

March 8, 2010

**Special General Meeting 8.3.2010 –Resolutions**

**Approval of the transaction to acquire a run off policy for the Company's officers' liability insurance (hereinafter: "the Transaction").**

To confirm that the Company's current directors' and officers' liability insurance policy will convert to a run off policy and this as of the date of transfer of control from Ap.Sab.Ar. Holdings Ltd. to 012 Smile Telecommunications Ltd. (if and when such transfer of control will be effected). The run off policy will cover the liability of directors and officers (including those who are or may be deemed as controlling shareholders in the Company) who shall serve in the Company and in companies in which the Company holds 50% or more, officers acting on behalf of the Company in companies in which the Company holds less than 50%, and senior employees who are not officers, with respect to administration duties carried out by them, and this by the date of the transfer of control as aforesaid, and under the following terms and conditions:

- A. **Insurance period** – seven years commencing from the date of transfer of control in the Company as aforesaid.
- B. **Scope of insurance cover** – the liability margin of the current policy will be reduced when it converts to a run off policy (as aforesaid), so that it shall not exceed US\$ 50 million (per claim and in total per insurance year), with the addition of up to US\$ 10 million (per claim and in total per insurance year) for legal costs in Israel alone. Limit of liability for the subsidiaries – half of the foregoing amount (as part of the aforesaid liability margin).
- C. **Premium for the entire insurance period** – shall not exceed US\$ 380,500 (lump sum paid in advance).