

## **Chapter Three – General Meetings**

### **1. The Authority of the General Meeting**

#### **1.1. Subjects within the authority of the General Meeting**

The following matters shall require the approval of the General Meeting:

- 1.1.1. Changes in the Articles of Association, if adopted by a Special Majority.
- 1.1.2. The exercise of the authority of the Board of Directors, if resolved by a Special Majority that the Board of Directors is incapable of exercising its authority, and that the exercise of any of its authority is essential to the orderly management of the Company.
- 1.1.3. The appointment or reappointment of the Company's auditor, the termination or non-renewal of his service, and to the extent required by Law and not delegated to the Board of Directors, the determination of his fee.
- 1.1.4. The appointment of Directors, including external Directors.
- 1.1.5. To the extent required by the provisions of Section 255 of the Companies Law, the approval of actions and transactions with interested parties and also the approval of an action or a transaction of an officer which might constitute a breach of the duty of loyalty.
- 1.1.6. Changes in the share capital of the Company, if adopted by a Special Majority as set forth in Article 13 above.
- 1.1.7. A merger of the Company, as defined in the Companies Law.
- 1.1.8. Changes in the objectives of the Company as set forth in Article 4 above, if adopted by a Special Majority.
- 1.1.9. Changes in the name of the Company, if adopted by a Special Majority.
- 1.1.10. Liquidation, if adopted by a Special Majority.

- 1.1.11. Settlements or Arrangements pursuant to Section 233 of the Companies Ordinance.
  - 1.1.12. Any other matters which applicable Law requires to be dealt with at General Meetings of the Company.
- 1.2. The authority of the General Meeting to transfer authorities between corporate organs.

The General Meeting, by a Special Majority, may assume the authority which is given to another corporate organ, and may transfer the authority which is given to the General Manager to the Board of Directors.

The taking or transferring of authorities, as aforesaid, shall be with regard to a specific issue or for a specific period of time, all as stated in the resolution of the General Meeting.

## 2. **Kinds of General Meetings**

### 2.1. Annual Meetings

A General Meeting shall be convened at least once a year, within fifteen months of the last general meeting. The meeting shall be held at the registered offices of the Company, unless otherwise determined by the Board of Directors. These General Meetings shall be referred to as “Annual Meetings”.

2.1.1. An Annual Meeting shall be convened to discuss the following:

(One) The Financial Statements and the Report of the Board of Directors, as of December 31st of the calendar year preceding the year of the annual meeting.

(Two) The Report of the Board of Directors with respect to the fee paid to the Company’s auditor.

2.1.2. The Annual Meeting shall be convened to adopt resolutions on the following matters:

(One) The appointment of Directors and the termination of their office in accordance with Article 23 below.

(Two) The appointment of an auditor or the renewal of his office, subject to the provisions of Article 29 below.

2.1.3. The Annual Meeting may discuss, and decide upon, any matter on the agenda of such meeting.

2.2. Extraordinary Meetings

General Meetings of the Shareholders of the Company which are not convened in accordance with the provisions of Article 15.1 above, shall be referred to as “Extraordinary Meetings”. An Extraordinary Meeting shall discuss, and decide upon, any matter (other than those referred to in Article 15.1.1 or 15.1.2), for which the Extraordinary Meeting was convened.

2.3. Class Meetings

The provisions of these Articles of Association with respect to General Meetings shall apply, mutatis mutandis, to meetings of a class of Shareholders of the Company.

3. **The Holding of General Meetings**

3.1. The Convening of the Annual Meeting

The Board of Directors shall convene Annual Meetings in accordance with the provisions of Article 15.1 above.

3.2. The Convening of an Extraordinary Meeting

The Board of Directors may convene an Extraordinary Meeting, as it decides, provided, however, that it shall be obligated to convene an Extraordinary Meeting upon the demand of one of the following:

3.2.1. Any two Directors or a quarter of the Directors, whichever is lower; or

3.2.2. any one or more Shareholders, holding alone or together at least 4.99% of the issued share capital of the Company.

3.3. Date of Convening an Extraordinary Meeting Upon Demand

The Board of Directors, which is required to convene a general meeting in accordance with Article 16.2 above shall announce the convening of the General Meeting within twenty-one (21) days from the receipt of a demand in that respect, and the date fixed for the meeting shall not be more than thirty-five (35) days from the publication date of the announcement of the General Meeting.

In the event that the Board of Directors shall not have convened an Extraordinary Meeting, as required in this Article, those demanding its convening or half of the Shareholders which demand it subject to Article 16.2.2, are entitled to convene the meeting themselves, so long as it is convened within three months from the date on which the demand was filed, and it shall be convened, inasmuch as possible, in the same manner by which meetings are convened by the Board of Directors. In the

event that a General Meeting is convened as aforesaid, the Company shall bear the reasonable costs and expenses incurred by those demanding it.

#### 3.4. Notice of Convening a General Meeting

Notice of a General Meeting shall be sent to each registered Shareholder of the Company as of the Record Date set by the Board of Directors for that meeting, within five (5) days after that Record Date, unless a different notice time is required by Law and cannot be altered or waived in the Company's Articles of Association.

A General Meeting may be convened following a shorter notice period, if the written consent of all the Shareholders who are entitled at such time to receive notices has been obtained. A waiver by a Shareholder can also be made in writing after the fact and even after the convening of the General Meeting.

#### 3.5. Contents of the Notice

Subject to the provisions of any Law, a notice with respect to a general meeting shall specify the agenda of the meeting, the location, the proposed resolutions and also the arrangements for voting by means of a deed of voting or a deed of authorization, and the requirements of Article 10A.2.1.

Any notice to be sent to the Shareholders shall also include a draft of the proposed resolutions or a concise description of their particulars.

### 4. **The Agenda of General Meetings**

4.1. The agenda of the General Meeting shall be determined by the Board of Directors and shall also include issues for which an Extraordinary Meeting is being convened in accordance with Article 15.2 above, or demanded in accordance with Article 17.2 below.

4.2. One or more Shareholders holding alone or in the aggregate, 4.99% or more of the share capital of the Company may request that the Board of Directors include an issue on the agenda of a general meeting to be convened in the future. The Board of Directors shall incorporate such issue on the agenda of such a future general meeting, provided that the Board of Directors determines, in its discretion, such issue is suitable to be discussed in the General Meeting of the Company.

4.3. The General Meeting shall only adopt resolutions on issues which are on its agenda.

4.4. So long as it is not otherwise prescribed by Law, the General Meeting is entitled to accept or reject a proposed resolution which is on the agenda of the General Meeting, the draft or concise description of the particulars of which were published by the Company, including slight alterations, however, it is not entitled to take a resolution, which is materially different than the proposed resolution.

## 5. **Discussions in General Meetings**

### 5.1. Quorum

No discussion shall be held in the General Meeting unless a lawful quorum is present. Subject to the requirements of the applicable Law in force at the time these Articles of Association come into force, the rules of the Nasdaq National Market, the London Stock Exchange and any other exchange on which the Company's securities are or may become quoted or listed, and the provisions of these Articles, any two Shareholders, present by themselves or by means of a proxy, or who have delivered to the Company a Deed of Voting indicating their manner of voting, and who hold or represent at least one-third of the voting rights in the Company shall constitute a lawful quorum. A Shareholder or his proxy, who may also serve as a proxy for other Shareholders, shall be regarded as two Shareholders or more, in accordance with the number of Shareholders he is representing.

### 5.2. Deferral of the General Meeting in the Absence of Lawful Quorum

In the event that a legal quorum is not present after the lapsing of 30 minutes from the time specified in the convening notice for the commencement of the meeting, the meeting may be adjourned to the same day of the following week (or the first business day thereafter) at the same time and venue, or to another time and venue, as determined by the Board of Directors in a notice to the Shareholders, and the adjourned meeting shall discuss the same issues for which the original meeting was convened. If at the adjourned meeting, a legal quorum is not present at the time specified for the commencement of the meeting, then and in such event one or more Shareholders holding or representing in the aggregate at least 10% of the voting rights in the Company shall be deemed to form a proper quorum, subject to the provisions of Section 79 of the Companies Law.

### 5.3. The Chairman of the General Meeting

The chairman of the Board of Directors (if appointed) shall preside at each General Meeting. In the absence of the chairman, or if he fails to appear at the meeting within 15 minutes after the time fixed for the meeting, the Shareholders present at the meeting shall choose any one of the Directors of the Company as the chairman, and if there is no Director present at the meeting, one of the Shareholders shall be chosen to preside over the meeting. The chairman shall not have an additional vote or casting vote.

### 5.4. Adjourned Meeting

Upon adoption of a resolution at a General Meeting at which a lawful quorum is present, the chairman may and upon demand of the General Meeting shall adjourn the General Meeting from time to time and from venue to venue, as the meeting may decide (for the purpose of this Article: an "Adjourned Meeting"). In the event that a meeting is adjourned for fourteen days or more, a notice of the Adjourned

Meeting shall be given in the same manner as the notice of the original meeting. With the exception of the aforesaid, a Shareholder shall not be entitled to receive notice of an Adjourned Meeting or of the issues which are to be discussed in the Adjourned Meeting. The Adjourned Meeting shall only discuss issues that could have been discussed at the General Meeting which was adjourned. The provisions of Articles 17.1, 17.2 and 17.3 of the Articles of Association shall apply to an Adjourned Meeting.

## 6. **Voting of the Shareholders**

### 6.1. Resolutions

In any General Meeting, a proposed resolution shall be adopted if it receives an Ordinary Majority, or any other majority of votes set by Law or in accordance with these Articles of Association. For the avoidance of doubt, any proposed resolution requiring a Special Majority under the Companies Ordinance shall continue to require the same Special Majority even after the effective date of the Companies Law.

In the event of a tie vote, the resolution shall be deemed rejected.

### 6.2. Checking Majority

6.2.1. The checking of the majority shall be carried out by means of a count of votes, at which each Shareholder shall be entitled to vote in each case in accordance with rights fixed for such Shares, subject to Articles 10A above and Article 44 below. A Shareholder shall be entitled to a single vote for each share he holds which is fully paid or that Calls of Payment in respect of which was fully paid.

6.2.2. The announcement of the chairman that a resolution in the General Meeting was adopted or rejected, whether unanimously or with a specific majority, shall be regarded as prima facie evidence thereof.

### 6.3. Written Resolutions

Subject to the provisions of applicable Law, a written resolution signed by all of the Shareholders of the Company holding Shares which entitle their holders to participate in General Meetings of the Company and vote therein, or of the same class of Shares to which the resolution refers, as the case may be, shall be regarded as a valid resolution for all purposes, and as a resolution adopted at a General Meeting of the Company or at a class meeting of the relevant class of Shares, as the case may be, which was properly summoned and convened, for the purpose of adopting such a resolution.

Such a resolution could be stated in several copies of the same document, each of them signed by one Shareholder or by several Shareholders.

6.4. Record Date For Participation and Voting

The Record Date shall be set by the Board of Directors, or by a person or persons authorized by the Board of Directors, in accordance with applicable Law.

6.5. A Right to Participate and Vote

A Shareholder shall not be entitled to participate and vote in any General Meeting or to be counted among those present, so long as (i) he owes the Company a payment which was called for the Shares held by him, unless the allotment conditions of the Shares provide otherwise, and/or (ii) his holdings are registered in the Shareholder Register together with a notation that such holdings have been classified as Exceptional Holdings, as defined in Article 10A or Affected Shares, as defined in Article 44.

6.6. Personal Interest in Resolutions

A Shareholder seeking to vote with respect to a resolution which requires that the majority for its adoption include at least a third of the votes of all those not having a personal interest (as defined in the Companies Law) in the resolution shall notify the registered office of the Company at least two business days prior to the date of the General Meeting, whether he has a personal interest in the resolution or not, as a condition for his right to vote and be counted with respect to such resolution.

A Shareholder voting on a resolution, as aforesaid, by means of a Deed of Vote, may include his notice with regard to his personal interest on the Deed of Vote.

6.7. The Disqualification of Deeds of Vote

Subject to the provisions of applicable Law, the corporate secretary of the Company may, in his discretion, disqualify Deeds of Vote and Deeds of Authorization and so notify the Shareholder who submitted a Deed of Vote or Deeds of Authorization in the following cases:

6.7.1. If there is a reasonable suspicion that they are forged;

6.7.2. If there is a reasonable suspicion that they are falsified, or given with respect to Shares for which one or more Deeds of Vote or deeds of authorization have been given and not withdrawn; or

6.7.3. If there is no note on the Deed of Vote or Deed of Authorization as to whether or not his holding in the Company or his vote require the consent of the Minister of

Communications pursuant to Sections 21 and 23 to the License.

6.7.4. With respect to Deeds of Vote:

(One) If more than one choice is marked for the same resolution; or

(Two) With respect to resolutions which require that the majority for their adoption includes a third of the votes of those not having a personal interest in the approval of the resolution, where it was not marked whether the relevant Shareholder has a personal interest or not, as aforesaid.

Any Shareholder shall be entitled to appeal on any such disqualification to the Board of Directors at least one business day prior to the relevant General Meeting.

6.8. The Voting of a Person without Legal Capacity

A person without legal capacity is entitled to vote only by means of a trustee or a legal custodian.

6.9. The Voting of Joint Holders of a Share

Where two or more Shareholders are registered joint holders of a Share, only the first named joint holder shall vote, without taking into account the other registered joint holders of the Share. For this purpose, the first named joint holder shall be the person whose name is registered first in the Shareholder Register.

6.10. Minutes of the General Meeting

The chairman of the General Meeting shall cause that the minutes of each General Meeting shall be properly maintained and shall include the following:

6.10.1. The name of each Shareholder present in person, by Deed of Vote or by proxy and the number of Shares held or represented by him;

6.10.2. The principal issues of the discussion, all the resolutions which were adopted or rejected at the General Meeting, and if adopted – according to what majority.

7. **The Appointment of a Proxy**

7.1. Voting by Means of a Proxy

A Shareholder registered in the Shareholder Register is entitled to appoint by deed of authorization a proxy to participate and vote in his stead, whether at a certain General Meeting or generally at General Meetings of the Company, whether

personally or by means of a Deed of Vote, so long as the deed of authorization with respect to the appointment of the proxy was delivered to the Company at least two Business Days prior to the date of the General Meeting.

In the event that the deed of authorization is not limited to a certain General Meeting, then the deed of authorization, which was deposited prior to a certain General Meeting, shall also be good for other General Meetings thereafter. This Article 20 shall also apply to a Shareholder which is a corporation, appointing a person to participate and vote in a General Meeting in its stead. A proxy is not required to be a Shareholder of the Company.

7.2. The Draft of the Deed of Authorization

The deed of authorization shall be signed by the Shareholder and shall be in or substantially in the form specified below or any such other form acceptable to the Board of Directors of the Company. The corporate secretary, in his discretion, may accept a deed of authorization differing from that set forth below provided the changes are immaterial.

The corporate secretary shall only accept either an original deed of authorization, or a copy of the deed of authorization which is certified by a lawyer having an Israeli license or a notary.

**Deed of Authorization**

Date: \_\_\_\_\_

To: Partner Communications Company Ltd.  
Attn.: Corporate Secretary

Re: [Annual/Extraordinary] General Meeting of the Company  
to be Held On \_\_\_\_\_

I, the undersigned \_\_\_\_\_, Identification No. / Registration No. \_\_\_\_\_, of \_\_\_\_\_, being the registered holder of \_\_\_\_\_ (\*) Shares [Ordinary Shares having a par value of NIS 0.01, each], hereby authorize \_\_\_\_\_, Identification No. \_\_\_\_\_ (\*\*), and/or \_\_\_\_\_, Identification No. \_\_\_\_\_ and/or \_\_\_\_\_, Identification No. \_\_\_\_\_ to participate and vote in my stead and on my behalf at the referenced meeting and in any adjournment of the referenced meeting of the Company / at any General Meeting of the Company, until I shall otherwise notify you .

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Signature

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(\*) A Shareholder is entitled to give several deeds of authorization, each of which refers to a different quantity of Shares of the Company held by him, so long as he shall not give deeds of authorization with respect to an aggregate number of Shares exceeding the total number he holds.

(\*\*) In the event that the proxy does not hold an Israeli Identification number, indicate a passport number, if any, and the name of the country which issued the passport.

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7.3. A vote in accordance with a deed of authorization shall be lawful even if prior to it, the appointer died or became incapacitated or bankrupt, or if it is a corporation – was liquidated, or if he cancelled the deed of authorization or transferred the Share in respect of which it was given, unless a notice in writing was received at the Office of the Company prior to the meeting with respect to the occurrence of such an event.

8. **Deed of Vote, Voting Via the Internet**

8.1. A Shareholder may vote in a General Meeting by means of a Deed of Vote (*ktav hatba'ah*) on any issue for which voting by Deed of Vote is required to be offered under applicable Law and on any other issue for which the Board of Directors has approved voting by Deed of Vote, either generally or specifically. The form of the Deed of Vote shall be set by the corporate secretary or any one so authorized by the Board of Directors.

8.2. The Board of Directors may authorize Shareholder voting in a General Meeting via the Internet, subject to any applicable Law.

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