

PARTNER COMMUNICATIONS CO LTD
Form 6-K
March 31, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

Report on Form 6-K dated

March 31, 2011

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

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

(Address of Principal Executive Offices)

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

Form 20-F Form 40-F

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

Yes No

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

This Form 6-K is incorporated by reference into the Company's Registration Statements on Form S-8 filed with the
Securities and Exchange Commission on December 4, 2002 (Registration No. 333-101652), September 5, 2006
(Registration No. 333-137102) and on September 11, 2008 (Registration No. 333-153419)

Enclosure: Materials for the Annual General Meeting of Shareholders.

Rosh Ha'ayin, Israel
March 31, 2011

PARTNER COMMUNICATIONS COMPANY LTD.

NOTICE OF

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that a general meeting of shareholders constituting an Annual General Meeting (the "AGM") of Partner Communications Company Ltd. (the "Company", "Partner" or "we") will be held on May 5, 2011 at 10:00 a.m. (Israel time), at our offices, 8 Ha'amal Street, Rosh Ha'ayin, Israel or at any adjournment thereof.

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

- (1) to re-appoint Kesselman & Kesselman, independent certified public accountants in Israel and a member of PricewaterhouseCoopers International Limited group, as the Company's auditor for the period ending at the close of the next annual general meeting;
 - (2) to discuss the auditor's remuneration for the year ended December 31, 2010, as determined by the Audit Committee and by the Board of Directors, and the report of the Board of Directors with respect to the remuneration paid to the auditor and its affiliates for the year ended December 31, 2010;
 - (3) to discuss the Company's audited financial statements for the year ended December 31, 2010 and the report of the Board of Directors for such period;
 - (4) to re-elect the following directors to the Company's Board of Directors until the close of the next annual general meeting: Ilan Ben Dov, Erez Gissin, Dr. Shlomo Nass, Yahel Shachar and Avi Zeldman; to approve the compensation terms of several directors; to approve (subject to adoption of Resolution 5 below), the insurance of the directors up for re-election at the AGM and of Mrs. Osnat Ronen; and to approve (subject to adoption of Resolution 6 below), indemnification of Mr. Avi Zeldman.
 - (5) to (A) approve and ratify renewal of a "D&O" Insurance Policy and approve an extension of the D&O Policy; and (B) approve the entry into a new "D&O" Insurance Policy.
 - (6) to approve and ratify the grant of an Indemnification Letter to Mr. Avi Zeldman (all other directors continue to benefit from the existing indemnification thereof).
-

(7) to approve and ratify as a “framework transaction” the purchase of handsets, accessories, spare parts and repair services under a revised agreement with Scailex Corporation Ltd., the controlling party of the Company.

The vote of the holders of a majority of the Ordinary Shares, par value NIS 0.01 per share (the “Ordinary Shares”) participating at the AGM and voting on the matter is required for the approval of items no. 1 and 4-6 on the agenda. No vote is required in connection with the discussion of items 2-3 on the agenda.

The vote of the holders of a majority of the Ordinary Shares participating at the AGM and voting on the matter will be required for the approval of item no. 7 on the agenda; provided that one of the following conditions is fulfilled: (i) the majority of votes in favor of the matter shall include at least one-third of the votes of shareholders not having a Personal Interest (as defined in the Israeli Companies Law (1999), as amended (the “Israeli Companies Law”)) in the resolution, which votes shall not include abstaining votes; or (ii) the total number of objecting votes of the shareholders mentioned in clause (i) does not exceed 1% of the total voting rights in the Company.

Only shareholders of record at the close of business on April 5, 2011 (the “Record Date”) will be entitled to participate in and vote at the AGM, subject to the restrictions in the Company’s Articles of Association, as set forth in the attached Proxy Statement. All shareholders are cordially invited to attend the AGM in person.

The Israeli Companies Regulations (Deeds of Vote and Position Notices) of 2005 state that shareholders who will not attend the AGM in person may vote with respect to items no. 4-7 on the agenda by completing the second part of a Hebrew form of Deed of Vote (ktav hatzba'a). For the shareholders' convenience, items no. 1-3 on the agenda are also included in the Deed of Vote (although said items are not subject to the provisions of such regulations), and an English convenience translation of the Deed of Vote is included. Under such regulations, the shareholders may also submit a position notice (hodaat emda) to the Company’s office (envelope marked clearly as “position notice”, to the Company’s Vice President, Legal Affairs and Company Secretary, at the address stated above) in respect of items no. 4-7 on the agenda, no later than ten days following the Record Date (April 15, 2011). The deadline for submission of the Board of Directors’ response to such position notices is April 22, 2011. The Hebrew form of the Deed of Vote and position notices (if any) are available on the websites: www.magna.isa.gov.il or www.maya.tase.co.il; and a convenience translation of the documents into English is available on Form 6-K at the U.S. Securities and Exchange Commission’s EDGAR System <http://www.sec.gov/edgar.shtml>.

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

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

Two or more shareholders holding Ordinary Shares conferring in the aggregate at least one-third of our voting rights, present in person or by proxy at the AGM, or who have delivered to us a Deed of Vote, will constitute a lawful quorum at the AGM. Should no lawful quorum be present one half hour following the time set for the AGM, the AGM shall be adjourned to Thursday, May 12, 2011, at the same time and place.

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

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

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

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

By Order of the Board of Directors

ROLY KLINGER, ADV.

Vice President, Legal Affairs and Company Secretary

PARTNER COMMUNICATIONS COMPANY LTD.

8 Ha'amal Street

Rosh Ha'ayin 48103, Israel

PROXY STATEMENT

This Proxy Statement is furnished to the holders of Ordinary Shares, par value NIS 0.01 per share (the "Ordinary Shares"), including holders of American Depositary Shares (each representing one Ordinary Share, the "ADSs") of Partner Communications Company Ltd. (the "Company", "Partner" or "we") in connection with the solicitation by the Board of Directors of proxies for use at a general meeting of shareholders constituting an Annual General Meeting (the "AGM"), to be held on May 5, 2011 commencing at 10:00 a.m. (Israel time), at our offices, 8 Ha'amal Street, Rosh Ha'ayin, Israel, or at any adjournment thereof.

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

- (1) to re-appoint Kesselman & Kesselman, independent certified public accountants in Israel and a member of PricewaterhouseCoopers International Limited group, as the Company's auditor for the period ending at the close of the next annual general meeting;
 - (2) to discuss the auditor's remuneration for the year ended December 31, 2010, as determined by the Audit Committee and by the Board of Directors, and the report of the Board of Directors with respect to the remuneration paid to the auditor and its affiliates for the year ended December 31, 2010;
 - (3) to discuss the Company's audited financial statements for the year ended December 31, 2010 and the report of the Board of Directors for such period;
 - (4) to re-elect the following directors to the Company's Board of Directors until the close of the next annual general meeting: Ilan Ben Dov, Erez Gissin, Dr. Shlomo Nass, Yahel Shachar and Avi Zeldman; to approve the compensation terms of several directors; to approve (subject to adoption of Resolution 5 below), the insurance of the directors up for re-election at the AGM and of Mrs. Osnat Ronen; and to approve (subject to adoption of Resolution 6 below), indemnification of Mr. Avi Zeldman.
 - (5) to (A) approve and ratify renewal of a "D&O" Insurance Policy and approve an extension of the D&O Policy; and (B) approve the entry into a new "D&O" Insurance Policy.
-

(6) to approve and ratify the grant of an Indemnification Letter to Mr. Avi Zeldman (all other directors continue to benefit from the existing indemnification thereof).

(7) to approve and ratify as a "framework transaction" the purchase of handsets, accessories, spare parts and repair services under a revised agreement with Scailex Corporation Ltd., the controlling party of the Company.

A form of a Deed of Vote (English and Hebrew versions) for use at the AGM (either the English or the Hebrew version) is distributed herewith. With respect to Items no. 4-7 on the agenda, the Deed of Vote shall also be deemed as a Deed of Vote (Ktav Hatzba'a) under the Israeli Companies Law (1999), as amended (the "Israeli Companies Law") and Israeli Companies Regulations (Deeds of Vote and Position Notices) of 2005. Shareholders may withdraw their Deed of Vote by contacting the Company at its address above and duly proving their identity, at least 24 hours prior to the AGM and vote their shares in person. Ordinary Shares represented by any Deed of Vote in the English or the Hebrew version distributed herewith, if properly executed and delivered to the Company at the address above at least seventy two hours prior to the time of the AGM, will be voted as indicated on the form.

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

Proxies for use at the AGM are being solicited by the Board of Directors of the Company. Only shareholders of record at the close of business on April 5, 2011, will be entitled to participate in and vote at the AGM. Proxies are being mailed to non-registered shareholders on or about March 31, 2011 and will be solicited primarily by mail; however, certain of our officers, directors, employees and agents, none of whom will receive additional compensation therefor, may solicit proxies by telephone, e-mail or other personal contact. Partner will bear the cost of the solicitation of the proxies by the Board of Directors, including postage, printing and handling, and will reimburse the reasonable expenses of brokerage firms and others for forwarding material to beneficial owners of Ordinary Shares.

On March 27, 2011, the Company had outstanding 155,270,062 Ordinary Shares, excluding 4,467,990 treasury shares. The holder of each Ordinary Share is entitled to one vote upon each of the matters to be presented at the AGM.

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

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

ITEMS 1 AND 2 – RE-APPOINTMENT OF
AUDITOR AND DISCUSSION OF ITS REMUNERATION

Under the Israeli Companies Law and the Company's Articles of Association, the shareholders of the Company are authorized to appoint the Company's auditor, and the Board of Directors is authorized to determine the auditor's remuneration. Under the Company's Articles of Association, the Board of Directors is required to report the auditor's remuneration to the shareholders and the shareholders are required to discuss that report. In addition, the approval by the Audit Committee of the auditor's re-appointment and remuneration is required under the Nasdaq Corporate Governance Rules.

The Audit Committee has approved, and the Board of Directors has recommended, that Kesselman & Kesselman, independent certified public accountants in Israel and a member of the PricewaterhouseCoopers International Limited group ("Kesselman & Kesselman"), be re-appointed as auditor of the Company for the period ending at the close of the next annual general meeting.

The Audit Committee and the Board of Directors have determined that the remuneration of Kesselman & Kesselman, the Company's auditor, for the year ended December 31, 2010, and its affiliates will be NIS 2,680 thousand for audit fees (including SOX audit), NIS 1,122 thousand for audit-related fees, and NIS 398 thousand for tax fees. Partner has agreed to indemnify Kesselman & Kesselman, and their personnel from any and all third party claims, liabilities, costs and expenses, including reasonable attorney's fees, arising from or relating to services rendered under the Tax Services engagement letter for the year 2010, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of Kesselman & Kesselman relating to such services.

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

1. "RESOLVED, that the Company's auditor, Kesselman & Kesselman, is hereby re-appointed as the auditor of the Company for the period ending at the close of the next annual general meeting"

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

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

It is proposed that at the AGM the following matter be discussed:

2. “The remuneration of the auditor and its affiliates for the year 2010 as determined by the Audit Committee and by the Board of Directors and the report by the Board of Directors of the remuneration of the auditor and its affiliates for the same period are hereby noted.”

No vote of the holders of Ordinary Shares is required in connection with discussion of this item 2.

ITEM 3 – DISCUSSION OF THE COMPANY’S AUDITED FINANCIAL STATEMENTS

The Audit Committee has approved (pursuant to the Nasdaq Corporate Governance Rules) and recommended (pursuant to regulations promulgated under the Israeli Companies Law), and the Board of Directors has approved (pursuant to the Israeli Companies Law), the audited financial statements of the Company for the year ended December 31, 2010, attached hereto as Annex “A”. Under the Israeli Companies Law and the Company’s Articles of Association, shareholders’ discussion is required for both the financial statements and the related report of the Board of Directors, which is attached hereto as Annex “B”. A representative of the Company’s auditor, Kesselman & Kesselman, is expected to be present at the AGM, and will be available to respond to appropriate questions of shareholders.

It is proposed that at the AGM the following matter be discussed:

- “The audited financial statements of the Company for the year ended December 31, 2010 and the report of the Board of Directors for such period are hereby noted.”

No vote of the holders of Ordinary Shares is required in connection with discussion of this item.

ITEM 4 – RE-ELECTION OF THE COMPANY’S DIRECTORS, APPROVAL OF COMPENSATION AND RELATED MATTERS

Under the Israeli Companies Law, the directors of the Company (other than the external directors (Dahatzim) who generally serve for three year terms) shall be appointed at the annual general meeting unless otherwise provided in the Company’s Articles of Association. The elected directors shall commence their terms at the close of the AGM and serve in office until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Israeli Companies Law and the Company’s Articles of Association or unless otherwise provided in the Company’s Articles of Association.

In accordance with Section 22A3 of 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 from time to time (the "License"), and with Article 23.2.6 of the Company's Articles of Association, notwithstanding any other provision of the Articles of Association, a Qualified Israeli Director (as defined in the Articles of Association) shall be appointed as a member of the Board of Directors, and may be removed from such office, only upon written notice to the Company Secretary of his or her appointment or removal by Founding Israeli Shareholders holding Minimum Israeli Holding Shares (as both terms are defined in the Articles of Association) (the "Founding Israeli Shareholders"). The Founding Israeli Shareholders have appointed Mrs. Osnat Ronen as a Qualified Israeli Director on or prior to December 7, 2009. Mrs. Osnat Ronen serves as a General Partner of Viola Private Equity since January 2008 and serves as a director on the Board of Directors of the following companies: Amiad Filtration Systems Ltd., Aeronautics Systems Ltd. (and its subsidiaries), Ads Market Ltd., Orad Hi-Tech Ltd., D-pharm Ltd. and Degania Silicone Ltd. From 2001 until 2007, Mrs. Ronen was the Deputy Chief Executive Officer of Leumi Partners (formerly Leumi & Co. Investment House), the private equity investment arm and investment banking services arm of the Leumi Group. Between 2004 and 2007, Mrs. Ronen was the Deployment Strategy & Execution Manager of the Bachar reform implementation of the Leumi Group. Prior to these positions, she served as Deputy Head of the Subsidiaries Division of the Leumi Group from 1999 until 2001. Mrs. Ronen was also a member of the following Boards of Directors: Audiocodes Ltd., Keshet Broadcasting Ltd., Paz Oil Company Ltd., Direct Insurance, Leumi Card, Fox Group Ltd., Arab Israeli Bank, Leumi Mortgage Bank and more. Mrs. Ronen holds an M.B.A. degree and a BSc degree in mathematics and computer science from Tel Aviv University. To the best knowledge of the Company and the Company's Directors, Mrs. Ronen is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Act of 1968) in the Company. No further notice of appointment or removal of a Qualified Israeli Director was received by the Company from the Founding Israeli Shareholders. Mrs. Ronen's re-appointment is not brought to the shareholders approval at the AGM and she continues to be a Qualified Israeli Director, until a contrary notice is duly received by the Company from the Founding Israeli Shareholders pursuant to the Company's Articles of Association (unless her office becomes vacant earlier in accordance with the provisions of the Israeli Companies Law and the Company's Articles of Association).

Under the Company's Articles of Association, the Board of Directors has the right to elect any person as a director and to fill an office which became vacant. Any director elected in such manner shall serve in office until the coming annual meeting and may be re-elected. Accordingly, the Board of Directors has elected on February 22, 2011, Mr. Avi Zeldman as a director of the Company, instead of Mr. Yaron Bloch. Mr. Zeldman was recommended by Bank Leumi Ltd. and, as announced in 2009 by Scailex Corporation Ltd. ("Scailex"), the Controlling Party (as such term is defined in the Israeli Companies Law) of the Company, Scailex must use its voting power in the Company to cause the election of at least one director recommended by Bank Leumi Ltd.

All the directors listed below will terminate their office as directors of the Company as of the end of the AGM. It is proposed that these directors be re-elected until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Israeli Companies Law and the Company's Articles of Association. No change is made hereby to the service of Mrs. Osnat Ronen as a Qualified Israeli Director and to the service of Dr. Michael Anghel and Mr. Barry Ben-Zeev (Woolfson) as external directors (Dahatzim) of the Company.

The Board of Directors has determined that the board should include at least three directors who are “accounting and financial experts” under the Israeli Companies Law and regulations promulgated thereunder. Mr. Ilan Ben Dov, Dr. Michael Anghel, Mr. Barry Ben-Zeev (Woolfson), Mr. Erez Gissin, Dr. Shlomo Nass, Mr. Yahel Shachar, Mrs. Osnat Ronen and Mr. Avi Zeldman were determined by the Board of Directors to be “accounting and financial experts” under the Israeli Companies Law and regulations promulgated thereunder. Dr. Anghel, Mr. Ben-Zeev (Woolfson), Mr. Gissin, Dr. Nass and Mrs. Ronen also qualify as independent directors according to U.S. law.

The Audit Committee and Board of Directors have noted the respective personal interests of the directors to be re-elected and of Mrs. Ronen. The Audit Committee and Board of Directors have further resolved and recommended to the shareholders at the AGM, (a) to approve a compensation for Mr. Gissin, Dr. Nass and Mrs. Ronen commencing from the close of the AGM, for their respective services to the Company as directors, equal to: (i) an annual fee of NIS 180,000 (one hundred and eighty thousand NIS); and (ii) an attendance fee of NIS 4,000 (four thousand NIS) per meeting, applicable from the fifth meeting per year (whether participating in person, by means of communication, or in writing), in each such case, linked to the Israeli Consumer Price Index published for December 2007, but in any event no less than an aggregate amount per annum equal to U.S. \$50,000 (U.S. Dollars fifty thousand) previously approved by the shareholders, (the “Compensation”), and (b) to approve the reimbursement of reasonable expenses incurred or to be incurred in connection with the performance of position of the directors up for re-election and Mrs. Ronen.

The Audit Committee and Board of Directors have approved, and recommended to the shareholders at the AGM, to approve that (i) subject to adoption of Resolution 5 below, all directors up for re-election and Mrs. Ronen will benefit from the Company's D&O insurance policies; and (ii) subject to adoption of Resolution 6 below, Mr. Zeldman will be granted an indemnification letter. No change is made hereby to the respective existing terms of the indemnification of the other directors, which will continue in full force and effect.

Proxies (other than those directing the proxy holders not to vote for all of the listed nominees) will be voted for the election of all of the nominees, to hold office until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Israeli Companies Law and the Company's Articles of Association. In the event any one or more of such nominees shall be unable to serve, the proxies will be voted for the election of such other person or persons as shall be determined by the proxy holder in accordance with his or her best judgment. The Company is not aware of any reason why any of the nominees, if elected, should not be able to serve as a director.

Name	Position
Ilan Ben Dov	Director and Chairman of the Board of Directors
Erez Gissin	Director
Dr. Shlomo Nass	Director
Yahel Shachar	Director
Avi Zeldman	Director

Ilan Ben Dov serves as Chairman of the Board of Directors of Partner. Mr. Ben Dov has been a director of Partner since October 28, 2009, and is currently a member of the Investment Committee, the Hedging Committee and the Compensation & Nominations Committee. Mr. Ben Dov serves as Chairman of the Board of Directors of Suny Electronics Ltd. ("Suny") and previously had served as its Joint Chief Executive Officer for approximately fifteen years (until May 2009). Mr. Ben Dov also serves as Chairman of the Board of Directors of Scailex. He also currently serves as a director of Tapuz Anashim Ltd., Derech HaLotus Ltd., Refuat Halotus Ltd., Tao Tsuot Real Estate Ltd., Ben Dov Investments Ltd., I. Ben Dov Investments Ltd. and Harmony (Ben Dov) Ltd., as well as subsidiaries of Suny. Mr. Ben Dov served as the Chairman of the Board of Directors of Tao Tsuot Ltd. To the best knowledge of the Company and the Company's Directors, Mr. Ben Dov is not a Family Member of another Interested Party in the Company.

Erez Gissin has been a director of Partner since August 1998, and is currently a member of the Audit Committee. Since April 2005, Mr. Gissin has been a private investor through his management and investment company BCCL. For the prior five years, Mr. Gissin has been the CEO of IP Planet Network Ltd., an Israeli telecommunication company providing satellite broadband services. Previously, he was the Vice President of Business Development of the Eurocom Group, an Israeli leader in telecom and internet products and services. Mr. Gissin also serves as a director of several private companies. Mr. Gissin holds a Bachelor of Science in Industrial Engineering from Tel-Aviv University and an M.B.A degree from Stanford University, California. To the best knowledge of the Company and the Company's Directors, Mr. Gissin is not a Family Member of another Interested Party in the Company.

Dr. Shlomo Nass has been a director of Partner since November 1, 2009, and is currently a member of the Audit Committee and the Investment Committee. Dr. Nass is the senior partner at Dr. Shlomo Nass and Co. Dr. Nass serves as President, Partner and Chairman of the Board of Directors in I.G.B. - Israel Global iInvestments (1999) Ltd., IRS-TKB International Consultants Ltd., Chaniman Entrepreneurship Ltd., Shir Lak Ltd. and M. D. K. Touch Ltd., the Chairman of the Board of Directors of Tao Tsuot Ltd. and serves as a director on the Board of Directors of the following companies: NMC United Entertainment Ltd., Aviv Arlon Ltd., Click Software Technologies Ltd., The Blue Shore Development Company (Tel Aviv- Herzliya) Ltd. and Darban Investments Ltd. Dr. Shlomo Nass was the Vice Chairman of The Public Advisory Committee on Trade Levies. Dr. Nass served in the past as Chairman of the Board of Directors of The Israel Electric Corp. and Chairman of the Board of Directors of Ayalon Insurance Co. and a director in IBC-Industrial Buildings Corporation Ltd. (Mivnei Ta'asiya), Tao Tsuot Nadlan and Formula Systems 1985 Ltd. Dr. Nass holds a B.Sc. degree in economics and accounting, an LL.B. degree and a Ph.D degree in law, all from Bar-Ilan University. Dr. Nass is also a Certified Public Accountant in Israel, a member of the Israel Bar and a Certified Information System Auditor by C.I.S.A. (USA). To the best knowledge of the Company and the Company's Directors, Dr. Nass is not a Family Member of another Interested Party in the Company.

Yahel Shachar has been a director of Partner since October 28, 2009, and is currently a member of the Investment Committee and the Compensation & Nominations Committee. He also serves as a director of 012 Smile Telecom Ltd., a wholly-owned subsidiary of Partner. Mr. Shachar serves as the Chief Executive Officer of Scailex for the last four and a half years and as the Chief Executive Officer of Suny for the last year. Mr. Shachar joined Scailex in December 2001 as Chief Financial Officer. Mr. Shachar is also a director on the Board of Directors of Tapuz Anashim Ltd. Previously, Mr. Shachar served as Chief Operating Officer at BVR Technologies Ltd. for three years. Mr. Shachar holds an LL.M. degree from Georgetown University in Washington, D.C., and an LL.B. degree from Tel-Aviv University and he is a member of the Israeli and New York bar associations. To the best knowledge of the Company and the Company's Directors, Mr. Shachar is not a Family Member of another Interested Party in the Company.

Avi Zeldman has been a director of Partner since February 22, 2011. Mr. Zeldman served from 1999-2010 as the Chief Executive Officer of Leumi Partners Ltd., a fully owned subsidiary of Bank Leumi and as Chairman of the Board of Directors of Leumi Mortgage Bank, Ltd. from 1987-2010. In addition, he served from 1988 until 1999 as a senior management member of Bank Leumi in his capacity as head of the banking division and all of the bank branches in Israel. Mr. Zeldman currently serves on the Board of Directors of the following companies: Fox-Weizel Ltd., Super-Pharm (Israel) Ltd., Techno Rov Holdings (1993) Ltd. and, Archimedes Global (Cyprus) Ltd. Mr. Zeldman studied Economics and Statistics as well as Business Administration Studies at Haifa University. To the best knowledge of the Company and the Company's Directors, Mr. Zeldman is not a Family Member of another Interested Party in the Company.

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

- (i) "RESOLVED, that Messrs. Ilan Ben Dov, Erez Gissin, Dr. Shlomo Nass, Yahel Shachar and Avi Zeldman are re-elected to serve as directors of the Company until the close of the next annual general meeting, unless their office becomes vacant earlier in accordance with the provisions of the Israeli Companies Law and the Company's Articles of Association;
- (ii) RESOLVED, that (A) the Compensation of Mr. Gissin, Dr. Nass and Mrs. Ronen commencing from the close of the AGM is approved, and (B) the reimbursement of expenses of each of the directors up for re-election and Mrs. Ronen is approved;
- (iii) RESOLVED, that (A) subject to adoption of Resolution 5 below, all directors up for re-election and Mrs. Ronen will benefit from the Company's D&O insurance policies; and (B) subject to adoption of Resolution 6 below, Mr. Avi Zeldman will be granted an indemnification letter (the indemnification of the other directors will continue to apply in full force and effect); and
- (iv) RESOLVED, that these resolutions are in the best interest of the Company."

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

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

ITEM 5 - (A) APPROVAL AND RATIFICATION OF A RENEWED "D&O"
INSURANCE POLICY AND APPROVAL OF EXTENTION OF THAT
RENEWED POLICY; AND (B) APPROVAL OF THE ENTRY INTO A NEW
"D&O" INSURANCE POLICY

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

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

Further to the approval of the shareholders on October 22, 2009, the Company participated in a Directors and Officers Insurance Plan (the "Prior D&O Policy") of US \$50 Million insurance cover for liability of the Company's directors, officers and employees acting in their managerial and/or supervisory capacity for wrongful acts committed following acquisition of control by Scailex on October 28, 2009 (the "Change of Control Closing Date"). The Prior D&O Policy expired on July 31, 2010.

It is hereby noted that that further to the approval of the shareholders on October 22, 2009, the Company also participates in a "Run-Off" insurance policy of US \$100 Million insurance cover for liability of the Company's directors, officers and employees acting in their managerial and/or supervisory capacity for acts, errors or omissions carried out or suffered prior to the Change of Control Closing Date for a period of seven years from that date.

The Prior D&O Policy was renewed for an additional period of 12 months until July 31, 2011 (the "Renewed D&O Policy"). The premium payable by the Company for such renewal was U.S. \$275,000.

The Company would like to extend the Renewed D&O Policy by a further six-month period until January 31, 2012 (the "Extended Renewed D&O Policy"), under the same terms and conditions, at a pro rata additional premium less a rebate of 5% totalling U.S. \$130,625 for such period. In parallel to the extension of the Renewed D&O Policy, Scailex - the Controlling Party of the Company - has acquired a D&O insurance policy from the same insurer for a 12 month period. The parallel acquisition enabled the Company to enjoy better terms (such as the rebate) and probably also enabled Scailex to enjoy better terms. The Audit Committee and Board of Directors of the Company have determined that the Extended Renewed D&O Policy is on market terms, in the ordinary course of the Company's business and does not have a material effect on the Company's assets, liabilities or profits.

The Company would also like to renew or acquire a new D&O Insurance Policy (in each such case, the "New D&O Policy") commencing from February 1, 2012 of up to US \$50 Million insurance cover for liability of the Company's directors, officers and employees acting in their managerial and/or supervisory capacity for wrongful acts committed after October 28, 2009 for a period of up to three years (or for several periods, not exceeding three years in the aggregate); provided, that prior to acquisition of that policy, each of the Audit Committee and Board of Directors will determine (the "Determination") that it is on market terms, in the ordinary course of business of the Company and does not have a material effect on the Company's assets, liabilities or profits. The annual premium to be paid by the Company for such cover shall not exceed U.S. \$750,000; provided, that a further approval of the Audit Committee and Board of Directors of the Company will be required to the extent the premium exceeds U.S. \$500,000. The New D&O Policy may be also acquired in parallel to Scailex, to enable the Company to enjoy better terms.

The Audit Committee and the Board of Directors have resolved (i) to approve and ratify, and to recommend to the shareholders at the AGM to approve and ratify, the Renewed D&O Policy; and to approve, and to recommend to the shareholders at the AGM to approve, the Extended Renewed D&O Policy; and (ii) to approve, and to recommend to the shareholders at the AGM to approve, subject to the Determination, the New D&O Policy.

The Audit Committee and the Board of Directors also resolved that each of the Renewed D&O Policy, the Extended Renewed D&O Policy and the New D&O Policy is in the best interest of the Company.

The Directors have noted that they all have a Personal Interest (as defined in Israeli Companies Law) in this matter. The Audit Committee and the Board of Directors of the Company have noted the Personal Interest in each of the Extended Renewed D&O Policy and the New D&O Policy of Mr. Ben Dov (the Controlling Party in Scailex, who is the Chairman of the Company's Board of Directors) and, for the sake of caution, of Mr. Shachar (a Director in the Company and the CEO of Scailex and Suny). Accordingly, Messrs. Ben Dov and Shachar (none of whom being a member of the Audit Committee), did not vote in the Board of Directors' meeting on approval of the Extended Renewed D&O Policy and the New D&O Policy.

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

- (i) (A) "RESOLVED, to approve and ratify the Renewed D&O Policy and the payment of a premium therefor of U.S. \$275,000, and to approve the Extended Renewed D&O Policy and the payment of a premium therefor of U.S. \$130,625.

(B) RESOLVED, to approve (subject to the Determination) the entry into the New D&O Policy and the payment of an annual premium therefor in an amount not exceeding U.S. \$750,000; provided, that a further approval of the Audit Committee and Board of Directors will be required to the extent the premium exceeds U.S. \$500,000, commencing on February 1, 2012 for a period of up to three years (or for several periods, not exceeding three years in the aggregate).
- (ii) RESOLVED, that these resolutions are in the best interest of the Company."

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

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

ITEM 6 - APPROVAL AND RATIFICATION OF THE GRANT OF AN
INDEMNIFICATION LETTER TO MR. AVI ZELDMAN

The Israeli Companies Law and the Company's Articles of Association authorize the Company, subject to the required approvals, to indemnify in advance directors and other Office Holders (as such term is defined in the Israeli Companies Law) of the Company for liabilities or expenses he or she incurs, or that is imposed on him or her, as a result of action or inaction by such person (or together with other directors or officers of the Company) in his or her capacity as a director or officer of the Company for:

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

The Israeli Companies Law provides that a company may not indemnify a director or officer for his or her liability including for: (a) a breach of duty of loyalty towards the company, unless the director or officer acted in good faith and had reasonable grounds to assume that the action would not harm the company; (b) a breach of duty of care done intentionally or recklessly ("pzizut") except for negligence; (c) an intentional act intended to unlawfully yield a personal profit; and (d) a criminal fine, civil fine, financial fine (Itzum Caspi) or a penalty imposed upon the director or officer.

On October 22, 2009 the shareholders of the Company approved the grant of an indemnification letter, substantially in the form attached hereto as Annex "C" (the "Indemnification Letter") to each of the Company's then current and future directors. For the sake of good order, the Company wishes to issue to Mr. Zeldman, serving as the Company's director, or serving as a director or officer on behalf of the Company in other companies (the "Indemnified Person") an Indemnification Letter substantially in the form attached hereto as Annex "C". No change is made to the provisions of the existing respective Indemnification Letters of the other directors, which continue in full force and effect. The aggregate indemnification amount payable by the Company to all the directors, officers and other indemnified persons pursuant to all letters of indemnification issued or that may be issued to them by the Company in the future will not exceed the higher of (i) 25% of shareholders equity and (ii) 25% of market capitalization, each as measured at the time of indemnification.

The Audit Committee and the Board of Directors of the Company have approved the grant of the Indemnification Letter to the Indemnified Person and resolved that such resolution is in the best interest of the Company.

The Directors have noted that Mr. Zeldman has a Personal Interest in this matter.

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

(i) “RESOLVED, to approve and ratify the Company’s undertaking to indemnify Mr. Zeldman and to provide him with an Indemnification Letter, substantially in the form attached hereto as Annex “C”; and

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

The vote of the holders of a majority of the Ordinary Shares participating at the AGM and voting on the matter will be required for the approval of item no. 6 on the agenda.

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

ITEM 7 – APPROVAL AND RATIFICATION OF A “FRAMEWORK TRANSACTION” FOR THE PURCHASE OF HANDSETS, ACCESSORIES, SPARE PARTS AND REPAIR SERVICES UNDER A REVISED AGREEMENT WITH SCAILEX CORPORATION LTD., THE CONTROLLING PARTY OF THE COMPANY

The shareholders of the Company have approved and ratified on April 28, 2010, a perennial agreement with Scailex, the Controlling Party of the Company, to purchase, from time to time, cellular handsets, accessories and spare parts manufactured by Samsung (the “Products”) that are imported to and marketed in Israel by Scailex, for repair services of such Products and additional commercial arrangements between Scailex and the Company regarding annual purchase volumes of the Products and annual gross profit margin of Scailex from transactions with the Company (the “Existing Samsung Products Agreement”).

The main terms of the Existing Samsung Products Agreement, as approved by the shareholders, are detailed below:

1. The Samsung Products Agreement consists of two agreements, dated February 29, 2002 and November 17, 2005 (prior to Scailex’s acquisition of control in Partner), and from an agreement dated January 13, 2010 (amended to reflect the shareholders approval above), which incorporates the former two agreements together with additional commercial arrangements regarding the annual purchase volumes of the Products and annual gross profit margin of Scailex from transactions with the Company, as further described below.

2. The term of the Existing Samsung Products Agreement shall be for the period of two years, commencing on October 28, 2009, the date Scailex acquired control of the Company.
3. The Products' prices in each order shall be determined by negotiation between the parties.
4. The payment terms for the Products and the repair services purchased by the Company are: Current + 62, in accordance with the Company's existing payment terms, unless otherwise agreed in relation to special campaigns.
5. The aggregate and cumulative annual gross profit margin of Scailex from transactions with the Company regarding each group of products between the parties, namely cellular handsets, accessories or spare parts (the "Partner Gross Profit Margin") shall not exceed Scailex' average gross profit margin from the same group of products with entities in which Scailex is not an interested party, during the same calendar year in which the transactions were carried out ("Average Gross Profit Margin").

If the Partner Gross Profit Margin from any group of products exceeds the Average Gross Profit Margin from the same group of products, Scailex shall credit the Company in such sum which will equal Partner Gross Profit Margin and the Average Gross Profit Margin from transactions of the same group of products, except if the deviation between the relevant Partner Gross Profit Margin and the Average Gross Profit Margin is less than 10% of the Average Gross Profit Margin; then, the Company shall not be entitled to any such credit from Scailex.

6. Scailex shall deliver to the Company, for each calendar year, within 30 days following the end of such calendar year, a confirmation letter from Scailex' auditor confirming that the difference between Partner Gross Profit Margin, related to the transactions of each group of products and the Average Gross Profit Margin related to the same group of products, respectively, is not higher than 10% of the Average Gross Profit Margin related to the same group of products. If said difference will be higher than 10% of the Average Gross Profit Margin, Scailex' auditor will so confirm and will specify the Partner Gross Profit Margin and the Average Gross Profit Margin related to the transactions of the relevant group of products. In such case, Partner will be credited the difference amount.
7. The total volume of the transactions between Scailex and the Company shall not exceed NIS 200 million annually. However, Scailex and the Company may increase the scope of annual purchases by an additional amount of up to NIS 20 million, subject to the approval of the Audit Committee and Board of Directors of each of the companies.

8. Scailex shall cooperate with the Company and finance part of the joint marketing activities and promotion campaigns, in a sum which will be equal to an agreed percentage of the volume of the Company's purchases of the Products.

9. The Company shall have the right to return to Scailex only defective Products.

The shareholders approved the Existing Samsung Products Agreement subject to certain conditions reported previously.

Since approval of the Existing Samsung Products Agreement, the global cellular market and the market in Israel have significantly evolved. Additionally, commencing from the last quarter of 2010, a substantial increase in the sales of high-cost Smart-phones - worldwide and in Israel - is occurring, instead of the "feature phones". Among other things, Samsung Electronics Co. Ltd., as one of the leaders of the "smart-phones revolution" has increased its market share globally and locally (Samsung global market share in the android platform grew from 4% in 2009 to 27% in 2010). Finally, during 2011, the number of acquired cellular phones has generally increased. As a result, Partner expects that it will need to purchase much higher quantities of Smart-phones and other sophisticated Samsung products. Consequently, the terms of the existing Samsung Products Agreement do not allow the Company to acquire sufficient Products to address its (and its clients') growing demand and needs and the Company would like to revise the Existing Samsung Products Agreement (the "Revised Samsung Products Agreement") as detailed below:

1. The term of the Revised Samsung Products Agreement shall be for the period of three years, commencing on January 1, 2011. Any extension of said term is subject to receipt of all the approvals needed by law from the relevant Company's organs.
2. The aggregate and cumulative annual Partner Gross Profit Margin of Scailex regarding each group of products shall not exceed Scailex' Average Gross Profit Margin from the same group of products.

If the Partner Gross Profit Margin from any group of products exceeds the Average Gross Profit Margin from the same group of products, Scailex shall credit the Company in such sum which will equal Partner Gross Profit Margin and the Average Gross Profit Margin from transactions of the same group of products.

3. Scailex shall deliver to the Company, for each calendar year, within 30 days following the end of such calendar year, a confirmation letter from an accountant whose identity will be agreed upon between Partner and Scailex, confirming, following review of all required material, that the Partner Gross Profit Margin related to the transactions of each group of products does not exceed the Average Gross Profit Margin related to the same group of products.

4. The total volume of the transactions between Scailex and the Company in each calendar year shall not exceed NIS 550 million (excluding VAT). The Company is not committed to acquisitions at this scope and is free to conduct acquisitions at its discretion according to its marketing needs.

5. The Revised Samsung Products Agreement shall become effective upon approval of the AGM.

The Audit Committee and the Board of Directors approved the entry by the Company into the Revised Samsung Products Agreement in accordance with the following conditions (substituting the Existing Conditions) (the "Revised Conditions"):

1. The persons in charge of handsets procurement in the Company shall examine the prices of the Products offered to the Company by Scailex (including, without limitation, in Internet sales, by comparison to other suppliers of the Products and the prices in other markets in the world) and then evaluate their market prices, which will constitute the basis of negotiating their prices with Scailex. The Products will be purchased from Scailex on market terms for such purchases.
2. The Company will bring to approval or ratification by the Audit Committee the procurement requirement each time it convenes (at least twice in each calendar quarter); provided, that a procurement requirement exceeding Partner's materiality threshold will also be brought for approval by the Board of Directors.

For the sake of caution and due to the anticipated scope of the Revised Samsung Products Agreement, the Company is bringing the transaction for approval as an Extraordinary Transaction in which a Controlling Party has a Personal Interest (within the meaning of these terms, under the Israeli Companies Law).

The Audit Committee and the Board of Directors of the Company have noted the Personal Interest in the Revised Samsung Products Agreement of Mr. Ben Dov (the controlling person in Suny, which is the controlling party in Scailex, and who is the Chairman of the Company's Board of Directors) and, for the sake of caution, of Mr. Shachar (a Director in the Company and the CEO of Scailex and Suny). Accordingly, Messrs. Ben Dov and Shachar (none of whom being a member of the Audit Committee), did not vote in the Board of Directors' meeting on approval of the Revised Samsung Products Agreement.

Regulations promulgated under the Israeli Companies Law determine that no shareholder approval is required for an Extraordinary Transaction between a public company and its Controlling Party which is on market terms and in the ordinary course of business of such company and which does not harm the interest of such company.

The Audit Committee and the Board of Directors have resolved that under the circumstances and upon the conditions above, the transaction with Scailex is a transaction between a public company and its Controlling Party which is on market terms and in the ordinary course of business of the Company and that the transaction is in the best interest of the Company. Consequently, no approval by the shareholders of the resolutions below is required. Nevertheless, due to the scope of the contemplated transaction, the Company is bringing these resolutions to shareholders approval.

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

- (i) “RESOLVED, that the Revised Samsung Products Agreement with Scailex, is hereby approved and ratified as a “framework transaction”. Accordingly, the Company may, from time to time, with effect from January 1, 2011, and for a period of three years, purchase Products and/or repair services from Scailex, on the terms and conditions set out in the Revised Samsung Products Agreement, in an aggregate amount in each calendar year not exceeding NIS 550 million (excluding VAT). The persons in charge of handsets procurement in the Company shall examine the prices of the Products offered to the Company by Scailex (including, without limitation, in Internet sales, by comparison to other suppliers of the Products and the prices in other markets in the world) and then evaluate their market prices, which will constitute the basis of negotiating their prices with Scailex. The Products will be purchased from Scailex on market terms for such purchases. The Company will bring to approval or ratification by the Audit Committee the procurement requirements each time it convenes (at least twice in each calendar quarter); provided, that a procurement requirement exceeding Partner's materiality threshold will also be brought for approval by the Board of Directors; and
- (ii) RESOLVED, that the transaction is on market terms and in the ordinary course of business of the Company and that the transaction is in the best interest of the Company. ”

The vote of the holders of a majority of the Ordinary Shares participating at the AGM and voting on the matter will be required for the approval of item no. 7 on the agenda; provided, that one of the following conditions is fulfilled: (i) the majority of votes in favor of the matter shall include at least one-third of the votes of shareholders not having a Personal Interest in that matter, which votes shall not include abstaining votes; or (ii) the total number of objecting votes of the shareholders mentioned in clause (i) does not exceed 1% of the total voting rights in the Company.

A shareholder shall notify the Company at the address above at least two Business Days (as defined in the Company's Articles of Association) prior to the date of the AGM, whether the shareholder has a Personal Interest in the resolution or not, as a condition for that shareholder's right to vote and be counted with respect to such resolution. A shareholder voting, by means of a Deed of Vote, may include said notice regarding a Personal Interest on the Deed of Vote (to be submitted to the Company at least seventy two hours prior to the time of the AGM).

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

RESTRICTIONS ON VOTING RIGHTS

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

Any shareholder seeking to vote at the AGM must notify the Company prior to the vote, or, if the vote is by Deed of Vote, must so indicate on the Deed of Vote, if any of the shareholder's holdings in Partner or the shareholder's vote requires the consent of the Minister of Communications due to a breach by the shareholder of the restrictions on the transfer or acquisition of means of control or acquisition of control of Partner, or the provisions regarding cross-ownership or cross-control of other mobile telephone operators in Israel, in each case as specified in Sections 21 and 23 of Partner's License (a translation of Sections 21-24 of the License is attached hereto as Annex "D"). If a shareholder does not provide such notification, the shareholder shall not vote and, if the shareholder has voted, his or her vote shall not be counted.

By Order of the Board of Directors

ROLY KLINGER, ADV.

Vice President, Legal Affairs and Company Secretary

Dated: March 31, 2011

Annex "A"

PARTNER COMMUNICATIONS COMPANY LTD.

(An Israeli Corporation)
2010 ANNUAL REPORT

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
2010 ANNUAL REPORT

TABLE OF CONTENTS

	Page
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	F- 2 - F - 3
CONSOLIDATED FINANCIAL STATEMENTS	
<u>Statements of Financial Position as of December 31, 2009 and 2010</u>	F- 4- F - 5
<u>Statements of Income for the years ended December 31, 2008, 2009 and 2010</u>	F - 6
<u>Statements of Comprehensive Income for the years ended December 31, 2008, 2009 and 2010</u>	F - 7
<u>Statements of Changes in Equity for the years ended December 31, 2008, 2009 and 2010</u>	F - 8
<u>Statements of Cash Flows for the years ended December 31, 2008, 2009 and 2010</u>	F - 9 - F - 10
<u>Notes to financial statements</u>	F - 11 - F - 91

The amounts are stated in New Israeli Shekels (NIS) in millions.

Report of Independent Registered Public Accounting Firm

To the Shareholders of

PARTNER COMMUNICATIONS COMPANY LTD.

We have completed integrated audits of Partner Communications Company Ltd.'s ("the Company" or "Partner") consolidated financial statements and of its internal control over financial reporting as of December 31, 2010, in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our integrated audits, are presented below.

Consolidated financial statements

We have audited the consolidated statement of financial position of Partner as of December 31, 2010 and 2009, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company's Board of Directors and management. Our responsibility is to express an opinion on these financial statements based on our integrated audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company's Board of Directors and management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of Partner as of December 31, 2010 and 2009, and the results of its operations, changes in equity and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Internal control over financial reporting

Also, in our opinion, the Company maintained, in all material respects, effective internal control over its financial reporting as of December 31, 2010, based on criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company's Board of Directors and management are responsible for maintaining effective internal control over financial reporting and management is responsible for the assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 15(b). Our responsibility is to express an opinion on the effectiveness of the Company's internal control over financial reporting based on our integrated audit. We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also includes performing such other procedures as we consider necessary in the

circumstances. We believe that our audit provides a reasonable basis for our opinion.

F - 2

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Tel-Aviv, Israel
March 17, 2011

Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International
Limited

Kesselman & Kesselman, Trade Tower, 25 Hamered Street, Tel-Aviv 68125, Israel, P.O Box 452 Tel-Aviv 61003
Telephone: +972 -3- 7954555, Fax:+972 -3- 7954556, www.pwc.co.il

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		New Israeli Shekels December 31,		Convenience translation into U.S. dollars (note 2a)
	Note	2009	2010	2010
		In millions		
CURRENT ASSETS				
Cash and cash equivalents		329	321	90
Trade receivables	7	1,275	1,331	375
Other receivables and prepaid expenses	8	31	71	20
Inventories	9	158	101	28
Derivative financial instruments	6	14	6	2
		1,807	1,830	515
NON CURRENT ASSETS				
Trade Receivables	7	474	632	178
Advance payment in respect of the acquisition of 012 smile	26		30	8
Property and equipment	10	2,064	2,058	580
Licenses and other intangible assets	11	1,260	1,077	304
Deferred income tax asset	23	14		
Derivative financial instruments	6	4		
		3,816	3,797	1,070
TOTAL ASSETS		5,623	5,627	1,585

The financial statements were authorized for issue by the board of directors on March 17, 2011.

Yacov Gelbard
Chief Executive Officer

Emanuel Avner
Chief Financial Officer

Barry Ben-Zeev
(Woolfson)
Director

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	New Israeli Shekels December 31, 2009	December 31, 2010 In millions	Convenience translation into U.S. dollars (note 2a) 2010
CURRENT LIABILITIES				
Current maturities of notes payable and other liabilities and current borrowings	14,15, 16	752	628	177
Trade payables		777	771	217
Parent group - trade	24	34	72	20
Other payables	12	238	264	74
Deferred revenue		56	51	15
Provisions	13	34	26	7
Derivative financial instruments	6	4	3	1
Income tax liability		20	11	3
		1,915	1,826	514
NON CURRENT LIABILITIES				
Notes payable	15	1,379	1,836	517
Bank borrowings	14	300	1,252	353
Liability for employee rights upon retirement, net	17	38	54	15
Dismantling and restoring sites obligation	13	23	23	6
Other non current liabilities	16	6	8	2
Deferred income tax liability	23		2	1
		1,746	3,175	894
TOTAL LIABILITIES		3,661	5,001	1,408
EQUITY				
Share capital - ordinary shares of NIS 0.01 par value: authorized - December 31, 2009, and 2010 - 235,000,000 shares; issued and outstanding - December 31, 2009 – *154,440,136 shares December 31, 2010 – –*155,249,176 shares	19	2	2	1
Capital surplus		2,483	1,099	311
Accumulated deficit		(172)	(124)	(36)
Treasury shares, at cost - December 31, 2009 and 2010 - 4,467,990 shares		(351)	(351)	(99)
TOTAL EQUITY		1,962	626	177
TOTAL LIABILITIES AND EQUITY		5,623	5,627	1,585

* Net of treasury shares

The accompanying notes are an integral part of the financial statements.

F - 5

PARTNER COMMUNICATIONS COMPANY LTD.
 (An Israeli Corporation)
 CONSOLIDATED STATEMENTS OF INCOME

	Note	2008	New Israeli Shekels Year ended December 31		Convenience translation Into U.S. Dollars (note 2a)
			2009	2010	2010
			In millions (except earnings per share)		
Revenues	5	6,302	6,079	6,674	1,880
Cost of revenues	5, 20	3,868	3,770	4,093	1,153
Gross profit		2,434	2,309	2,581	727
Selling and marketing expenses	20	388	387	479	135
General and administrative expenses	20 &				