

PARTNER COMMUNICATIONS CO LTD
Form 6-K
September 13, 2018

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

September 13, 2018

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), September 11, 2008 (Registration No. 333-153419), August 17, 2015 (Registration No. 333-206420), November 12, 2015 (Registration No. 333-207946), March 14, 2016 (Registration No. 333-210151) and on December 27, 2017 (Registration No. 333-222294)

Enclosure: Materials for the Annual Meeting of Shareholders

Rosh Ha'ayin, Israel
September 13, 2018

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 Thursday, October 18, 2018 at 14:00 (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:

to re-appoint Kesselman & Kesselman, independent certified public accountants in Israel and a member of
(1) PricewaterhouseCoopers International Limited group, as the Company's auditor for the period ending at the close of the next annual general meeting;

to discuss the auditor's remuneration for the year ended December 31, 2017, as determined by the Audit
(2) 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, 2017;

to discuss the Company's audited financial statements for the year ended December 31, 2017 and the report of the
(3) Board of Directors for such period;

to re-elect the following directors to the Company's Board of Directors until the close of the next annual general meeting: Mr. Adam Chesnoff, Mr. Elon Shalev, Mr. Tomer Bar-Zeev, Mr. Sumeet Jaisinghani, Mr. Barak Pridor, Mr. Yoav Rubinstein, Mr. Arie Saban, Mr. Yehuda Saban, Mr. Arie (Arik) Steinberg and Mr. Ori Yaron (the
(4) "Appointed Directors"); to approve the compensation of several directors; to approve that these directors will continue to benefit from the Company's existing D&O insurance policy; to approve that the directors who have indemnification and release letters will continue to benefit from the indemnification and release thereunder; and to approve and ratify (subject to the adoption of Resolution 5) that Mr. Tomer Bar-Zeev and Mr. Summet Jaisinghani will benefit from the indemnification and release under said resolution;

to approve and ratify the grant of indemnification and release letters to Mr. Tomer Bar-Zeev and to Mr. Sumeet
(5) Jaisinghani;

to re-appoint Mr. Barry Ben Zeev as an external director (Dahatz), for one additional and final term, approval of
(6) his remuneration, and approval that no change is made to his right to benefit from the Company's D&O insurance policy and indemnification and release;

(7) to approve a new equity incentive grant to the CEO.

Resolution 7 above refers to information incorporated by reference to the Company's Annual Reports on Form 20-F for the years ended December 31, 2015 and 2017. See below.

The vote of the holders of a majority of the Ordinary Shares, par value NIS 0.01 per share (the "Ordinary Shares") participating in the AGM and voting on the matter is required for the approval of any of items 1, 4(i) and 4(iii) 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 in the AGM and voting on the matter is required for the approval of any of items 4(ii), 5, 6 and 7 provided, that one of the following conditions is fulfilled: (i) the majority of votes in favor of the matter shall include at least a majority of the votes of shareholders not constituting Controlling Parties (as stated in the Israeli Companies Law (1999), as amended (the "Israeli Companies Law"), including section 268 thereof, "Controlling Parties") in the Company, or those having a Personal Interest (as defined in the Israeli Companies Law, a "Personal Interest") in the approval of the pertinent item, participating in the vote; 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 2% of the total voting rights in the Company.

Only shareholders of record at the close of business on September 20, 2018 (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) (2005), as amended, state that shareholders who will not attend the AGM in person may vote with respect to items 4-7 on the agenda by completing the second part of the Hebrew form of the Deed of Vote (ktav hatzba'a). For the shareholders' convenience, items 1-3 and 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 (hoda'at emda) to the Company's offices (envelope marked clearly as "position notice", to the Company Secretary, at the address stated above) in respect of items 4-7 on the agenda, no later than ten (10) days before the AGM meeting date (October 8, 2018). The deadline for submission of the Board of Directors' response to such position notices is October 13, 2018. Changes to the AGM agenda may be made after the filing of the Deed of Vote, including by adding an item to the agenda following a shareholder request (in accordance with Section 66(b) to the Israeli Companies Law) submitted to the Company no later than September 20, 2018 (seven (7) days following the date of filing the attached Proxy Statement), all in accordance with an amendment to the Israeli Companies Regulations (Notice and advertisement regarding a general meeting and a class meeting in a public company and the addition of an item to the agenda) (2000). In such case, the Company will file an amended agenda and an amended Deed of Vote no later than September 27, 2018. The filing of an amended agenda will not require the change of the Record Date as set forth above and in the attached Proxy Statement. The Hebrew form of the Deed of Vote, the amended agenda and the amended Deed of Vote (both, if any) and position notices are or will be available on the websites: www.magna.isa.gov.il or www.maya.tase.co.il; and an English convenience translation of the documents 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 distributed herewith (or the amended Deed of Vote, if any) (either the Hebrew or the English version) and to return it promptly (and in any event at least four (4) hours prior to the time of the AGM) to the Company at its address above or use the electronic voting system for shareholder meetings of publicly listed Israeli companies via its MAGNA system, following a registration process, no later than four (4) hours before the time fixed for the AGM. The shareholders are requested to vote only once, either by sending the Deed of Vote (the Hebrew version or the English version, but not both) or by electronic voting. If a shareholder votes both ways, the vote shall be disqualified.

The Company's Articles of Association 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 four (4) hours prior to the time of the AGM. Shareholders may revoke their Deeds of Authorization by a written notice received at the Company's offices 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, October 25, 2018, 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) (or the amended Deed of Vote, if any) and the Position Notices (hodaot emda) (if any).

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 (or the amended Deed of Vote, if any) and to the Position Notices (if any) posted on the Israel Securities Authority website, unless the shareholder notified that he 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 prior coordination at telephone number +972-54-7814191.

By Order of the Board of Directors

Hadar Vismunski-Weinberg, Adv.

Company Secretary

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PARTNER COMMUNICATIONS COMPANY LTD.

8 Ha'amal Street

Rosh Ha'ayin 4810302, 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 Thursday, October 18, 2018 commencing at 14:00 (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:

to re-appoint Kesselman & Kesselman, independent certified public accountants in Israel and a member of (1) PricewaterhouseCoopers International Limited group, as the Company's auditor for the period ending at the close of the next annual general meeting;

to discuss the auditor's remuneration for the year ended December 31, 2017, as determined by the Audit (2) 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, 2017;

to discuss the Company's audited financial statements for the year ended December 31, 2017 and the report of the (3) Board of Directors for such period; and

to re-elect the following directors to the Company's Board of Directors until the close of the next annual general meeting: Mr. Adam Chesnoff, Mr. Elon Shalev, Mr. Tomer Bar-Zeev, Mr. Sumeet Jaisinghani, Mr. Barak Pridor, Mr. Yoav Rubinstein, Mr. Arie Saban, Mr. Yehuda Saban, Mr. Arie (Arik) Steinberg and Mr. Ori Yaron (the (4) "Appointed Directors"); to approve the compensation of several directors; to approve that these directors will continue to benefit from the Company's existing D&O insurance policy; to approve that the directors who have indemnification and release letters will continue to benefit from the indemnification and release thereunder; and to approve and ratify (subject to the adoption of Resolution 5) that Mr. Tomer Bar-Zeev and Mr. Sumeet Jaisinghani will benefit from the indemnification and release under said resolution;

to approve and ratify the grant of indemnification and release letters to Mr. Tomer Bar-Zeev and to Mr. Sumeet (5) Jaisinghani;

to re-appoint Mr. Barry Ben Zeev as an external director (Dahatz) for one additional and final term, approval of his (6) remuneration, and approval that no change is made to his right to benefit from the Company's D&O insurance policy and indemnification and release;

(7) to approve a new equity incentive grant to the CEO.

A form of a Deed of Vote (Hebrew and English versions) for use at the AGM (either the Hebrew or the English version) is distributed herewith (or an amended Deed of Vote (if any) will be filed). With respect to Items 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 and Israeli Companies Regulations (Deeds of Vote and Position Notices) (2005), as amended. 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 Hebrew or the English version distributed herewith (or the amended Deed of Vote, if any), if properly executed and delivered to the Company at the address above at least four (4) hours prior to the time of the AGM or if voted electronically, no later than four (4) hours before the time fixed for the AGM, will be voted as indicated on the form.

In parallel to distribution of this Notice and Proxy Statement, the afore-mentioned Hebrew version of the Deed of Vote (ktav hatzba'a) per Israeli requirements and an English version of the Deed of Vote will be distributed among the shareholders. The shareholders are requested to send only one version of the Deed of Vote (the Hebrew version or the English 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 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 September 20, 2018 will be entitled to participate in and vote at the AGM. Proxies are being distributed to shareholders on or about September 13, 2018; however, certain of our officer holders, 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 September 12, 2018, the Company had outstanding 164,754,047 Ordinary Shares, excluding 6,342,016 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 Company's Articles of Association, 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, Citibank, N.A., 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, to re-appoint Kesselman & Kesselman, independent certified public accountants in Israel and a member of the PricewaterhouseCoopers International Limited group ("Kesselman & Kesselman"), 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, 2017, and its affiliates will be NIS 2,483 thousand for audit fees (including SOX audit), NIS 402 thousand for audit-related fees, and NIS 585 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 2017, 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 resolution be adopted:

1. "RESOLVED: to re-appoint the Company's auditor, Kesselman & Kesselman, as the auditor of the Company for the period ending at the close of the next annual general meeting."

The vote of the holders of a majority of the Ordinary Shares participating in the AGM 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:

1. "The remuneration of the auditor and its affiliates for the year 2017 as determined by the Audit Committee and by
2. 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, 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, 2017, 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, 2017 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 3.

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 22.3A 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 (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 Ms. Osnat Ronen as a Qualified Israeli Director on or prior to December 8, 2009. Ms. Ronen has been a director in the Company since December 2009 and is currently a member of the Security Committee. Ms. Ronen founded FireWind 01 GP in 2015 and has since served as its general partner. In this capacity she is an interested party and serves as an advisor and director in Wecheck Ltd (a private company). Ms. Ronen serves on the Board of Directors of Fox-Wizel Ltd. She also volunteers as a director of the College for Management (Michlala Le-Minhal) and Yissum Research Development Company of the Hebrew University of Jerusalem. Ms. Ronen has also served as an advisor to Liquidnet Inc. from 2013 to 2015. She previously served as a General Partner of Viola Private Equity from 2008 until 2013. From 1994 to 2007, Ms. Ronen served in various positions at Bank Leumi Le Israel BM, including as the Deputy Chief Executive Officer of Leumi Partners Ltd. from 2001 to 2007 and as Deputy Head of the Subsidiaries Division of the Leumi Group from 1999 to 2001. Between 2004 and 2007, Ms. Ronen also led the strategic planning, deployment and execution of the Bachar Reform, one of Israel's largest financial reforms, at Leumi Group. As part of the implementation, Ms. Ronen managed the sale of Leumi's holdings in mutual, provident and training funds. Ms. Ronen served on the Board of Directors of several portfolio companies of Viola including: Amiad Water Systems Ltd., Orad Hi-Tech Ltd., Aeronautics Ltd., Degania Medical Ltd. and Matomy Media Group Ltd. From 2013 until 2018, Ms. Ronen served on the Board of Directors of Mizrahi-Tefahot Bank Ltd. and during 2017-2018, she served as a director of Perion Network Ltd. Ms. Ronen holds a B.Sc. in mathematics and computer science from Tel Aviv University and an M.B.A. from the Recanati School of Business Administration at Tel Aviv University. To the best knowledge of the Company and the Company's Directors, Ms. Ronen is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law (1968) (as amended) (the "Israeli Securities Law") 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. Ms. 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 becomes vacant. Any director elected in such manner shall serve in office until the close of the coming annual general meeting and may be re-elected. Accordingly, on November 20, 2017 the Board of Directors has elected Mr. Tomer Bar-Zeev as a director of the Company and on May 24, 2018 the Board of Directors has elected Mr. Sumeet Jaisinghani as a director of the Company. The services of Mr. Tomer Bar-Zeev and Mr. Sumeet Jaisinghani were recommended by S.B. Israel Telecom Ltd., the Company's principal shareholder ("S.B.").

Mr. Adam Chesnoff, Mr. Elon Shalev, Mr. Yoav Rubinstein, Mr. Arie Saban, Mr. Yehuda Saban, Mr. Arie Steinberg, Mr. Barak Pridor, Mr. Ori Yaron, Mr. Tomer Bar-Zeev and Mr. Sumeet Jaisinghani (as also listed in the table below) will terminate their office as directors of the Company as of the end of the AGM. It is proposed to re-elect these directors 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 hereby made to the service of Ms. Osnat Ronen as a Qualified Israeli Director and to the services of Mr. Barry Ben Zeev (Woolfson) and Mr. Jonathan Kolodny as external directors (Dahatzim) of the Company.

The Company's 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. Adam Chesnoff, Mr. Barry Ben Zeev, Mr. Sumeet Jaisinghani, Mr. Jonathan Kolodny, Ms. Osnat Ronen, Mr. Yoav Rubinstein, Mr. Arie Steinberg and Mr. Yehuda Saban were determined by the Board of Directors to be "accounting and financial experts" under the Israeli Companies Law and regulations promulgated thereunder. Mr. Ben Zeev (Woolfson), Mr. Kolodny, Ms. Ronen and Mr. Steinberg also qualify as independent directors according to U.S. law and Mr. Ben Zeev, Mr. Kolodny and Mr. Steinberg also qualify as independent directors under the Israeli Companies Law and regulations promulgated thereunder (biltiy taluy).

The Compensation Committee and Board of Directors have considered several factors in connection with the proposed resolutions (in line with amendment no. 20 to the Israeli Companies Law ("Amendment No. 20")), including the following: (a) that other than the Chairman of the Board of Directors, the directors' compensation should, generally, be in unified amounts (or calculated in a unified manner according to number of meetings, as the case may be) (as customary), and it is not appropriate to adjust it to the circumstances of each director individually; (b) that the Compensation (as defined below) proposed to the directors is appropriate considering their role, the responsibility imposed on them and considering the education, qualifications, expertise and professional experience and accomplishments of each of the directors; (c) that the Compensation should be set according to quantifiable criteria; (d) that as the directors do not hold full-time positions in the Company and as part of the final amount of the Compensation is not yet known (calculated based on participation in meetings), it is irrelevant to compare their Compensation to the compensation of Company employees (or the employees of manpower contractors who are working for the Company); (e) that the Compensation currently payable to directors does not include capital or variable components; (f) that it is meaningless to require a director to repay the Company amounts paid to him based on data that was later restated in the Company's financial statements, as the Compensation is dependent only on the number of meetings and the form of participation (participation in person, by means of communication or in writing); and (g) following approval of the Compensation by the shareholders, it is not appropriate that the directors will have discretion to reduce or otherwise change their own compensation without shareholders' approval.

The Compensation Committee and Board of Directors have noted that paying the proposed Compensation is important to enable the directors to promote the Company's objectives, its business plan and policy in the long term and to create proper and balanced incentives to the directors considering, among other things, the Company's risk-management policy, size and nature of activities. They also noted that paying the proposed Compensation is essential in order to ensure the recruitment and service of appropriate directors, having the qualifications, expertise and experience relevant to serving on the Company's Board of Directors, considering the high exposure faced today by directors in public companies and moreover in companies with securities publicly listed in the USA and in Israel.

It should be noted that the Compensation plan for the Company's directors is in accordance with the Company's Compensation Policy for Office Holders which was approved by the shareholders at the Annual General Meeting of shareholders dated September 28, 2016 (the "Compensation Policy") and is in line with Amendment No. 20. For the terms of the Compensation Policy, see Annex "G" from the Company's Report on Form 6-K filed on August 18, 2016 (incorporated herein by reference) at:

<https://www.sec.gov/Archives/edgar/data/1096691/000117891316006282/zk1618897.htm> and <https://maya.tase.co.il/reports/details/1053379/2/0>.

The Compensation Committee and Board of Directors have noted the respective personal interests of the directors nominated for re-election and of Ms. Osnat Ronen in this matter.

The Compensation Committee and Board of Directors have resolved and recommended to the shareholders at the AGM:

(a) to approve the compensation of Mr. Adam Chesnoff, Mr. Elon Shalev, Ms. Osnat Ronen, Mr. Yoav Rubinstein, Mr. Arie Saban, Mr. Arie Steinberg, Mr. Ori Yaron, Mr. Yehuda Saban and Mr. Barak Pridor, commencing from the close of the AGM, and to approve and ratify the compensation of Mr. Tomer Bar-Zeev and Mr. Sumeet Jaisinghani, commencing from the date of their respective appointments (November 21, 2017 and May 24, 2018), for their respective services to the Company as directors, which is 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 (100% thereof for participation in person, 60% thereof by means of communication, or 50% thereof 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, payable according to the representative exchange rate on the payment date) as previously approved by the shareholders (the "Compensation");

(b) to approve and ratify the reimbursement of reasonable expenses in connection with the performance of their role as directors of each of the directors listed in clause (a) above, as determined by the Compensation Committee. The Compensation Committee has determined that reasonable expenses shall include the following expenses: taxi fare (as needed, upon submission of receipts); in case of international traveling - traveling expenses, including business class airline tickets; hotel expenses (up to a budget of \$300 per night); and additional expenses (Per diem - \$80, communication expenses and travel insurance) (such expenses, as may be updated by a non-significant amount by the Compensation Committee, from time to time, the "Reasonable Expenses");

(c) to approve that the directors listed in clause (a) above will continue to benefit from the Company's existing D&O insurance policy and

(d) to approve that the directors who have an Indemnification Letter or a Revised Indemnification Letter and have Indemnification and Release Letters, as these terms are defined in Resolution 5 below (together the "Respective Indemnification and Release Letters"), will continue to benefit from the indemnification thereunder and their Respective Indemnification and Release Letters will continue in full force and effect.

The Compensation Committee and Board of Directors have also resolved and recommended to the shareholders at the AGM, to approve and ratify, subject to the adoption of Resolution 5 below, that Mr. Tomer Bar-Zeev and Mr. Sumeet Jaisinghani will benefit from indemnification and release under said resolution.

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
Mr. Adam Chesnoff	Director and Chairman of the Board of Directors
Mr. Elon Shalev	Director and Vice Chairman of the Board of Directors
Mr. Tomer Bar-Zeev	Director
Mr. Sumeet Jaisinghani	Director
Mr. Barak Pridor	Director
Mr. Yoav Rubinstein	Director
Mr. Arie Saban	Director
Mr. Yehuda Saban	Director
Mr. Arie (Arik) Steinberg	Director
Mr. Ori Yaron	Director

Mr. Adam Chesnoff was appointed to the Board of Directors of Partner effective as of January 29, 2013 and was appointed to serve as Chairman of the Board of Directors on November 20, 2013. Mr. Chesnoff serves as the President and Chief Operating Officer of Saban Capital Group, Inc., responsible for overseeing its investment and business activities, including private equity and public market investments. Mr. Chesnoff is a member of the Board of Directors of Univision Communications Inc., the largest Spanish-language media company in the United States, and a member of the Board of Directors of Celestial Tiger Entertainment Ltd., an owner and operator of pay television channels across Asia. Mr. Chesnoff is also a member of the Board of Commissioners of PT Media Nusantara Citra Tbk Ltd., an Indonesian media company. In addition, Mr. Chesnoff served as Vice-Chairman of the Board of Directors of ProSiebenSat.1 Media AG from 2003 until 2007. From 2005 to 2010, Mr. Chesnoff served on the Board of Directors of Bezeq Israel Telecommunication Company Ltd. Mr. Chesnoff holds a B.A. in economics and management from Tel-Aviv University and an M.B.A from UCLA's Anderson School of Business. To the best knowledge of the Company and the Company's Directors, Mr. Chesnoff is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Elon Shalev was appointed to the Board of Directors of Partner effective as of January 29, 2013 and was appointed to serve as Vice Chairman of the Board of Directors and as a member of the Security Committee on November 20, 2013. Mr. Shalev serves as a senior advisor to Saban Capital Group, Inc. Mr. Shalev was the founder of Channel 2 news and from 1993 to 1995 served as its Chief Executive Officer. From 1996-1999, he served as Editor in Chief of “Yediot Aharonot”, and from 2000 to 2001 he served as Executive Vice President of Discount Investment Corporation Ltd. of the IDB Group. Mr. Shalev was the co-founder of SHL Telemedicine Ltd. Mr. Shalev served in the past on the Board of Directors of Bezeq Israel Telecommunication Company Ltd., DBS Satellite Services (1998) Ltd. (Yes) and Bezeq International Company Ltd. Mr. Shalev holds a B.A. in political science from Tel Aviv University. Mr. Shalev is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Tomer Bar Zeev was appointed to the Board of Directors of Partner in November 2017. Mr. Bar Zeev is the founder of ironSource, a leading digital content company that offers monetization and distribution solutions for app developers, software developers, mobile carriers, and device manufacturers and has served since 2010 as the CEO. Mr. Bar Zeev holds a B.A. in computer science from the Interdisciplinary Center Herzliya. To the best knowledge of the Company and the Company’s Directors, Mr. Bar Zeev is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Sumeet Jaisinghani was appointed to the Board of Directors of Partner in May 2018 after having previously served as a director in the Company from 2013 until 2016. Mr. Jaisinghani is a Managing Director of Saban Capital Group, Inc. (“SCG”) and is responsible for SCG’s principal investment activities in Asia-Pacific. In addition to being on the Board of Directors of Partner, Mr. Jaisinghani is a member of the Board of Directors of Celestial Tiger Entertainment. Prior to joining SCG, Mr. Jaisinghani worked as an investment banker in the Mergers & Acquisitions Group of J.P. Morgan in New York. Mr. Jaisinghani holds a B.S. in Finance and Management, with high distinction, from Indiana University’s Kelley School of Business. To the best knowledge of the Company and the Company’s Directors, Mr. Jaisinghani is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Barak Pridor was appointed to the Board of Directors of Partner in February 2016. Mr. Pridor served from 2000 until 2011 as CEO of ClearForest, a software startup that was acquired by Thomson Reuters in 2007. Following the acquisition, Mr. Pridor continued to serve as CEO of ClearForest as well as an Executive Vice President at Thomson Reuters until 2011. Mr. Pridor serves as Chairman of the Board of Directors of Applicaster Ltd. and as a director on the Board of Directors of: Playbuzz Ltd, Beachbum Ltd., Origami Logic Inc. and Sosa Tlv Ltd. He is also an observer on the Board of Directors of SimilarWeb Ltd. Mr. Pridor holds a B.Sc. in Mathematics and Computer Science from Tel Aviv University and a M.B.A. from INSEAD Business School. To the best knowledge of the Company and the Company’s Directors, Mr. Pridor is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Yoav Rubinstein was appointed to the Board of Directors of Partner effective as of January 29, 2013. Mr. Rubinstein serves as the CEO of SHL Telemedicine Ltd. since June 2017. Prior to the appointment as CEO, he held the position of Senior Vice President, Head of Global Business Development since March 2012. Previously, Mr. Rubinstein served as an investment professional at Apax Partners for nine years and as Senior Advisor to Saban Capital Group, Inc. Mr. Rubinstein holds a B.A. in Business Administration from the Interdisciplinary Center in Herzliya. To the best knowledge of the Company and the Company's Directors, Mr. Rubinstein is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Arie Saban was appointed to the Board of Directors of Partner effective as of January 29, 2013. Mr. Saban has served since 2010 as Chairman of the Board of Directors of Saban Brands Israel Ltd. From 1983 until 2002 Mr. Saban served as the CEO of Israel Audio-Visual Corporation, a media distribution, licensing and merchandising agency that he founded. From 2000 until 2002 he served as Chairman of the Board of Directors of Fox Kids Israel, a joint venture with Fox Kids Europe. From 2005 until 2012, Mr. Saban served on the Board of Directors of the following companies: Keshet Broadcasting Ltd., Pelephone Communications Ltd., DBS Satellite Services (1998) Ltd. (Yes) Bezeq Israel Telecommunication Company Ltd. and Bezeq International Company Ltd. To the best knowledge of the Company and the Company's Directors, Mr. Saban is a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Yehuda Saban was appointed to the Board of Directors of Partner in April 2015. Mr. Saban served between 2011-mid 2015 as Vice President Economics & Regulation and FLNG (Floating Liquefied Natural Gas) manager at Delek Drilling & Avner oil exploration. Previously, Mr. Saban served over 6 years in various capacities with the budget department of the Ministry of Finance as Manager of the Telecommunications and Tourism Unit, Manager of the Budget and Macroeconomics unit and as an economist in the Energy unit. During those years, Mr. Saban was also an active partner in a number of committees and authorities in the energy, telecommunications and infrastructure fields. Mr. Saban serves on the Board of Directors of Israel Opportunity Energy Resources LP and as Chairman of its Compensation and Audit Committee as of June 2015. Mr. Saban holds a B.A. in Economics & Business Management (graduated with honors) and an M.B.A specializing in Financing, both from the Hebrew University in Jerusalem. To the best knowledge of the Company and the Company's Directors, Mr. Saban is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. Arie (Arik) Steinberg was appointed to the Board of Directors of Partner in January 2012 and is currently a member of the Audit Committee and the Compensation Committee. Mr. Steinberg serves on the Board of Directors of Leumi Partners Ltd. and as the Chairman of the Audit Committee. He also serves on the Board of Trustees of the Academic College of Tel-Aviv-Yaffo. Mr. Steinberg served from 2006-2010 as Chairman of the Board of Directors of Psagot Investment House, Ltd., as well as other companies in the Psagot Group, leading and overseeing the business strategies of the Psagot Group. Mr. Steinberg served as Chairman on behalf of York Capital. In addition, he served on the Board of Directors of the Tel-Aviv Stock Exchange. Mr. Steinberg also served between 1999-2003 as Chief Executive Officer of Ilanot Batucha Investment House from the IDB Group, as well as a director of Maalot (the Israeli affiliate of Standard and Poor's). Prior to that, Mr. Steinberg served as CEO of Etgar- Portfolio Management Trust Co. owned by Bank Mizrahi. He also served on the Advisory Boards of Mobileye Technologies and Novotrans Group SA. Mr. Steinberg studied economics at Tel-Aviv University. To the best knowledge of the Company and the Company's Directors, Mr. Steinberg is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

Mr. (Adv.) Ori Yaron was appointed to the Board of Directors of Partner in May 2014. Mr. Yaron practices law and manages Ilan Yaron Law Offices that specializes in the areas of insurance and torts. Mr. Yaron served from 2010 until 2016 as a member of the Board of Directors of the Geophysics Institute and served from 2006 until 2007 as a member of the Board of Directors of Mekorot Development & Enterprise and from 2011 until 2014 as a member of the Board of Directors of Hozei Israel Ltd. Mr. Yaron holds a B.A. in economics and an LL.B. both from Tel-Aviv University and is a member of the Israeli Bar Association. To the best knowledge of the Company and the Company's Directors, Mr. Yaron is not a Family Member of another Interested Party (as both terms are defined in the Israeli Securities Law) in the Company.

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

“RESOLVED: to re-elect Mr. Adam Chesnoff, Mr. Elon Shalev, Mr. Tomer Bar-Zeev, Mr. Sumeet Jaisinghani, Mr. Barak Pridor, Mr. Yoav Rubinstein, Mr. Arie Saban, Mr. Yehuda Saban, Mr. Arie (Arik) Steinberg and Mr. Ori (i) Yaron 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;

RESOLVED: (A) to approve the Compensation of Mr. Adam Chesnoff, Mr. Elon Shalev, Mr. Barak Pridor, Mr. Yoav Rubinstein, Mr. Arie Saban, Mr. Yehuda Saban and Mr. Ori Yaron and to approve and ratify the Compensation of Mr. Tomer Bar-Zeev and Mr. Sumeet Jaisinghani; (B) to approve and ratify the reimbursement of Reasonable Expenses of each of the directors listed above in clause (A); (C) to approve that the directors listed (ii) above in clause (A) will continue to benefit from the Company's existing D&O insurance policy; (D) to approve that the directors listed above in clause (A) will continue to benefit from their existing indemnification and release letters which will continue in full force and effect; and (E) to approve and ratify that Mr. Tomer Bar-Zeev and Mr. Sumeet Jaisinghani will benefit from the indemnification and release letter subject to the adoption of Resolution 5 below;

RESOLVED: (A) to approve the Compensation of Ms. Osnat Ronen and Mr. Arie Steinberg; (B) to approve and ratify the reimbursement of Reasonable Expenses of Ms. Osnat Ronen and Mr. Arie Steinberg; (C) to approve that (iii) Ms. Osnat Ronen and Mr. Arie Steinberg will continue to benefit from the Company's existing D&O insurance policy; and (D) will continue to benefit from their indemnification and release letters which will continue in full force and effect; and

(iv)RESOLVED: these resolutions are in the best interest of the Company.”

The vote of the holders of a majority of the Ordinary Shares participating in the AGM and voting on the matter is required for the approval of items 4(i) and 4(iii) on the agenda. The vote of the holders of a majority of the Ordinary Shares participating in the AGM and voting on the matter is required for the approval of item 4(ii) 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 a majority of the votes of shareholders not constituting Controlling Parties (as stated in the Israeli Companies Law, including section 268 thereof, “Controlling Parties”) in the Company, or those having a Personal Interest (as defined in the Israeli Companies Law, a “Personal Interest”) in the approval of this item, participating in the vote; 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 2% of the total voting rights in the Company.

A shareholder shall notify the Company at the address above at least four (4) hours prior to the time of the AGM, whether the shareholder is a Controlling Party in the Company or the shareholder has a Personal Interest in the approval of item 4(ii) on the agenda or not, as a condition for that shareholder’s right to vote and be counted with respect to this item. A shareholder voting, by means of a Deed of Vote, may include said notice regarding his Controlling Party Interest or his Personal Interest on the Deed of Vote (to be submitted to the Company at least four (4) hours prior to the time of the AGM or if voted electronically, no later than four (4) hours before the time fixed for the AGM).

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

ITEM 5

APPROVAL AND RATIFICATION OF THE GRANT OF INDEMNIFICATION AND RELEASE LETTERS TO DIRECTORS

The Israeli Companies Law and the Company’s Articles of Association authorize the Company, subject to the required approvals, to indemnify and to undertake in advance to indemnify directors and other Office Holders (as such term is defined in the Israeli Companies Law) of the Company for liabilities or expenses an office holder will incur, or that will be imposed on him, as a result of an action or inaction by such person (or together with other directors or Office Holders of the Company) in his capacity as an Office Holder of the Company.

The Israeli Companies Law combined with the Israeli Securities Law authorize indemnification for:

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 liability pertains 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 (i) anticipated in light of the company’s activities at the time of 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;

reasonable legal expenses, including attorney fees, incurred or ordered by a court in the context of proceedings (ii) filed by or on behalf of the company or by a third party, or in a criminal proceeding in which the director or office holder is acquitted or if convicted, for an offense which does not require criminal intent;

reasonable legal expenses, including attorney 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 office holder and no financial liability was imposed on the director or office (iii) holder in lieu of criminal proceedings, or has ended without the filing of an indictment against the director or office holder, but financial liability was imposed on the director or office holder 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 a financial sanction (Itzum Caspi);

(iv) Payment to the injured party as a result of a violation set forth in Section 52.54(a)(1)(a) of the Israeli Securities Law, including by indemnification in advance; and

(v) Expenses incurred in connection with a proceeding (a "Proceeding" - halich) under Chapters H3, H4 or I1 of the Israeli Securities Law, or under Chapter 4 of Part 9 of the Israeli Companies Law, in connection with any affairs including reasonable legal expenses (including attorney fees), including by indemnification in advance.

The Israeli Companies Law combined with the Israeli Securities Law provides that a company may not indemnify a director or an office holder for his liability including for: (a) a breach of duty of loyalty towards the company, unless the director or office holder acted in good faith and had reasonable grounds to assume that the action would not harm the company's best interest; (b) a breach of duty of care done intentionally or recklessly (pezizut) except for negligence; (c) an act intended to unlawfully yield a personal profit; (d) a fine, civil fine (knass ezrahi), financial sanction (Itzum Caspi) or a penalty (kofer) imposed upon the director or office holder; and (v) a Proceeding (halich) ("Indemnification Exclusions").

At the Extraordinary General Meeting of shareholders held on October 17, 2013 (the "EGM"), the shareholders of the Company approved and ratified the grant of a revised indemnification letter (the "Revised Indemnification Letter") to the directors nominated by S.B. Israel Telecom Ltd. ("S.B.") and Scailex Corporation Ltd., who were serving on the Board of Directors at that time, for serving as the Company's directors, or as a director or office holder on behalf of the Company in other companies. The grant of an indemnification letter to the rest of the directors currently serving on the Board of Directors - Ms. Osnat Ronen and Mr. Arie Steinberg - was approved at the Annual General Meeting held on May 8, 2012 (the "Indemnification Letter").

According to the Revised Indemnification Letter, the aggregate indemnification amount payable by the Company to all indemnified persons pursuant to all letters of indemnification issued to them by the Company on or after the date of the EGM, which indemnification letters include a maximum indemnity amount substantially similar to the Maximum Indemnity Amount under Section 3.13 of the Revised Indemnification Letter (the “Maximum Indemnity Amount”), for any occurrence of an event set out in Schedule I to the Revised Indemnification Letter (each, an “Event”), will not exceed 25% of shareholders equity (according to the latest reviewed or audited financial statements approved by Partner’s Board of Directors prior to approval of the indemnification payment); provided, however, that under the circumstances where indemnification for the same Event is to be made in parallel to (i) an indemnified person and such other indemnified persons under a Revised Indemnification Letter (or other letters including a maximum indemnity amount substantially similar to the Maximum Indemnity Amount), and to (ii) one or more indemnified persons under indemnification letters issued by Partner containing a maximum indemnity amount which is the higher of 25% of shareholders equity and 25% of market capitalization (the “Combined Maximum Indemnity Amount”), the Maximum Indemnity Amount for all indemnified persons under the Revised Indemnification Letter (or other letters including a maximum indemnity amount substantially similar to the Maximum Indemnity Amount) shall be adjusted so it does not exceed the Combined Maximum Indemnity Amount to which any other indemnified person is entitled under any indemnification letter containing the Combined Maximum Indemnity Amount.

In addition, the Annual General Meeting of shareholders held on September 28, 2016, approved the grant of a new indemnification and release letter (the “Indemnification and Release Letter”) to all of the directors who were serving on the Board of Directors at that time, for serving as the Company’s directors, or as a director or office holder on behalf of the Company in other companies. The Indemnification and Release Letter includes release of Office Holders from liability for breach of the duty of care towards the Company, that are serving at the date of the AGM and that will serve in the Company from time to time.

The Company’s Compensation Committee and Board of Directors are of the opinion that the Indemnification and Release Letter includes an updated list of anticipated events for which it is customary to indemnify and the grant of release in advance to Office Holders of the Company from liability, entirely or partially, for damage caused and/or that will be caused to the Company, insofar as will be caused, in consequence of breach of duty of care toward the Company while acting in good faith, in their capacity as Office Holders to the extent that will be allowed at the time of the release by law. This will allow them to properly fulfil their duties while considering the entailed calculated risks and the responsibility imposed on them by law. The detailed events and the provision of release provide customary and accepted protection for the Office Holders in order to allow them the necessary latitude, in accordance with the law and to make business decisions for the benefit of the Company.

The release will not apply to a breach of duty of care in a distribution (“haluka”) and will not apply to the Indemnification Exclusions detailed above except for sub-section (v) of the Indemnification Exclusions. According to the Company’s Articles of Association, a release will not be given for a resolution or transaction in which the controlling shareholder or any office holder in the Company (including other Office Holders than the one being granted the release) has a personal interest. This release from liability will be for amounts for which the Office Holders are not entitled to indemnification in accordance with the Company’s D&O insurance policy.

The Indemnification and Release Letter does not cancel, derogate or constitute a waiver of any other indemnification that the Office Holder is entitled to in accordance with the provisions of any law or in accordance with any previous undertaking of the Company and/or previous agreement with the Company, insofar as the said undertaking is legally valid, and from any other resolution of the Company to grant indemnification to an Office Holder in the Company. It is clarified that the Company will not be obligated to indemnify an Office Holder for the same event, both in accordance with any previous undertaking (if and insofar as it will be valid) as well as in accordance with the Indemnification and Release Letter. In any case in which an Office Holder can be indemnified, by law, both in accordance with the Indemnification and Release Letter and a previous undertaking of the Company, the Company’s Audit Committee (and insofar as the majority of its members have a Personal Interest, a special committee of two directors that do not have a Personal interest shall be formed) shall decide, subject to all legal provisions, according to which undertaking the Office Holder should be indemnified.

It is hereby proposed to issue to Mr. Tomer Bar-Zeev, who was appointed as a director on November 20, 2017 and to Mr. Sumeet Jaisinghani who was appointed as a director on May 24, 2018 (as described above under Resolution 4) and have not yet been issued an indemnification and release letter, with respect to their serving as a director in the Company or as a director or office holder on behalf of the Company in other companies, the Indemnification and Release Letter, attached as Annex “C” effective November 20, 2017 and May 24, 2018, respectively.

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

“RESOLVED: to approve and ratify the Company’s undertaking to indemnify Mr. Tomer Bar-Zeev and to provide him with the Indemnification and Release Letter and that Maximum Indemnity Amount is reasonable given the circumstances and that the indemnification events listed in Schedule I of the Indemnification and Release Letter are anticipated in light of Partner’s current activities;

(i)
RESOLVED: to approve and ratify the Company’s undertaking to indemnify Mr. Sumeet Jaisinghani and to provide him with the Indemnification and Release Letter and that Maximum Indemnity Amount is reasonable given the circumstances and that the indemnification events listed in Schedule I of the Indemnification and Release Letter are anticipated in light of Partner’s current activities; and

(iii)RESOLVED: these resolutions are in the best interest of the Company.”

The vote of the holders of a majority of the Ordinary Shares participating in the AGM and voting on the matter is required for the approval of item 5 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 a majority of the votes of shareholders not constituting Controlling Parties in the Company, or those having a Personal Interest in the approval of the item participating in the vote; 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 2% of the total voting rights in the Company.

A shareholder shall notify the Company at the address above at least four (4) hours prior to the time of the AGM, whether the shareholder is a Controlling Party in the Company or the shareholder has a Personal Interest in the approval of item 5 on the agenda or not, as a condition for that shareholder’s right to vote and be counted with respect to this item. A shareholder voting, by means of a Deed of Vote, may include said notice regarding his Controlling Party Interest or his Personal Interest on the Deed of Vote (to be submitted to the Company at least four (4) hours prior to the time of the AGM).

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

ITEM 6

RE-APPOINTMENT OF AN EXTERNAL DIRECTOR (DAHATZ)

Under the Israeli Companies Law, the Company is required to have at least two external directors (Dahatzim) on its Board of Directors. The Board of Directors of the Company has resolved to propose to the shareholders of the Company to re-appoint Mr. Barry Ben Zeev (Woolfson) as an external director (Dahatz) of the Company.

Mr. Barry Ben Zeev serves as an external director (Dahatz) of the Company and his term of office expires on October 27, 2018. The Israeli Companies Law allows the re-appointment of an existing external director (Dahatz) for three terms of three years. Regulations promulgated under the Israeli Companies Law allow the re-appointment of an existing external director (Dahatz) for additional terms under certain conditions (specified therein). Our Articles of Association allow the re-election of an external Director (Dahatz) for additional terms as permitted by the Israeli Companies Law and regulations promulgated thereunder.

The Audit Committee and Board of Directors approved and recommended to the shareholders at the AGM to approve, the re-appointment of Mr. Barry Ben Zeev as an external director (Dahatz) for a fourth term of three years, commencing on October 28, 2018. Insofar as Mr. Ben Zeev's re-appointment will be approved by the AGM, this will be his final term as an external director of the Company and his term will not be extended further. The Audit Committee and Board of Directors noted that since the additional external director of the Company was only recently appointed (Mr. Jonathan Kolodny) on May 5, 2018, it is in the best interest of the Company and its shareholders, to re-appoint Mr. Barry Ben Zeev as an external director (Dahatz) for a fourth term, in order to preserve the appropriate source of knowledge and professional background in the Company, together with the strategic understanding of the administrative and historical processes accumulated within the Company, as well as Mr. Ben Zeev's unique expertise and contribution to the operation of the Board of Directors and its Committees. The re-appointment of Mr. Ben Zeev will ensure the stability of the work of the Board of Directors and its committees, while maintaining investors' confidence in the Company's high corporate governance standard. In addition, our Audit Committee and our Board of Directors noted, that since the Company is examining the entry into new sectors including fintech, credit and financing, in search of new growth engines and additional income channels, Mr. Barry Ben Zeev's valuable and extensive experience in banking and capital markets, together with his finance and corporate-strategy expertise, establish an additional clear benefit for his re-appointment, since he can contribute greatly to the Company in the analysis, understanding and implementation of its future growth plans. The directors further noted that Mr. Ben Zeev's independence is apparent from his actions and the views he has expressed in meetings of the Board of Directors and its committees particularly in view of the fact that during Mr. Ben Zeev's service as an external director (Dahatz) of the Company, the Company has had two different Controlling Parties (as stated in the Israeli Companies Law), which demonstrates the absence of any 'linkage' of Mr. Ben Zeev to either of them. Mr. Ben Zeev's financial expertise has been apparent in his forward looking comprehension of the financial challenges that the Company has faced and his long term vision of the challenges that the Company has yet to face. His deep understanding of the Company's activities together with his financial and strategic expertise and his vast experience as Chairman of the Audit and Compensation Committees that uphold proper corporate governance of the Company have provided a significant contribution to the Company's performance. The Audit Committee and Board of Directors have noted the personal interest of Mr. Ben Zeev.

Barry Ben Zeev (Woolfson) was appointed to the Board of Directors of Partner as an external director (dahatz) in October 2009 and serves as the chairman of the Audit Committee and Compensation Committee. During the years 2017-2018 Mr. Ben Zeev made sure to participate in 100% of the meetings of the committees of the Company in which he serves as a member and in 100% of the meetings of the Board of Directors of the Company. He has been providing strategic business consulting services since 2009. Mr. Ben Zeev served as the Deputy-Chief Executive Officer & Chief Financial Officer of Bank Hapoalim in 2008. He joined the bank in 1976 and served in a variety of senior positions in the branch system and the international division including New York. Mr. Ben Zeev served in the following executive positions prior to becoming Deputy-Chief Executive Officer & Chief Financial Officer of Bank Hapoalim: Executive Vice President & Head of International Operations during the years 2001-2002, Deputy-Chief Executive Officer & Head of International Private Banking during the years 2002-2006, Chairman of Poalim Asset Management in the UK and Ireland during the years 2001-2006, Chairman of Bank Hapoalim Switzerland during the years 2002-2006, Deputy Chairman of the Board of Directors of Signature Bank in New York during the years 2001-2002 and Deputy-Chief Executive Officer and Head of Client Asset Management during the years 2006-2007. Mr. Ben Zeev serves on the Board of Directors of the following companies: Ellomay Capital Ltd., Ben Zeev (Woolfson) Consultants Ltd., Hiron-Commerce Investments & Mivnei Ta'asiya Ltd., Kali Pension Administration Management Ltd. and Altshuler Provident and Pension Ltd., as an independent director and head of the investment committee. In addition, he serves on the Board of Trustees of the College for Management (Michlala Le-Minhal). He also served as a member of the Board of Directors of the Tel Aviv Stock Exchange during the years 2006-2007, as a member of the investment committee of Manof Bereshit during the years 2009-2013 and as an independent director of Poalim Asset Management UK Ltd during the years 2011-2018. Mr. Ben Zeev holds a B.A. in Economics and an M.B.A both from Tel-Aviv University.

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. Ben Zeev was determined by the Board of Directors to be one of these “accounting and financial experts”. Mr. Ben Zeev also qualifies as an independent director according to U.S. law and Israeli law.

Under the Israeli Companies Law and regulations promulgated under the Israeli Companies Law, the Companies Regulations (Rules for the Compensation and Expenses for an External Director) (2000), as amended (the “Remuneration Regulations”), the remuneration we pay our external directors (Dahatzim) requires the approval of shareholders. Our Compensation Policy, states that our directors shall generally be (i) entitled to remuneration, which includes an annual financial compensation and compensation for participation in meetings, in conformity with the provisions of the Remuneration Regulations, (ii) entitled to reimbursement of expenses, (iii) benefit from our Office Holders’ insurance policy and from indemnification letters that have been or shall be granted to them, and (iv) if so determined by the Company and subject to the conditions specified in our Compensation Policy, to certain equity compensation (no equity compensation is proposed hereby).

The Remuneration Regulations allow for several methods of remuneration of the external directors (Dahatzim) and also allow for reimbursement of certain expenses to external directors (Dahatzim). The Remuneration Regulations recognised the increased burden on, and responsibility of, the external directors (Dahatzim) and allow the Company to remunerate the external directors according to the “relative method”, which is relative to the remuneration that a company pays its “other directors”. The term “other directors” is defined in the Remuneration Regulations. It generally includes directors who are not external directors (Dahatzim) in that company, controlling party directors, directors holding another position in the company, holding a position in that company’s controlling party or in an entity controlled by that controlling party, directors who provide additional services on an ongoing basis to that company, the controlling party or to a company controlled by that company’s controlling party or directors who receive other remuneration from that company. We wish to continue remunerating Mr. Barry Ben Zeev according to the “relative method” of remuneration under the Remuneration Regulations by paying Mr. Barry Ben Zeev the same remuneration that the Company pays its “other directors” and its additional external director (Mr. Jonathan Kolodny). Therefore, we wish to pay Mr. Barry Ben Zeev, commencing from the date of his re-appointment (October 28, 2018), an annual fee of NIS 180,000 (one hundred and eighty thousand NIS) per annum and an attendance fee of NIS 4,000 (four thousand NIS) per meeting, applicable from the fifth meeting per year (100% thereof for participation in person, 60% thereof by means of communication, or 50% thereof in writing), 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 “Remuneration”) plus reimbursement of certain expenses.

The Audit Committee, the Board of Directors and the shareholders of the Company have resolved in 2008 that, in the event that options will be granted to Company directors, the Company will grant options to the Company's external directors in a manner complying with the Remuneration Regulations. Such resolution shall continue to apply to Mr. Barry Ben Zeev, if and to the extent permitted by the Compensation Policy at the relevant time.

The Compensation Committee and Board of Directors have considered Mr. Ben Zeev's education, qualifications, expertise and professional experience and achievements, the creation of uniformity in the directors' compensation, the advancement of the Company's objectives, its policy from a long-term perspective, the creation of suitable incentives for directors of the Company (considering, inter alia, the Company's risk-management policy), the size of the Company and the nature of its operations. The Compensation Committee and Board of Directors have noted the personal interest of Mr. Ben Zeev and, subject to his re-appointment, approved, and recommended to the shareholders at the AGM to approve, the payment of the Remuneration to Mr. Ben Zeev and the reimbursement of expenses to him as set forth in the Remuneration Regulations. The Compensation Committee and Board of Directors have also approved, and recommended to the shareholders at the AGM to approve, as previously approved by the shareholders, that Mr. Ben Zeev will continue to benefit from the Company's D&O insurance policy (as in effect from time to time) and from his existing indemnification and release letters, which will continue in full force and effect.

The shareholders of the Company approved the appointment of Mr. Jonathan Kolodny as an external director of the Company until May 5, 2021. He continues to serve as an external director (Dahatz) of the Company without any change.

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

- (i) "RESOLVED: to re-appoint Mr. Barry Ben Zeev as an external director (Dahatz) of the Company for one additional and final term of three years in accordance with the Israeli Companies Law, commencing on October 28, 2018;

- (ii) RESOLVED: to approve the payment of the Remuneration and the reimbursement of expenses as set forth in the Remuneration Regulations to Mr. Barry Ben Zeev. In the event that options will be granted to Company directors, the Company will grant options to Mr. Barry Ben Zeev in a manner complying with the Remuneration Regulations, if and to the extent permitted by the Company's Compensation Policy at the relevant time. Mr. Ben Zeev will continue to benefit from the Company's D&O insurance policy (as in effect from time to time) and from his existing indemnification and release letters, which shall continue in full force and effect; and

(iii)RESOLVED: these resolutions are 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 is required for the approval of item no. 6 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 a majority of the votes of shareholders not constituting “Controlling Parties“ (as stated in the Israeli Companies Law including section 268 thereof, “Controlling Parties“) in the Company, or those having a Personal Interest (as defined in the Israeli Companies Law, a “Personal Interest”) in the appointment approval (other than a Personal Interest not resulting from relations to the Controlling Party) participating in the vote; 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 2% of the total voting rights in the Company.

A shareholder shall notify the Company at the address above at least seventy two (72) hours prior to the time of the AGM, whether the shareholder constitutes a Controlling Party in the Company or has a Personal Interest in the appointment approval (other than a Personal Interest not resulting from relations to the Controlling Party) or not, as a condition for that shareholder’s right to vote and be counted with respect to item no. 6 on the agenda. A shareholder voting, by means of a Deed of Vote, may include such notice with regard to a Controlling Party interest or a Personal Interest on the Deed of Vote (to be submitted to the Company at least seventy two hours (72) prior to the time of the AGM).

ITEM 7

APPROVAL OF A NEW EQUITY INCENTIVE GRANT TO THE CEO, MR. ISAAC BENBENISTI

The previous equity incentive was granted to the Company’s CEO, Mr. Isaac Benbenisti, by the AGM in October 2015. The final tranche of said grant, is expected to vest in October 28, 2018. Therefore, on August 14, 2018, further to the Compensation Committee’s approval, the Company’s Board of Directors approved and recommended for the AGM to approve, a new equity incentive grant for the Company’s CEO in accordance with the Company’s Compensation Policy (“New Equity Incentive Grant”), while all other compensation components of the CEO will remain unchanged.

The Company’s Board of Directors resolved to approve the New Equity Incentive Grant in recognition of the Company’s substantial achievements under the leadership of the CEO, as well as his significant contribution to the Company’s ongoing operations during his tenure. It was noted that it is in the Company’s best interest to retain the Company’s CEO in office and to create incentives that will link the CEO’s compensation to the Company’s achievements and the interests of its shareholders, while ensuring that the adequate incentives are put in place to maximize the Company’s long-term value.

The rationale of the Compensation Committee and the Board of Directors for the approval of the New Equity Incentive Grant to the Company's CEO

In the Compensation Committee and the Board of Directors' resolutions, it was noted, among others, that the following achievements of the Company were made during the CEO's tenure:

Mr. Benbenisti was appointed as CEO of the Company in July 2015. Since the beginning of his incumbency, Mr. Benbenisti has succeeded in contributing substantially to the Company's operations and has acquired deep knowledge about the various aspects of the Company's businesses. Within a relatively short period, Mr. Benbenisti succeeded in advancing significant courses of action, and succeeded in transforming the Company from a cellular company to a leading communications group that provides comprehensive communications solutions to private and business customers.

Partner TV Service – In 2017, under the orchestration of Mr. Benbenisti, Partner TV service was launched, an innovative and revolutionary course of action. Since its launch and up until today, the Company has had the highest pace of customer acquisitions, exceeding every other television service in Israel. The Company was the first telecommunications company in Israel to achieve cooperation agreements with the leading international content providers, Netflix and Amazon. Within the first year of its commercial launch, Partner TV has revolutionized the Israeli multi-channel TV market and today over 100,000 households are connected to the service. In light of the above, Partner TV service was awarded the 2018 Israeli Consumers' Choice Award for Product Innovation.

Deployment of Partner Fiber optic network infrastructure – Mr. Benbenisti initiated the fiber optic network project, a strategic project that will enable the Company substantial cost savings and will eliminate the dependence on the infrastructures of the two largest wireline infrastructure operators in Israel. Partner fiber optic infrastructure deployment has made substantial progress in a relatively short period, reaching over 170,000 households in dozens of cities throughout Israel, enabling internet speeds of up to 1,000 Mbps.

Under Mr. Benbenisti's leadership, the Company has progressed to implementing an orderly and methodical work process that resulted in 2017 being the second consecutive year in which the Company achieved its budget targets and even beyond.

During Mr. Benbenisti's tenure, the Company underwent a significant course of operational streamlining, resulting in annual savings of approximately NIS 500 million, which enables the Company to contend with the upheavals in the telecommunications market.

Reduction of the level of indebtedness – Mr. Benbenisti succeeded in reducing the Company's net debt from NIS 2.6 billion in June 2015 to NIS 0.9 billion in July 2018.

Maintaining proper labor relations – the Company, under the CEO’s leadership, has succeeded in maintaining stable labor relations in the Company, while motivating team spirit and solidarity in the Company towards accomplishments and successes. The Board of Directors strongly believes that the Company’s CEO constitutes a leader to whom the managers and employees feel a commitment. As evidence of this, the Company was named “the best workplace” out of all of the telecommunications companies in Israel (according to the BDI rating of May 2018).

Diversification of sources of income and growth engines – the Company is considering entry into new markets in order to reduce its dependency on the telecommunications industry, and to diversify the Company’s sources of income. It is highly unlikely that the Company could have been able to consider such a strategy were it not for the reduction of the level of indebtedness of the Company led by Mr. Benbenisti during the years of his incumbency.

Pursuant to Section 272 (C.1.)(1) of the Israeli Companies Law, a company’s engagement with the company’s general manager in relation to his terms of office and employment that conforms to the company’s compensation policy for office holders, must be approved by the compensation committee, the board of directors and the AGM by a special majority set forth in section 267A of the Israeli Companies Law.

The Compensation Committee of the Company discussed the compensation terms of the Company’s CEO at two separate meetings after which the Company’s Board of Directors discussed the matter. The Board of Directors determined that the New Equity Incentive Grant, as set forth below, is in accordance with the Company’s Compensation Policy and for the benefit of the Company.

The Compensation Committee and the Board of Directors considered the provisions of the Compensation Policy, which include, among others, the requirement that variable compensation be linked to performance and that a correlation must be made between the interests of the Company’s CEO and the interests of the Company and its shareholders, while examining criteria, relevant benchmarks and market trends.

Prior to the meetings that approved Mr. Benbenisti’s New Equity Incentive Grant, data was presented to the Compensation Committee and to the Board of Directors with regard to: the CEO’s current terms of office and employment and the New Equity Incentive Grant; with regard to the Compensation Policy and with regard to the comparative analysis conducted by Prof. Moshe Zviran of the terms of office and employment of CEOs at companies comparable to the Company; and with data regarding the ratio between the proposed compensation and the wages of the rest of the Company’s employees and, particularly, the ratio to the average wage and the median wage of such employees and the impact of the gaps between them on labor relations in the Company.

Our Compensation Committee and Board of Directors reviewed peer group analysis of incentive plans granted to other CEOs and concluded that Mr. Benbenisti’s New Equity Incentive Grant, as part of the cost of the CEO’s entire compensation terms, is reasonable in relation to the contribution of the CEO to the Company.

According to that stated, presented herewith for the approval of the AGM are the terms of the New Equity Incentive Grant for the CEO of the Company:

The New Equity Incentive Grant will be at the value of NIS 7.4 million comprised of 4 tranches, for a vesting period of 4 years, 1 year for each tranche. The Board of Directors expressly noted that the New Equity Incentive Grant is of a lower value compared to the previous equity incentive grant approved by the AGM for the CEO, and scheduled to vest during a longer vesting period (the previous granted equity incentive was comprised of options at a value of NIS 8 million, for a vesting period of 3 years).

The proposed New Equity Incentive Grant will be comprised of 50% of the value in options of the Company (non-tradeable) (NIS 3.7 million) and 50% of the value in restricted shares (NIS 3.7 million).

The value of the options shall be calculated according to a Black and Scholes (B&S) model¹. The options shall be granted pursuant to the Company's Amended and Restated 2004 Equity Incentive Plan as amended from time to time, with the last amendment thereto approved by the Compensation Committee on March 9, 2016 and by the Company's Board of Directors on March 13, 2016 ("Equity Incentive Plan"). The vesting period of the options, the restriction period and the entitlement to the restricted shares (jointly "the Vesting Period") will be as follows (consistent with the blocking periods prescribed in section 102 of the Income Tax Ordinance (New Version), 5721 – 1961 ("the Ordinance"): The options shall vest in 4 equal tranches, at the end of each year during the vesting after the Grant Date, as defined below. The exercise dates are according to the Equity Incentive Plan. For the terms of the Equity Incentive Plan, see Exhibit 15.(a).1 of the Company's Annual Report on Form 20-F for the year ended December 31, 2015 (incorporated herein by reference), at: <https://maya.tase.co.il/reports/details/1023782> and https://www.sec.gov/Archives/edgar/data/1096691/000117891316004683/exhibit_15a-1.htm.

The exercise price of the options will be defined as the average closing price of the Company's share during the 30 trading days on the Tel-Aviv Stock Exchange preceding the date of approval by the AGM, plus a 5% premium.

Subject to the approval of the AGM, the options shall be granted to the CEO of the Company one business day after having been approved by the AGM ("Grant Date"), with the exercise price (according to the exercise price determination mechanism stated above) and the number of options (according to the aforesaid value) to be defined at that time according to the B&S model.

The options will be exercisable during a 6-year period as of their vesting date.

¹ The B&S model calculation was conducted according to the method set forth in Note 21 of the financial statements in the Company's Annual Report on Form 20-F for the year ended December 31, 2017 with the necessary changes.

With respect to the restricted shares of the CEO's New Equity Incentive Grant, pursuant to the requirement of the Company's Compensation Policy regarding restricted shares, in addition to the Vesting Period, performance targets will also be defined and will constitute a precondition to vesting. The proposed performance targets relating to the earning of the restricted shares are as follows ("Performance Targets"):

For the purpose of creating uniformity in this regard with all other Office Holders and employees of the Company who were also allotted equity components in the form of restricted shares (i.e., the CEO and the rest of the Office Holders and employees have identical terms), the Performance Targets will be the same as the Company targets which are defined for the annual bonus for all Office Holders in the Company and which shall be predefined each year by the Compensation Committee and the Board of Directors for each calendar year (in accordance with section 5.5.1.3 to the Compensation Policy), with the threshold criterion for vesting being achievement of Company targets at an average of at least 80%, as follows:

First tranche of the restricted shares - achievement of at least 80% of the Company targets in 2019;

Second tranche of the restricted shares - achievement of at least 80% of the Company targets in 2020;

Third tranche of the restricted shares - achievement of at least 80% of the Company targets in 2021;

Fourth tranche of the restricted shares - achievement of at least 80% of the Company targets in 2022.

The vesting conditions for the restricted shares with respect to the Performance Targets will also include a mechanism for deferring vesting to the following years in the event of a failure to fulfill a criterion, provided that there is average achievement of the Performance Targets during the Vesting Period cumulatively.

If the Performance Targets are not achieved by the deadline defined for each tranche as stated above (including the deferred vesting), then the CEO will not be eligible for the restricted shares of that relevant tranche and they will be returned to the Company and classified as treasury shares.

The restricted shares shall be granted to the CEO on the Grant Date and the number of restricted shares (according to the aforesaid value) will be calculated based on the share price on the date of the AGM.

The granting of the New Equity Incentive Grant will be in a capital gains track with a trustee, pursuant to the provisions of section 102 of the Ordinance, and pursuant to the rules enacted pursuant to section 102 of the Ordinance, as amended from time to time. The restriction will be according to the Ordinance and the directives of the Israel Tax Authority, or for a different period, as determined in any amendment to section 102 of the Ordinance and the rules by virtue thereof.

All other terms of the allotment of the Equity Incentive Grant (including adjustments, eligibility for equity compensation under circumstances of termination of employment, death, disability, etc.) will be in accordance with the terms of the Equity Incentive Plan. The Equity Incentive Plan also includes an acceleration mechanism of the Equity Incentive Grant in the instance whereby the offeree's employment is terminated by the Company within six months of the date of a "transfer of control," as this term is defined in the Equity Incentive Plan.

The ratio between the terms of office and employment of the CEO and the wages of the rest of the employees of the Company and of employees of manpower contractors who are working at the Company, following the approval of the proposed New Equity Incentive Grant to the CEO²:

The ratio between the value of Mr. Benbenisti's terms of employment and the average wage of the Company's employees, excluding employees of manpower contractors, following the approval of the proposed New Equity Incentive Grant to the CEO, will be approximately 29, while the ratio between the value of Mr. Benbenisti's terms of employment and the median wage of the Company's employees, excluding employees of manpower contractors, will be approximately 43.

The aforesaid ratios do not include data regarding the average wage and median wage of employees of manpower contractors. However, in the Company's opinion, such data would only have raised the average wage and the median wage, and therefore, would have only narrowed the aforesaid ratios. These ratios are lower compared to those that existed at the time of approval of the CEO's terms of employment in 2015 by the AGM, which were 32 and 49, respectively. Therefore, considering the CEO's office and the difference in the wage levels, these gaps are not expected to affect labor relations in the Company.

The Compensation Committee and the Board of Directors discussed the ratio between the fixed proposed compensation regarding the CEO and the variable equity and cash compensation. The variable components are limited to maximums that are consistent with the requirement for a close link between payments to the CEO and the Company's performance and increase of its profits, while protecting the interests of the Company and its shareholders. According to the above, following the approval by the AGM of the New Equity Incentive Grant to the CEO, the ratio between the variable non-equity components and the fixed components, to be given to the CEO in respect of a single calendar year, is expected to be 0.7, while the ratio between the variable (equity and non-equity) components and the fixed components to be given to the CEO in respect of a single calendar year, is expected to be 1.4. The Compensation Committee and the Board of Directors reached the conclusion that the aforesaid ratios are in accordance with the Company's Compensation Policy.

The Compensation Committee and the Board of Directors decided to not define a maximum for the exercise value, since the Company's Compensation Policy does not define such a maximum, and due to the fact that the Company wishes to give the CEO the greatest incentive to maximize the value of the shares and to participate in the return to the shareholders.

The CEO's current compensation terms include other compensation components which will not be affected by the approval of the proposed resolution as detailed below and will remain unchanged. For more information regarding the CEO's current compensation terms (including the previous equity incentive grant) see Item 6B. Compensation, pages 113 to 116 of the Company's Annual Report on Form 20-F for the year ended December 31, 2017 (incorporated herein by reference), at: <https://maya.tase.co.il/reports/details/1154676> and <https://www.sec.gov/Archives/edgar/data/1096691/000117891318001012/zk1821380.htm>.

² "Employees of a manpower contractor who are working at the Company" – employees of a manpower contractor, when the Company is their actual employer, and employees of a service contractor who are engaged in the provision of a service at the Company; in this context, "Manpower Contractor," "Service Contractor," "Actual Employer" – as these terms are defined in the Employment of Employees by Manpower Contractors Law, 5756 – 1996.
"Wage" – the income for which national insurance contributions are being paid, pursuant to chapter 15 of the National Insurance Law [Consolidated Version], 5755 – 1995.

Considering the set of parameters and considerations as stated above, and considering, inter alia, the size of the Company, the scope, complexity and nature of its operations, and the office of the CEO, as well as the responsibilities of the CEO, the Compensation Committee and the Board of Directors determined that the terms of the New Equity Incentive Grant, are fair, reasonable and customary, under the circumstances.

In accordance with the Compensation Policy and the Israeli Companies Law, insofar as the law permits this, if the shareholders oppose the approval of a compensation plan, the Compensation Committee and Board of Directors may approve the plan, in “special cases”, notwithstanding shareholders’ opposition, after having held another discussion of the terms of the compensation plan, and on the basis of detailed reasoning that considered the rationale behind the shareholders’ opposition and determined that this resolution is in the best interest of the Company.

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

(i) “RESOLVED: to approve the New Equity Incentive Grant to the CEO, Mr. Isaac Benbenisti; and

(ii) RESOLVED: this resolution is in the best interest of the Company.”

The vote of the holders of a majority of the Ordinary Shares participating in the AGM and voting on the matter is required for the approval of item 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 a majority of the votes of shareholders not constituting Controlling Parties in the Company, or those having a Personal Interest in the approval of this item, participating in the vote; 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 2% of the total voting rights in the Company.

A shareholder shall notify the Company at the address above at least seventy two (72) hours prior to the time of the AGM, whether the shareholder is a Controlling Party in the Company or the shareholder has a Personal Interest in the approval of item 7 on the agenda or not, as a condition for that shareholder’s right to vote and be counted with respect to this item. A shareholder voting by means of a Deed of Vote, may include said notice regarding his Controlling Party Interest or his Personal Interest on the Deed of Vote (to be submitted to the Company at least seventy two (72) hours prior to the time of the AGM).

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

RESTRICTIONS ON VOTING RIGHTS

Partner conducts its operations pursuant to licenses granted to Partner, directly or indirectly, by the Minister of Communications of the State of Israel (including the License). Partner's Articles of Association and, with respect to shareholders other than shareholders of Partner prior to its public offering, the License contains 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. Under certain licenses granted, to Partner, directly or indirectly, approval of, or notice to, the Minister of Communications of the State of Israel may be required for holding of 5% or more of Partner's means of control.

Any shareholder seeking to vote at the AGM must notify the Company prior to the vote, or indicate on the Deed of Vote (if a shareholder is seeking to vote by Deed of Vote), or indicate on the Deed of Authorization (if a shareholder is seeking to appoint a proxy by a Deed of Authorization), if any of the shareholder's holdings in Partner or the shareholder's vote require 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 the 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 vote shall not be counted.

By Order of the Board of Directors

Hadar Vismunski-Weinberg, Adv.

Company Secretary

Dated: September 13, 2018

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Annex "A"

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
2017 ANNUAL REPORT

PARTNER COMMUNICATIONS COMPANY LTD.
(An Israeli Corporation)
2017 ANNUAL REPORT

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

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders of
PARTNER COMMUNICATIONS COMPANY LTD.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Partner Communications Company Ltd. and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in equity and of cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 2(n) to the consolidated financial statements, the Company changed the manner in which it accounts for revenues from contracts with customers in 2017.

Basis for Opinions

The Company’s management and board of directors are responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in “Management’s Report on Internal Control over Financial Reporting” appearing under Item 15(b). Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included 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 audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

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.

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

Tel-Aviv, Israel
March 28, 2018

We have served as the Company's auditor since 1998.

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

		New Israeli Shekels		Convenience translation into U.S. dollars (note 2b3)
		December 31,		
		2016	2017*	2017*
	Note	In millions		
CURRENT ASSETS				
Cash and cash equivalents		716	867	250
Short-term deposits		452	150	43
Trade receivables	7	990	808	233
Other receivables and prepaid expenses		57	48	14
Deferred expenses – right of use	12	28	43	12
Inventories	8	96	93	27
		2,339	2,009	579
NON CURRENT ASSETS				
Trade receivables	7	333	232	68
Prepaid expenses and other		2	5	1
Deferred expenses – right of use	12	75	133	38
Property and equipment	10	1,207	1,180	340
Intangible and other assets	11	793	697	201
Goodwill	13	407	407	117
Deferred income tax asset	25	41	55	17
		2,858	2,709	782
TOTAL ASSETS		5,197	4,718	1,361

* See Note 2(n) regarding the early adoption of IFRS 15, Revenue from Contracts with Customers.

The financial statements were authorized for issue by the board of directors on March 28, 2018.

Isaac Benbenishti Tamir Amar Barry Ben-Zeev (Woolfson)
 Chief Executive Officer Chief Financial Officer Director

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

		New Israeli Shekels		Convenience translation into U.S. dollars (note 2b3)
		December 31,		
		2016	2017***	2017***
	Note	In millions		
CURRENT LIABILITIES				
Current maturities of notes payable and borrowings	6,15	498	705	203
Trade payables		681	787	227
Payables in respect of employees		101	91	26
Other payables (mainly institutions)		28	31	9
Income tax payable		45	50	14
Deferred income with respect to settlement agreement with Orange	18	108		
Deferred revenues from HOT mobile	9,22	31	31	9
Other deferred revenues	22	38	41	12
Provisions	14	77	75	22
		1,607	1,811	522
NON CURRENT LIABILITIES				
Notes payable	6,15	646	975	281
Borrowings from banks and others	6,15	1,550	243	69
Liability for employee rights upon retirement, net	16	39	40	12
Dismantling and restoring sites obligation	14	35	27	9
Deferred revenues from HOT mobile	9,22	195	164	47
Other non-current liabilities	14,22	14	24	7
		2,479	1,473	425
TOTAL LIABILITIES		4,086	3,284	947
EQUITY				
Share capital – ordinary shares of NIS 0.01 par value: authorized – December 31, 2016 and 2017 – 235,000,000 shares; issued and outstanding -	21	2	2	1
December 31, 2016 – *156,993,337 shares				
December 31, 2017 – *168,243,913 shares				
Capital surplus		1,034	1,164	336
Accumulated retained earnings		358	491	142
Treasury shares, at cost –				
December 31, 2016 – **3,603,578 shares				
December 31, 2017 – **2,850,472 shares		(283)	(223)	(65)
TOTAL EQUITY		1,111	1,434	414
TOTAL LIABILITIES AND EQUITY		5,197	4,718	1,361

*Net of treasury shares.

** Including shares held by trustee under the Company's Equity Incentive Plan, see note 21(a), such shares will become outstanding upon completion of vesting conditions, see note 21(b)

*** See Note 2(n) regarding the early adoption of IFRS 15, Revenue from Contracts with Customers.

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

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

		New Israeli Shekels				Convenience translation into U.S. dollars
		Year ended December 31				(note 2b3)
		2015	2016	2017*	2017*	
	Note	In millions (except earnings per share)				
Revenues, net	5, 22	4,111	3,544	3,268	943	
Cost of revenues	5, 22	3,472	2,924	2,627	758	
Gross profit		639	620	641	185	
Selling and marketing expenses	22	417	426	269	78	
General and administrative expenses	22	223	263	196	56	
Income with respect to settlement agreement with Orange	18	61	217	108	31	
Other income, net	23	47	45	31	9	
Operating profit		107	193	315	91	
Finance income	24	13	13	4	1	
Finance expenses	24	156	118	184	53	
Finance costs, net	24	143	105	180	52	
Profit (loss) before income tax		(36)	88	135	39	
Income tax expenses	25	4	36	21	6	
Profit (loss) for the year		(40)	52	114	33	
Earnings (loss) per share						
Basic	27	(0.26)	0.33	0.70	0.20	
Diluted	27	(0.26)	0.33	0.69	0.20	

* See Note 2(n) regarding the early adoption of IFRS 15, Revenue from Contracts with Customers.

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

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PARTNER COMMUNICATIONS COMPANY LTD.

(An Israeli Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	New Israeli Shekels			Convenience translation into U.S. dollars (note 2b3)	
	Year ended December 31				
	2015	2016	2017**	2017**	
	Note	In millions			
Profit (loss) for the year		(40)	52	114	33
Other comprehensive income (loss), items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	16	5	(8)	(2)	*
Income taxes relating to remeasurements of post-employment benefit obligations	25	(1)	2	1	*
Other comprehensive income (loss) for the year, net of income taxes		4	(6)	(1)	*
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(36)	46	113	33

* Representing an amount of less than 1 million.

** See Note 2(n) regarding the early adoption of IFRS 15, Revenue from Contracts with Customers.

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

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PARTNER COMMUNICATIONS COMPANY LTD.
 (An Israeli Corporation)
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital Number of Shares**	Capital Amount In millions	plus Accumulated earnings	Treasury shares	Total
New Israeli Shekels:					
BALANCE AT JANUARY 1, 2015	156,072,945	2	1,102	286	(351) 1,039
CHANGES DURING THE YEAR ENDED DECEMBER 31, 2015					
Total comprehensive loss for the year				(36)	(36)
Exercise of options and vesting of restricted shares granted to employees	14,511	*	*		*
Employee share-based compensation expenses			17		17
BALANCE AT DECEMBER 31, 2015	156,087,456	2	1,102	267	(351) 1,020
CHANGES DURING THE YEAR ENDED DECEMBER 31, 2016					
Total comprehensive income for the year				46	46
Exercise of options and vesting of restricted shares granted to employees	905,881	*	(68)		68 *
Employee share-based compensation expenses			45		45
BALANCE AT DECEMBER 31, 2016	156,993,337	2	1,034	358	(283) 1,111
CHANGES DURING THE YEAR ENDED DECEMBER 31, 2017					
Total comprehensive income for the year				113	113
Issuance of shares to shareholders (see note 21)	10,178,211	*	190 ***		190
Exercise of options and vesting of restricted shares granted to employees	1,072,365		(60)		60
Employee share-based compensation expenses		*		20	20
BALANCE AT DECEMBER 31, 2017	168,243,913	2	1,164	491	(223) 1,434
Convenience translation into U.S. Dollars (note 2b3):					
BALANCE AT JANUARY 1, 2017	156,993,337	1	298	103	(82) 320
CHANGES DURING THE YEAR ENDED DECEMBER 31, 2017					
Total comprehensive income for the year				33	33
Issuance of shares to shareholders (see note 21)	10,178,211	*	55 ***		55
Exercise of options and vesting of restricted shares granted to employees	1,072,365		(17)		17
Employee share-based compensation expenses			6		6
BALANCE AT DECEMBER 31, 2017	168,243,913	1	336	142	(65) 414

* Representing an amount of less than 1 million.

** Net of treasury shares.

*** Net of issuance costs.

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

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(Continued)— 1

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

	New Israeli Shekels			Convenience translation into U.S. dollars (note 2b3)
	Year ended December 31			
	2015	2016	2017**	2017**
	Note In millions			
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash generated from operations (Appendix)	955	975	1,002	288
Income tax paid	(33)	(30)	(29)	(8)
Net cash provided by operating activities	922	945	973	280
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of property and equipment	(216)	(127)	(223)	(64)
Acquisition of intangible and other assets	(143)	(69)	(153)	(44)
Proceeds from (investment in) short-term deposits, net		(452)	302	87
Interest received	24	3	2	1
Proceeds from sale of property and equipment	23	1	7	*
Investment in PHI	9	(1)		
Net cash used in investing activities	(356)	(639)	(72)	(20)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Share issuance	21		190	55
Proceeds from issuance of notes payable, net of issuance costs	15		650	187
Interest paid		(137)	(108)	(48)
Non-current borrowings received	6,15	675	250	350
Repayment of non-current borrowings	15	(533)	(15)	(1,332)
Repayment of notes payable				(384)