

February 9, 2010

Special General Meeting 04.02.2010 –Resolutions

1. Appointment of Mr. Mordechay Keret as an external director

To elect Mr. Mordechay Keret as an external director, for a period of 3 years.

2. Approval of the external director terms in office and grant of undertaking to indemnify.

1. To approve that the external director salary will be in accordance with the Board resolution dated 17.4.08 and General Meeting of the shareholder resolution dated 1.6.08 (same amount paid to external directors currently serving in the company) that is an annual payment and a participation payment (in a meeting of the Board or Board Committee) by the maximum amount allowed, as will be from time to time, according to the Company's rank as determined in the Companies Regulations (rules regarding the remuneration and expenses External Director), 2000. Also, in accordance with the approval of the General Assembly dated 28.9.08, the Board notes that the new external director will be eligible for participation in meetings of the Board and its committees, travel expenses, as stated in Resolution aforementioned

3. Amendment of the Articles of Association of the Company (Articles 85.1, 88 and 103.1)

To approve the following amendments to the Articles of Association of the Company:

- A. To Regulation 85.1 will be added at the end, the following words – "Notwithstanding the foregoing, directors who serve will be entitled at any time and from time to time, to appoint any person who is eligible under sec 224a of the corporate law, as a director (that is not an external director), to fill a place who become vacant for any reason, provided that the number of directors will not exceed the number director at the time of the change. Director, who was appointed in the manner stated above, will serve for a period of no longer then 90 days from his appointment or until the next ordinary general meeting of the shareholders, then he may be elected, what ever come first".

Regulation 88 will be changed and instead the following text: "The Board of Directors of the Company may continue to function even if the office of a director falls vacant, as long as the number of directors does not fall below the Minimum Number. Should the number of directors fall below the Minimum Number, the remaining Board of Directors will not be entitled to act, except for the appointment of additional directors as stated in the last paragraph to Regulation 85.1 or for the purpose of convening a General Meeting as soon as possible in order to appoint additional directors. Until an appointment of such bored members will occur, the

bored will be entitled to act for an essential purpose in the Company's best interest, but not for any other purpose".

- B. Regulation 103.1 will be changed so that instead the words "Three directors are classified" imports "Three or four directors classified"

*Pursuant to Regulation 148 of the company's article of association, amendment of this regulation requires the approval of the Minister of Communications prior written and will be effective after such approval.