stock Exchange*: In the event that the Issuer or the Company breaches or fails to comply with any undertakings or obligations entered into by it, or imposed on it, in favour of any securities authority or stock exchange in any country or state in which shares, securities or debentures of the Company are traded or listed or fails to comply with any rules, regulations or other law of any such securities authority or stock exchange, except that and as long as such securities authority or stock exchange, as applicable, gave the Issuer or the Company, as applicable, an extension for curing such breach or failure - and such breach or failure is not amended within the extension period given; provided that the Noteholders comprising of not less than 66.7% of the Principal Amount Outstanding reasonably determine that such event may adversely affect the rights of the Noteholders in a material respect.

(p) *Non Compliance with Certain Covenants*: In the event of non-compliance with, or breach of any of the covenants set forth in Sections 4(a) (*Negative Pledge*), 4(e) (*Merger*), 4(k) (*Additional Collateral*), 4(n) (*Unrestricted Shares*), 4(q) (*Voting Covenant*) 4(r), 4(s) (*Acquisitions*), 4(t) (*Joint Ventures)*, 4(u) (*Holding Companies*), 4(v) (*Disposals*), 4(w) (*Loans or Credit*), 4(x) (*No Guarantees or indemnities*), 4(y) (*Dividends and share redemption)*, 4(z) (*Financial Indebtedness*), 4(aa) (*Share Capital*), 4(bb) (*Organizational Documents)* or 4(cc) (*Shareholders Agreement)*.

(q) *Dilution of Shares and Other Equity Interests:* In the event that the Company shall issue any Shares or other equity interests in the Company or securities convertible into Shares or into such other equity interests in the Company to any Interested Party, except for bonus shares, or in the event that the Company issues Shares or other equity interests, unless the proposed issue price multiplied by the number of Pledged Shares at the time of issuance is equal to or greater than the Principal Outstanding Amount **and** no Change of Control occurs as a result of such issue.

(r) *Excess Distribution* In the event the Company makes an Excess Distribution, other than as permitted pursuant to Section 2 (k) above.

10. **Currency**

(a) Amounts payable in respect of costs, expenses and taxes are payable in the currency in which they are incurred.

(b) All other amounts payable under the Notes shall be paid in New Israeli Shekel.

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(c) To the extent any amount is paid or received by the Noteholders or the Trustee in a currency other than New Israeli Shekel, then such recipient shall apply the amount received by it in or towards the purchase of New Israeli Shekel at the rate and upon such other terms (including fees and commissions) offered to it by any bank or other financial institution determined by it. Only the amount of New Israeli Shekel actually received by the Noteholders or the Trustee, as applicable, following conversion and net of all costs and expenses associated with such conversion shall be deemed the amount paid or received by the Noteholders or the Trustee, as applicable.

11. **Enforcement**

(a) The Trustee shall, immediately at the request of Noteholder/s holding at least 66.7% of the Principal Outstanding Amount, pursuant to an Extraordinary Resolution or a Written Resolution (as such terms are defined in the Trust Deed),, institute such proceedings against the Issuer as the Noteholders may think fit to recover any amounts due in respect of the Notes which are unpaid or to enforce any of the rights under the Trust Deed and/or the other Issue Documents, including, without limitation, any and all actions upon the occurrence of a Default or an Event of Default, but it may elect not to take any such proceedings or actions unless it shall have been so directed by Noteholder/s holding at least 66.7% of the Principal Outstanding Amount (it being clarified that the realisation of the Pledged Shares shall be subject to the limitations set forth in Section 7 of the Debentures).

12. **Notices**

Every notice or other communication sent to the Noteholders delivered in person or by courier service shall be deemed to have been given upon delivery to the address of each Noteholder as it appears in the Register, those given by facsimile transmission (to the extent a facsimile number was provided by such Noteholder and appears in the Register) shall be deemed given on the Business Day following transmission with confirmed answer back, and all notices and other communications sent by registered mail (or air mail if the posting is international) to the address of each Noteholder as it appears in the Register shall be deemed given five (5) Business Days after posting. All notices shall be made in English.

13. **Governing Law and Jurisdiction**

(a) *Governing law:* The Trust Deed, the Notes and all matters arising from or connected with it are governed by, and shall be construed in accordance with, the laws of the State of Israel, without regard to conflict of law principles thereof.

(b) *Jurisdiction:* The competent courts in the city of Tel Aviv have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with the Trust Deed or the Notes (including a dispute regarding the existence, validity or termination of this Trust Deed or Notes) or the consequences of their nullity.

14. **No Set Off or Counterclaim**

All payments made by the Issuer under the Issue Documents shall be calculated without reference to any setoff or counterclaim and shall be made free and clear without any deduction for or on account of any setoff or counterclaim.

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15. **Language**

It is acknowledged and agreed that English shall be the governing language in the Issue Documents, irrespective of any translations, whether official or unofficial, into any other language.

16. **Trustee's Role**

It is hereby acknowledged and agreed that Trustee shall have no independent duty or obligation to check compliance of the Issuer with any of the terms and covenants included herein and may elect not to take any actions under specified herein unless it shall have been so directed by Noteholder/s holding at least 66.7% of the Principal Outstanding Amount. The authority to declare that a Default or an Event of Default has occurred and whether it is capable of remedy shall be vested solely with the Noteholders as detailed in Trust Deed, and in accordance with the other Issue Documents, and Trustee shall have no such authority. If an act that the Issuer is permitted to undertake under the Issue Documents (and one which does not require a consent from the Noteholders or any portion thereof) requires any signature, or any other action of the Trustee, the Noteholders shall cooperate with the Issuer and shall give relevant instructions to the Trustee to provide such signature, or action, subject to the limitations and requirements under the Issue Documents. Without limiting the generality of the above, such action by the Trustee may be required in connection with the redemption of redeemable shares, the sale of Shares in a Permitted Disposal and the conversion of Unrestricted Shares into Restricted Shares, all subject to the limitations and requirements under the Issue Documents.

Exhibit 99.4

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CONFIDENTIAL

PARTNER COMMUNICATIONS COMPANY LTD.
SHARE PURCHASE AGREEMENT

by and between

SCAILEX CORPORATION LTD.

and

S.B. ISRAEL TELECOM LTD.

November 30, 2012

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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.

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"**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 Section2.2.3.3.

"**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.

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"**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.

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"**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

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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.

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"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

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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.

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"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.

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"**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.

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"**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

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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.

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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

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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

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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

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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 2.2.3.5, 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**").

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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.

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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

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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.

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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.

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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.

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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.

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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,

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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

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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.

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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

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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

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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.

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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

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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.

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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;

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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 7.3.10, 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

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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

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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 7.3.9, Section 7.3.11;

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;

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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

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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,

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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

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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

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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.

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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.

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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.

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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 entitled 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 assignment 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

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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.

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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.

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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*]

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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: CEO

S.B. ISRAEL TELECOM LTD.

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

Exhibit 99.5

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CONFIDENTIAL

PARTNER COMMUNICATIONS COMPANY LTD.

SHARE PURCHASE AGREEMENT

by and between

LEUMI PARTNERS LTD.

and

S.B. ISRAEL TELECOM LTD.

January 23, 2013

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SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT, dated this 23rd day of January, 2013 (the "**Agreement**", and the "**Effective Date**", respectively), is entered into by and between LEUMI PARTNERS LTD., a company incorporated and existing under the laws of the State of Israel, registered with the Israeli registrar of companies under company number 52-003185-7 (the "**Seller**"), and S.B. ISRAEL TELECOM LTD., a company 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. The Purchaser and Scailex Corporation Ltd., ("**Scailex**") have entered into a Share Purchase Agreement, dated November 30, 2012 (the "**SPA**"), pursuant to which, *inter alia*, the Purchaser shall acquire from Scailex a controlling stake ("**Controlling Stake Acquisition**") in Partner Communications Company Ltd. (the "**Company**").

B. 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, par value NIS 0.01 each (the "**Ordinary Shares**) are traded on the TASE.

C. The Seller is the legal and record owner of 7,677,037 Ordinary Shares (the "**Seller Shares**"), out of which the Purchaser wishes to purchase from the Seller and the Seller wishes to sell to the Purchaser 3,200,000 Ordinary Shares, Non-Restricted, free and clear of any Liens (the "**Purchased Shares**") in exchange for the Closing Consideration (as such term is defined hereunder), subject to the consummation of the Controlling Stake Acquisition and other terms and conditions set forth herein.

D. The Parties have further agreed that the Purchaser shall pay Seller on Closing the Waiver Consideration in exchange for Seller's waiver of the Seller Minority Rights and the execution of the Termination Notice and the Amendment to the BLL Agreement by BLL and the Seller (as such terms are defined hereunder) in conjunction with the Closing.

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

F. 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:

"**Acceptance Notice**" shall have the meaning set forth in Section 2.3.3.

"**Acceptance Date**" shall have the meaning set forth in Section 2.3.3.

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"**Aggregate Purchase Price**" means the amount of NIS 80,000,000, which is the result of: (x) the Price Per Share, *multiplied by* (y) the number of Purchased 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.

"**Amendment to the BLL Agreement**" means an amendment to the BLL Agreement to be executed by the Seller and BLL upon Closing, in the form attached hereto as ***Annex I to Exhibit A***.

"**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.

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

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

"**Business Day**" means any day falling Monday through Thursday unless such day is an official holiday in Israel or in the U.S. calculated according to the Israeli Standard Time.

"**Closing**" shall have the meaning set forth in Section 6.1.

"**Closing Consideration**" means (x) the Aggregate Purchase Price, *minus* (z) the Dividend Adjustment Amount, as further set forth in Section 2.2.2.

"**Closing Date**" shall have the meaning set forth in Section 6.1.

"**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.

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

"**Conditions Precedent**" means the conditions precedent to Closing set forth in ARTICLE VI herein.

"**Control**" shall have the meaning ascribed to such term under the Securities Act.

"**Controlling Stake Acquisition**" shall have the meaning set forth in the Preamble.

"**Deadline Date**" means March 18, 2013.

"**Dispose**" or "**Disposition**" shall mean the sale, assignment, transfer, or other disposition of any of the Seller Post-Closing Shares in any way, including, without limitation, any distribution or sale of the Seller Post-Closing Shares on the TASE.

"**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.

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"**Interim Period**" means the period between the Effective Date until the Closing Date.

"**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.

"**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).

"**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, as amended and/or restated from time to time.

"**Non-Restricted**" means Ordinary Shares that are freely transferrable and not classified or qualified in any way whatsoever to satisfy the requirements of the MoC License regarding the "Israeli Requirement" and holdings of "Founding Shareholders and their Substitutes" (all as defined under the MoC License).

"**Notice**" shall have the meaning set forth in Section 2.3.1.

"**Ordinary Shares**" shall have the meaning set forth in the Preamble.

"**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.

"**Price Per Share**" means the price of NIS 25.00 for each of the Purchased Shares.

"**Permitted Disposition**" means Disposition of up to 440,000 Ordinary Shares per calendar year as of the Effective Date.

"**Purchased Shares**" shall have the meaning set forth in the Preamble.

"**Response Period**" shall have the meaning set forth in Section 2.3.3.

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

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

"**Seller Account**" means the account the details thereof are set forth in ***Exhibit B***.

"**Seller Minority Rights**" means the minority rights referred to in sections 9, 10, 11 and 12 of the BLL Agreement.

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"**Seller Post-Closing Shares**" means such number of shares of the Company held by the Seller following the Closing, including shares of the Company acquired by the Seller at any time following the Closing.

"**Seller Shares**" shall have the meaning set forth in the Preamble.

"**Share Transfer Deed**" shall have the meaning set forth in Section 6.4.1.1.

"**Shares for Sale**" shall have the meaning set forth in Section 2.3.1.

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

"**TASE**" means the Tel-Aviv Stock Exchange.

"**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.

"**Tax Exemption Certificate**" shall have the meaning set forth in Section 2.4.2.

"**Termination Notice**" means a notice issued by the Seller to the Purchaser for the irrevocable termination of the Seller Minority Rights, in the form attached hereto as ***Exhibit A***.

"**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.

"**Voting Agreements**" shall have the meaning set forth in Section 3.6.

"**Waiver Consideration**" shall have the meaning set forth in Section 2.2.3.

ARTICLE II
SALE AND PURCHASE OF SHARES; CONSIDERATION; RIGHT OF FIRST OPPORTUNITY; TAX

2.1. Sale and Purchase of the 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 Purchased Shares, free and clear of any Liens, Non-Restricted, for the consideration set forth in Section 2.2 hereunder.

2.2. Consideration.

2.2.1. Payment of Closing Consideration. Subject to the terms and conditions of this Agreement, 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 Consideration and concurrently therewith, Seller shall transfer to Purchaser the Purchased Shares free and clear of any Liens and Non-Restricted. The Purchaser shall pay the Closing Consideration to the Seller in New Israeli Shekels, by way of irrevocable wire transfer in immediately available funds to the Seller Account.

2.2.2. Adjustment to the Closing Consideration due to Dividend Declaration in the Interim Period. In the event that during the Interim Period the Company shall have declared (with an "Ex date" prior to the Closing Date) any dividend distribution to its shareholders, then the Closing Consideration shall be *reduced*, NIS for NIS, by an amount equal to the total amount of such dividend distribution actually received by the Seller with respect to the Purchased Shares (such amount, shall be referred to as the "**Dividend Adjustment Amount**").

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2.2.3. Waiver Consideration. Subject to the terms and conditions of this Agreement, the fulfillment of the Conditions Precedent and the fulfillment of the Seller's obligations hereunder, at Closing, the Purchaser will pay to the Seller an additional consideration at a total amount of NIS3,500,000 (the "**Waiver Consideration**") in consideration for the Seller's waiver of the Seller Minority Rights and the execution of the Termination Notice.

2.3. Right of First Opportunity.

2.3.1. Upon Seller's intention to effect a Disposition of any of the Seller Post-Closing Shares (the "**Shares for Sale**"), then prior to such Disposition, the Seller shall first offer the Purchaser in writing to purchase all of such Shares for Sale (the "**Notice**"), in accordance with the following provisions.

2.3.2. The Seller shall include in the Notice (i) the number of such Shares for Sale; and (ii) the fixed price in NIS or the premium/discount percentage below the applicable market price in NIS on the day of closing upon which it intends to Dispose such Shares for Sale and (iii) the terms of payment.

2.3.3. Within two (2) Business Days following the date of the Notice ("**Response Period**"), the Purchaser shall be entitled to elect to purchase from Seller not less than all of the Shares for Sale, at the price and terms of payment specified in the Notice by a written notification provided by the Purchaser to the Seller during the Response Period (the "**Acceptance Notice**", and the date upon which such Acceptance Notice shall have been received by the Seller, shall be referred to herein, as the "**Acceptance Date**"). The Acceptance Notice shall specify the Purchaser's consent to purchase all of the Shares for Sale at the price and terms of payment specified in the Notice.

2.3.4. Failure by the Purchaser to deliver an Acceptance Notice during the Response Period, shall be deemed a waiver by the Purchaser to exercise its right of first opportunity (for the avoidance of any doubt, without derogating from Section 2.3.6 hereunder).

2.3.5. In the event that the Purchaser shall have delivered the Acceptance Notice in accordance with the terms set forth herein, then within three (3) Business Days as of the Acceptance Date, all of the Shares for Sale shall be transferred by the Seller to the Purchaser (Non-Restricted, free and clear of any Liens, against payment by the Purchaser of the applicable price and in accordance with the terms of payment specified in the Notice).

2.3.6. In the event that the Purchaser shall have failed to deliver an Acceptance Notice during the Response Period, then the Seller shall be entitled to, during thirty (30) days following the lapse of the Response Period, Dispose all of the Shares for Sale or any part thereof at any price, terms and conditions at Seller's sole discretion. In the event that the Seller does not consummate the sale of all of the Shares for Sale or any part thereof within such thirty (30) day period, the right of first opportunity provided to the Purchaser under Section 2.3 shall be reinstated with respect to any Disposition (which is not a Permitted Disposition) of Post Closing Shares which the Seller shall have not disposed of.

2.3.7. Notwithstanding the provisions of Section 2.3 it is hereby agreed that the Right of First Opportunity provided to the Purchaser under the provisions of this Agreement shall not apply to any Permitted Disposition that shall be performed by the Seller

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during each calendar year as of the Effective Date (*provided* that all Dispositions effected during each calendar year will be aggregated for the purpose of calculating the threshold underlying a Permitted Disposition).

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, unless otherwise explicitly provided herein.

2.4.2. The Seller is, and will be at the Closing, in possession of a valid certificate of Tax exemption from the Israeli Taxes Authority attached as **Appendix 2.4.2** hereto (the "**Tax Exemption Certificate**"), which provides for a complete exemption from withholding in respect of any payments made under this Agreement to the Seller. In view of the above, and subject to Section 2.4.3 hereunder, the Purchaser shall pay the applicable Closing Consideration and the Waiver Consideration in its entirety and shall not withhold or deduct any amount of Tax from such amount under this Agreement.

2.4.3. Notwithstanding Section 2.4.2 above, in the event that the Tax Exemption Certificate will not be valid at the Closing, then the Purchaser shall be entitled to deduct and withhold from any amount payable hereunder to the Seller any and all amounts that shall be required to be withheld or deducted under Applicable Law, and to the extent such amounts are so withheld by the Purchaser, then such withheld or deducted amounts shall be treated for all purposes of this Agreement as having been paid to the Seller.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to the Purchaser, as of the Effective Date, and again as of the Closing Date, that the statements set forth in this ARTICLE III are true and correct:

3.1. Ownership of Purchased Shares; No Liens. The Seller is the record and beneficial owner of the Purchased Shares, free and clear of any and all Liens. All of the Purchased Shares have been validly issued and are fully paid and are not qualified or classified in any way whatsoever as "Israeli Shares" in satisfaction of the requirements of the MoC Licence regarding the "Israeli Requirement" or as holdings of "Founding Shareholders and their Substitutes" (all as defined under the MoC Licence). The Seller has the power and authority to sell, transfer, assign, convey and deliver the Purchased Shares as provided in this Agreement, and such delivery will not conflict with any obligation of the Seller to any third party and will convey to Purchaser good and marketable title to the Purchased Shares, free and clear of any and all Liens, and at the Closing the Purchased Shares will Non-Restricted. No Person has claimed to be entitled to a Lien in relation to the Purchased Shares and there is no agreement, arrangement or obligation to create a Lien with respect to any of the Purchased Shares.

3.2. Organization; No Order.

3.2.1. The Seller is a privately held 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 presently conducted.

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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 is not insolvent or otherwise unable to pay its respective debts as they fall due or would become insolvent as a result of or in connection with the consummation of the Transaction.

3.3. Authority; Validity. 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 by the Seller of the Transaction have been duly executed and validly authorized, including by the appropriate corporate organs and authorized individuals. The Agreement has been duly and validly executed and delivered by Seller and, subject to the Conditions Precedent, shall constitute a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

3.4. Consents and Approvals; No Violations. 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. Neither the execution and delivery of this Agreement by Seller nor the performance by the Seller of its obligations hereunder nor the consummation of the Transaction, nor any other compliance by Seller with any of the provisions hereof, will conflict with or result in a breach or violation of, or a default under, or give rise to any other right which may adversely affect the consummation of the Transaction under (a) the organizational documents of Seller, (b) any Applicable Law. The Seller is not a party to any agreement according to which it undertook to perform any Disposition in connection with the Purchased Shares or any part thereof.

3.5. Litigation. There is no Legal Proceeding pending or, to the Seller's Knowledge, threatened, against the Seller or to which the Seller is otherwise a party, which, if adversely determined would delay, hinder or prevent the sale of the Purchased Shares, the consummation of the Transaction or the performance of any of the Seller's obligations under this Agreement. Notwithstanding the foregoing, the Seller represents that a derivative claim is pending against the directors of the Company, including, inter alia, the directors appointed by the Seller (the "**Derivative Claim**").

3.6. Voting Agreements. Except from the BLL Agreement, there are no voting trusts, irrevocable proxies, contracts, agreements, understandings, commitments, obligations, arrangements, undertakings, or other instruments whatsoever, whether written or oral, to which the Seller is a party or by which it is bound, relating to or on connection with the Seller Shares (collectively, "**Voting Agreements**").

3.7. No Claims. As of the Effective Date, the Seller has no claims, actions, causes of action or suits whatsoever against the Company and/or any of its subsidiaries in connection with the BLL Agreement, except for any claims, actions, causes of action or suits whatsoever of the Seller or the directors appointed by the Seller in connection with their capacity as directors in the Company, including but not limited to, the Derivative Claim.

3.8. Assignment of Rights. BLL assigned all of its rights and obligations under the BLL Agreement to the Seller and the Seller assumed all of such rights and obligations. As of the Effective Date, BLL has no claims, actions, causes of action or suits whatsoever against the Company and/or any of its subsidiaries in connection with the BLL Agreement.

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ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PURCHASER

The Purchaser hereby represents and warrants to the Seller, as of the Effective Date, and again as of the Closing Date that the statements set forth in this ARTICLE IV are true and correct, as follows:

4.1. Organization. The Purchaser is a privately held 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 and to carry on its business as presently conducted.

4.2. Authority. The Purchaser has the requisite power, legal capacity and authority to enter into, execute and deliver 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 executed and validly authorized, including by the appropriate corporate organs and authorized individuals. The Agreement has been duly and validly executed and delivered by the Purchaser and, subject to the Conditions Precedent, shall constitute a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

4.3. Consents and Approvals; No Violations. No filing with, and no permit, license, authorization, declaration, consent or approval of, any public or Governmental Authority or other third party is necessary to be obtained by Purchaser prior to the consummation of the Transaction. Neither the execution and delivery of the Agreement by the Purchaser nor the performance by the Purchaser of its obligations hereunder, nor the consummation of the Transaction, nor any other compliance by the Purchaser with any of the provisions hereof, will conflict with or result in a breach or violation of, or a default under, or give rise to any other right which may adversely affect the consummation of the Transaction under (a) the Purchaser's organizational documents, (b) any Applicable Law (assuming that all required approvals under the SPA have been obtained), or (c) any material contract to which the Purchaser is a party.

4.4. The SPA. The Purchaser has entered into the SPA pursuant to which the Purchaser undertook to purchase the controlling stake in the Company, subject to the terms and conditions specified in the SPA, and as of the Effective Date, the Purchaser is not aware of any reason that Controlling Stake Acquisition shall not take place, *provided* that as of the date hereof the required approvals of Israeli Ministry of Communications have not yet been obtained.

4.5. Acquisition of Purchased Shares. The primary purpose of the acquisition of the Purchased Shares hereunder is *not* generating a profit or the avoidance of loss for Purchaser or another third party, but rather an acquisition at a purchase price which reflects a substantial premium on the market price, the primary purpose of which is to (i) satisfy and comply with specific financing requirements mandated by a third providing credit financing for the Controlling Stake Acquisition, where the direct alternative of the acquisition hereunder is economically inefficient, and (ii) avoid a conflict between certain provisions of the BLL Agreement providing for the Seller Minority Rights and the shareholders' agreement to be entered into between the Purchaser and Scailex at the Closing.

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ARTICLE V
PRE-CLOSING COVENANTS

5.1. Press Releases and Reports. None of the Parties shall issue any press release or public announcement concerning this Agreement and/or the Transaction without first obtaining the prior written approval of the other Party hereto, which approval will not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Seller shall be free to make any reports as required under Applicable Law. The Seller shall consult and coordinate the content of such reports with the Purchaser.

5.2. Notice of Certain Facts. During the Interim Period, each of the Parties shall promptly notify and inform the other Party of any material variance in the representations and warranties made thereby hereunder and/or any institution of or written threat of institution of any material Legal Proceeding against each Party related to this Agreement or the Transaction.

ARTICLE VI
CLOSING AND CONDITIONS TO CLOSING

6.1. 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 the three (3) Business Days after all the Conditions Precedent shall have been fulfilled (unless specifically otherwise provided below) (the "**Closing Date**").

6.2. 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:

6.2.1. The closing of the Controlling Stake Acquisition contemplated under the SPA shall take place on or prior to the Closing Date.

6.2.2. The representations and warranties in ARTICLE III shall be true and correct in all material respects at and as of the Closing as if made at and as of such time;

6.2.3. Purchaser shall have received all items specified in Section 6.4.1, unless specifically waived in writing by the Purchaser.

6.3. 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:

6.3.1. The representations and warranties in 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.

6.4. 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.

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6.4.1. Seller's Closing Deliverables. At Closing, the Seller shall deliver, or cause to be delivered, to the Purchaser the following:

6.4.1.1. a copy of a transfer deed, with respect to the Purchased Shares, in the form customary used by the applicable TASE member, issued by the Seller's TASE member and duly executed by the Seller.

6.4.1.2. a clearance confirmation ("אישור סליקה") from the TASE confirming that the Purchased Shares were transferred from the account of the Seller to the account of the Purchaser;

6.4.1.3. a confirmation issued by the corporate secretary of the Seller confirming that all the 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, were duly resolved;

6.4.1.4. an original copy of the Termination Notice, duly executed by the Seller and BLL.

6.4.1.5. an original Amendment to the BLL Agreement duly executed by the Seller and BLL;

6.4.1.6. the Tax Exemption Certificate or any other valid certificate which provides for an exemption from withholding in respect of the payment of the Closing Consideration and the Waiver Consideration;

6.4.1.7. a resignation letter from the Company's board of directors, signed by Mr. Avi Zeldman;

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

6.4.2.1. a copy of a transfer deed, with respect to the Purchased Shares, in the form customary used by the applicable TASE member, issued by the Purchaser's TASE member and duly executed by the Purchaser.

6.4.2.2. the payment of the Closing Consideration by irrevocable wire transfer of immediately available funds to the Seller Account and present an evidence of an irrevocable wire transfer of immediately available funds to the Seller Account;

6.4.2.3. the payment of the Waiver Consideration by irrevocable wire transfer of immediately available funds to the Seller Account and present an evidence of an irrevocable wire transfer of immediately available funds to the Seller Account;

6.4.2.4. 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.

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ARTICLE VII
POST - CLOSING COVENANTS

7.1. Voting Agreements. The Seller undertakes that as long as the Purchaser or any of its Affiliates own the controlling stake in the Company the Seller shall not enter into any Voting Agreement with respect to the Seller Post-Closing Shares.

ARTICLE VIII
TERMINATION

8.1. Termination. This Agreement may be terminated:

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

8.1.2. 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; and

Except as specifically provided otherwise herein, any termination of this Agreement under this Section 8.1 shall become effective by the delivery of written notice by the terminating party to the other party.

8.2. Effect of Termination. Upon termination of this Agreement pursuant to this ARTICLE VIII, 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 8.2 shall relieve any party from liability pursuant to the breach of any provisions of this Agreement prior to termination and the provisions of this Section 8.2 [*Effect of Termination*] and ARTICLE IX [*General Provisions*] will remain in force and survive any termination of this Agreement.

ARTICLE IX
GENERAL PROVISIONS

9.1. 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:

Leumi Partners Ltd.
5 Azrieli Center Square Tower, 36th Floor
Tel-Aviv, 67025, Israel
Fax: +972-3-5141215
Attn: Yaron Bloch, CEO

With copy to (which shall not constitute notice):

Kantor, Elhanani, Tal & Co., Adv.
Mozes House, 74-76 Rothschild Blvd.
Tel-Aviv 65785, Israel
Fax: +972-3-7140401
Attn: Dalia Tal, Adv. And/or Dana Yagur, Adv.

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If to the Purchaser:

S.B. Israel Telecom Ltd.
c/o Saban Capital Group, Inc.
10100 Santa Monica Boulevard
Los Angeles, CA 90067, United States
Fax: +1-310-5575215
Attn: Adam Chesnoff & Niveen S. Tadros

With copy to (which shall not constitute notice):

Zellermayer, Pelossof, Rosovsky, Tsafrir, Toledano & Co.
The Rubinstein House
20 Lincoln Street, Tel Aviv 67134, Israel
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, and (ii) by registered or certified mail, will be deemed received five (5) Business Days immediately following the date mailed.

9.2. 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.

9.3. Entire Agreement. This Agreement (including the Schedules referred to herein, to the extent exist) (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.

9.4. 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 entitled 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 thereof, *provided* that such assignment will not delay or impede the fulfilment of Purchaser's undertakings hereunder or the Conditions Precedent.

9.5. Governing Law; Jurisdiction.

9.5.1. 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.

9.5.2. The Parties hereto irrevocably consent and submit themselves 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

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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.

9.6. 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.

9.7. 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.

9.8. 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.

9.9. 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.

9.10. 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 9.10 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.

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9.11. 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*]

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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 23rd day of January, 2013.

LEUMI PARTNERS LTD.

By: /s/ Yaron Bloch
Name: Yaron Bloch
Title: CEO

By: /s/ Michael Rabihwitch
Name: Michael Rabihwitch
Title: Deputy CEO + General Counsel

S.B. ISRAEL TELECOM LTD.

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

Exhibit 99.6

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CONFIDENTIAL

PARTNER COMMUNICATIONS COMPANY LTD.
SHAREHOLDERS AGREEMENT

by and between

SCAILEX CORPORATION LTD.

and

S.B. ISRAEL TELECOM LTD.

January 29, 2013

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SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT (the "**Agreement**") is entered into as of this 29th day of January 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

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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

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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;

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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.

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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

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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.

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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.

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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

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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 issued and outstanding Shares of the Company 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

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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.

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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 issued and outstanding Shares of the Company 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/**or** 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.

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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

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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;

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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.

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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.

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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.

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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

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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

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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*]

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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: /s/ Yahel Shachar
Name: Yahel Shachar
Title CEO

By: /s/ Galit Alkalay – David
Name: Galit Alkalay – David
Title CFO

S.B. ISRAEL TELECOM LTD.

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