

PARTNER COMMUNICATIONS CO LTD

Form 6-K

January 03, 2019

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

January 3, 2019

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), November 21, 2018 (Registration No. 333-228502)

Enclosure: Shelf Offering Memorandum - Partner Communications Company Ltd.

English Translation-for convenience only
The Hebrew version shall be the binding version

January 3, 2019

Partner Communications Company Ltd.
(hereinafter: “the Company” or “Partner”)

Shelf Offering Memorandum Draft

Pursuant to the Company’s shelf prospectus of June 13, 2018 (hereinafter: “the Shelf Prospectus” or “the Prospectus”), as published by the Company on June 13, 2018 (reference no.: 2018-02-057361), and pursuant to the provisions of the Israel Securities Regulations (Shelf Offering of Securities), 5766 – 2005 (hereinafter: “Shelf Offering Regulations”), the Company is pleased to publish herewith a shelf offering memorandum for the issue and listing of the Offered Securities, as defined hereunder (hereinafter: “the Shelf Offering Memorandum” or “the Offering Memorandum” or “the Memorandum”) for trading on the Tel-Aviv Stock Exchange Ltd. (hereinafter: “the TASE”).

American Depositary Shares (hereinafter: “ADS”) of the Company (with each ADS representing one share of the Company) are listed for trading on the NASDAQ Global Select Market under the ticker “PTNR.” Additionally, shares of the Company are listed for trading on the TASE under the ticker “Partner,” and three series of debentures of the Company are listed for trading on the TASE under the symbol "Partner K3," "Partner K4" and "Partner K6" pursuant to a listing document by virtue of the provisions regarding dual listing in Chapter E.3. of the Israel Securities Law, 5728 – 1968 (hereinafter: “Securities Law”) and the regulations enacted by virtue thereof. The Company’s current reports are in accordance with the law in the United States and are in English, and are in accordance with the dual listing rules prescribed in Chapter E.3. of the Securities Law and the regulations enacted by virtue thereof. The Company shall also continue to report according to the dual listing rules subsequent to the issuance pursuant to this Shelf Offering Memorandum.

As set forth in clause 1.3.4 of the Shelf Prospectus, the Company undertook that, as of the date of issuance of its Debentures to the public, solely in Israel, the Company shall be subject to reporting obligations in accordance with the hybrid disclosure model, as defined in the Shelf Prospectus. Therefore, this model applies as of the date of issuance of the Debentures to the public. According to the model, the Company is required to ascertain the existence of "warning signs" as defined in the Securities Regulations (Periodic and Immediate Reports), 5730 – 1970, and, to the extent that there are warning signs, it must provide disclosure as specified in clause 1.3.7 of the Shelf Prospectus.¹

The Memorandum includes supplementary information (either in the Memorandum or by way of referral) about material developments in the Company since the date of the Shelf Prospectus, and additional information that is required pursuant to the United States Securities Act of 1933, as amended from time to time (hereinafter: "Securities Act") and the rules and regulations of the United States Securities and Exchange Commission that would have applied, had the offering of securities as stated been registered under the Securities Act using the Form F-3 registration statement, including updated financial information based on the rules and requirements of the United States Securities and Exchange Commission in Item 8 of Form 20-F, and this, in addition to the details required pursuant to the Shelf Offering Regulations. In accordance with the opinion that the Company received from a U.S. law firm (hereinafter: "the U.S. Lawyer"), the Memorandum, together with the documents incorporated by reference herein and the Shelf Prospectus, together with the documents incorporated by reference therein, are appropriately responsive in all material respects to the requirements of the Securities Act and the applicable rules and regulations of the U.S. Securities and Exchange Commission (hereinafter: "the SEC") that would apply to it if it were being filed with the SEC as a prospectus filed as part of a registration statement on Form F-3 in connection with a public offering in the United States of the Offered Securities (as defined below) under the Securities Act, , apart from the sections of the Offering Memorandum that are in Hebrew, and apart from the fact that particular clauses and appendices would have been included in Form F-3 that are not included in the Offering Memorandum and that are technical in nature and are immaterial to the matter of offering securities to the public in Israel.

In accordance with the position of the Securities Authority of 9.9.13, which was updated on 27.6.17, in the event that such warning signs exist, the Company shall file an immediate report entitled "Commencement of reports according to the Hybrid Disclosure Model," which concerns notification of a change in the reporting regime as detailed in section 1.3.7 of the Shelf Prospectus.

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The offering of the Series G Debentures by the Company within the scope of this Shelf Offering Memorandum (hereinafter: “the Offered Securities”) shall be done solely in Israel and shall not be done in the United States and/or to U.S. Persons, as this term is defined in Regulation S under the Securities Act, as amended from time to time (hereinafter: “Regulation S”), and this, according to the conditions of the exemption from the registration requirements pursuant to Category 1 of Regulation S.

The Offered Securities may be resold in reliance on Rule 904 of Regulation S, whereby, the Offered Securities may be resold on the TASE by any person (excluding resales by the Company, a distributor, or affiliate to any of them (except an officer who is an affiliate solely by virtue of holding such office), or any person acting on behalf of any of them), without imposing any blocking period or other restriction), provided that: (1) the offering is not made to a person in the United States; (2) the seller and anyone acting on its behalf did not know that the transaction has been organized in advance with a purchaser in the United States; and (3) No Directed Selling Efforts, as this term is defined in Regulation S, shall be done in the United States by the seller, affiliate or by any person acting on its behalf.

The Company has provided the TASE with an opinion of the U.S. Lawyer according to which, based on the assumptions, reservations and limitations in the opinion, the offering in accordance with the Shelf Offering Memorandum is exempt from the registration requirements of the Securities Act and that, in accordance with Regulation S, the securities being offered according to This Offering Memorandum shall be eligible for resale on the TASE by any person (except as and subject to that detailed above).

Any purchaser of the Offered Securities pursuant to the Memorandum shall be deemed as a party who declared: (i) that it is not located in the United States and that it is not a U.S. Person; (ii) that it is not purchasing the Offered Securities for or on behalf of a U.S. Person or any person located in the United States; (iii) that it was not staying in the United States when it submitted an application to purchase or when it purchased the Offered Securities; and (iv) that it is not purchasing the Offered Securities with an intention to carry out a “distribution” of the said Offered Securities in the United States (as this term is defined in the U.S. securities laws).

Pursuant to that stated above, all the “Distributors” (as this term is defined in clause 15 of the Memorandum) have undertaken that they shall offer the Offered Securities solely in Israel and only parties that are not a U.S. Person and that they did not and shall not perform any action or publish any advertisement in the United States pertaining to the promotion of the sale of the Offered Securities.

Solely the laws of the State of Israel shall apply to This Memorandum and no other laws whatsoever shall apply; solely the competent courts in Israel and they alone shall have sole jurisdiction in relation to any matter pertaining to the said matters; and the offerees, by consenting to purchase the Offered Securities, are accepting this sole jurisdiction and this choice of law.

The Shelf Prospectus and the Shelf Offering Memorandum were not filed with the United States Securities and Exchange Commission. The Offered Securities shall not be registered under the Securities Act in the United States, and any person purchasing Offered Securities pursuant to this Shelf Offering Memorandum shall be allowed to offer, sell, pledge or transfer the said Offered Securities in any other way solely: (i) pursuant to Regulation S; (ii) pursuant to a registration statement filed under the Securities Act; or (iii) pursuant to an exemption from the registration requirements of the Securities Act. The Company is not undertaking to register the Offered Securities for offer or sale in the United States under the Securities Act.

A decision to purchase the Offered Securities should be reached solely relying on the information contained (including by way of referral) in the Shelf Prospectus and in the Shelf Offering Memorandum. The Company did not allow any person or other body to furnish information that differs from that specified in the Shelf Prospectus or in This Memorandum. The Shelf Prospectus and This Memorandum do not constitute an offering of securities in any other country apart from in the State of Israel.

The terms used in this Shelf Offering Memorandum shall have the definitions ascribed to them in the Shelf Prospectus, unless otherwise stated.

1. The Offered Securities

Debentures (Series G)

Up to NIS 275,000,000 par value, registered debentures (Series G) of NIS 1 par value each, bear fixed annual interest at a rate to be determined in the tender and shall not exceed 4.00% and are not linked (principal and interest)² to any linkage base (hereinafter: “the Debentures (Series G)” or “the Debentures”).

Notwithstanding clause 1.1, if and to the extent that, during the issue of the Debentures (Series G) being carried out pursuant to this Shelf Offering Memorandum, the total demands exceed NIS 225,000,000 par value of Debentures (Series G) (hereinafter: “the Quantity being Issued to the Public”) (the said difference shall be called hereinafter: “the Excess Sum”), the Company shall not issue more than the Quantity being Issued to the Public pursuant to this Shelf Offering Memorandum and, in such instance, the following provisions shall apply:

The Company shall announce the amount of the Excess Sum and the total issue that the Company intends to issue by virtue of this Shelf Offering Memorandum (which, as stated, shall not exceed NIS 225,000,000 par value) in the report of the results of the issue;

No units shall be issued to the public in the amount of the Excess Sum (only), and no money shall be collected from the subscribers in respect of the Excess Sum (only);

The allotment to the subscribers who responded during the public tender pursuant to the provisions of clause 2 of the Shelf Offering Memorandum (determining the interest rate in the tender and allotting the units) shall be allocated pro rata between the quantity being issued to the public and the quantity offered pursuant to the Shelf Offering Memorandum or the orders for Debentures (Series G) actually received, the lower of the two, for example, if orders are received during the public tender reflecting NIS 265,000,000 par value of Debentures (Series G), then, in light of the Company’s resolution not to issue up to a total of NIS 225,000,000 par value of Debentures (Series G), about 85% of the volume of the allotment according to the results of the tender (225,000,000/265,000,000) shall be allocated to every subscriber whose order would have been accepted pursuant to the results of the tender, which is being held according to the provisions of clause 2 of the Shelf Offering Memorandum.

²In accordance with the provisions of the TASE rules and regulations, it is not possible to change the linkage method.

The principal of the Debentures shall be repayable in six annual payments, that will be paid between the years 2022 until 2027, whereby each of the first four payments shall constitute 10% of the inclusive par value of the principal of the Debentures, the fifth payment shall constitute 20% of the inclusive par value of the principal of the Debentures and the sixth payment shall constitute 40% of the inclusive par value of the principal of the Debentures. Payments of the principal shall be paid on June 25 of each of the years 2022 through 2027 (inclusive).

The balance of the outstanding principal of the Debentures, as it shall be from time to time, shall bear fixed annual interest at the rate to be determined in the tender. The interest in respect of the Debentures is payable annually, on June 25 of each of the years 2019 through 2027 (inclusive) for the twelve (12) month period ended on the payment date (excluding the first interest period as detailed below) so that the first payment shall be paid on June 25, 2019 and the last payment shall be paid on June 25, 2027, all this, except for the payment in respect of the first interest period that shall be paid on June 25, 2019, in respect of which the interest shall be paid for the period beginning on the first trading day after the date of the tender to the public and ending on the first payment date of the interest, calculated on the basis of 365 days a year, according to the number of days during this period. The final payment of the interest on the principal of the Debentures (Series G) shall be paid together with the final payment on account of the principal of the Debentures (Series G), against the delivery of the Debenture certificates (Series G) to the Company.

- 1.5 The Company shall publish an Immediate Report of the results of the tender in respect of the issue of the Debentures (Series G), and in it, the Company shall announce the interest rate determined in the tender, the interest rate in respect of the first interest period of the Debentures (Series G) and the annual interest rate that shall be paid.

- 1.6 The Deed of Trust relating to the Debentures (Series G) (as defined hereunder in clause 8.1) prescribes that, subject to the conditions prescribed in clause 2.4 of the Deed of Trust, the Company shall be allowed to expand the series of Debentures (Series G) at any time, at its sole discretion (whether by way of a private offering, or pursuant to a prospectus, or pursuant to a shelf offering memorandum or in any other way), including to a related holder, without having to receive the approval of the trustee for the Debentures (Series G) and/or of the holders of the Debentures (Series G) existing at that time, at any price and in any manner that the Company shall deem appropriate, including at a discount rate or at a premium that differs from the discount rate of the debentures that are in circulation at that time (if any) (or without a discount or without a premium). If the discount rate that shall be determined for the Debentures (Series G) due to a series expansion shall differ from the discount rate of the Debentures (Series G) that are in circulation at that time, then, prior to expanding the series of Debentures (Series G), the Company shall apply to the Israel Tax Authority in order to obtain its approval that, on the matter of deducting withholding tax from the discount fees in respect of the said Debentures, a uniform discount rate shall be set for the said Debentures according to a formula that weights the various discount rates (if any) in Series G, and all in conformity with the provisions prescribed in clause 2.4.1 of the Deed of Trust.

- 1.7 The Debentures (Series G) that shall be in circulation and additional debentures of that same series that shall be issued (if any) as stated above in clause 1.6, shall constitute (as of the date of their issue) a single series for all intents and purposes.

- 1.8 If, subsequent to the date of the initial issue of the Debentures (Series G), the Company shall expand the series of the Debentures (Series G), the holders of Debentures (Series G) that shall be issued within the framework of the series expansion shall not be entitled to receive a payment of principal and/or interest in respect of the Debentures (Series G) if the record date for the payment thereof predates the date of their issue.

2. Details of the Offering (Tender Number – 1151752)

2.1 The Debentures (Series G) are being offered to the public in 275,000 units of NIS 1,000 par value each (hereinafter: "the Units"), for a consideration of NIS 1,000 per unit, by way of a tender, on the annual interest rate to be borne by the Debentures (Series G), which shall not exceed 4.00% (hereinafter: "the Maximum Interest Rate"). The Debentures (Series G) will be offered by means on a uniform offering, as stated in the Israel Securities Regulations (Mode of Offering of Securities to the Public), 5767 – 2007 (hereinafter: "the Mode of Offering Regulations")

2.2 Any subscriber must specify in its order the number of Units that it wishes to purchase and the interest rate that it is bidding, which shall not exceed the Maximum Interest Rate. An order for the purchase of Units that shall be submitted within the scope of the tender and for which the interest rate specified therein exceeds the Maximum Interest Rate, or that did not specify an interest rate, shall be nullified and shall be deemed as if not submitted.

2.3 Any subscriber may submit up to three (3) orders at different interest rates (which shall not exceed the Maximum Interest Rate), which shall be quoted at increments of 0.01%; i.e., bids may be submitted at interest rates of 4.00%, 3.99%, 3.98% and so forth. Any order of Units that tenders a bid not quoted according in increments of 0.01% shall be upwardly rounded to the next increment.

2.4 Orders may be submitted for the purchase of whole Units only. Any order that shall be submitted for any fraction of a Unit shall be deemed an order being submitted solely for the number of whole Units specified therein, and the fraction of a Unit specified in the order shall be deemed as if not included therein ab initio.

2.5 Subject to any law, the orders for the purchase of the offered Units are irrevocable. Every order shall be deemed an irrevocable undertaking on the part of the subscriber to accept the Debentures that shall be allotted to it as a result of full or partial acceptance of its order, and to pay the full price of the Debentures, pursuant to the terms of the Shelf Prospectus and the Shelf Offering Memorandum, that it is entitled to receive, through the Issue Coordinator (as this term is defined hereunder) pursuant to the terms of the Shelf Prospectus and the Shelf Offering Memorandum.

2.6 The offering of the Offered Securities pursuant to the Shelf Offering Memorandum is not secured by underwriting.

In this regard, “Subscriber” or “Applicant” – including a family member residing with the subscriber, and a Classified Investor that is ordering Offered Securities pursuant to clause 4 of the Memorandum.

2.7 The timeframe for submitting orders

The period for the submission of orders for the purchase of the Units being offered to the public shall be opened on January 3, 2019 (hereinafter: “the Day of the Tender” or “the Submission Date of the Applications”), at 09:30 (hereinafter: “Opening Time of the Subscription List”) and shall be closed on the same day at 16:30 (hereinafter: “Closing Time of the Subscription List”), provided that the Closing Time of the Subscription List shall not be before seven (7) hours have elapsed, at least five (5) of which are hours of trading, since the publication time of the Offering Memorandum. The Company shall be allowed to withdraw the offering up until the Closing Time of the Subscription List, without the investors having any claim and/or right in relation thereto. In the aforesaid instance, all of the orders tendered in connection with the offering shall be deemed voided.

2.8 Order submissions

Orders for the purchase of the Units must be submitted to the Company using the customary forms for this purpose, either directly through the Issue Coordinator, Israel Discount Bank Ltd., of [38 Yehuda Halevy St, Tel Aviv (hereinafter: “the Issue Coordinator”), or through banks or other TASE members (hereinafter: “the Authorized

2.8.1 Order Recipients”), by no later than the Closing Time of the Subscription List. The Authorized Order Recipients shall be responsible and liable to the Company and to the Issue Coordinator for the payment of the full consideration that shall be due to the Company in respect of orders submitted through them that were fully or partially accepted.

Any order that shall be submitted to an Authorized Order Recipient on the Day of the Tender shall be deemed as submitted on that day if it shall be received by the Authorized Order Recipient by the Closing Time of the

2.8.2 Subscription List, provided that the Authorized Order Recipient shall forward it to the Issue Coordinator and the Issue Coordinator shall receive it by one hour after the Closing Time of the Subscription List; i.e., by 17:30 on the Day of the Tender (hereinafter: “the Deadline for Submissions to the Coordinator”).

The Authorized Order Recipients shall forward the orders to the Issue Coordinator on the Day of the Tender by transmission of the applications to a digital safe or in sealed envelopes that shall remain sealed until the Deadline

2.8.3 for Submissions to the Coordinator, and shall be inserted into a closed box, together with the orders that were submitted directly to the Issue Coordinator.

2.9 The tender proceedings, publication of the results and payment of the consideration

On the Day of the Tender, after the Deadline for Submissions to the Coordinator, the box shall be opened and the envelopes shall be opened, including the applications transmitted in a digital safe, in the presence of a

2.9.1 representative of the Company, a representative of the Issue Coordinator and an accountant, who shall supervise the proper conduct of the tender proceedings.

By 10:00 a.m. on the morning of the first trading day after the Day of the Tender, the Issue Coordinator shall deliver notice to the subscribers, through the Authorized Order Recipients through which the orders were submitted, about the extent of the acceptance of their orders. The notice shall specify the interest rate determined in the tender, the quantity of Units that shall be allotted to the subscriber and the consideration that it must pay for them. Upon receipt of the notice, and by 12:30 on that same afternoon, the subscribers whose orders for Units were fully or partially accepted, must transfer the consideration that must be paid for the Units in their orders that were accepted, to the Issue Coordinator, through the Authorized Order Recipients.

2.9.3 On the first day of trading after the Day of the Tender, the Company shall announce the results of the tender in an Immediate Report to the Israel Securities Authority and to the TASE.

2.9.4 The Company deems the deposit of the consideration of the issue in the Special Account, as this term is defined hereunder in clause 2.11 of the Memorandum, as a transfer of the consideration to the Company, and the Company shall apply to the TASE to list the Debentures for trading on the basis of this.

2.10 Mode of determining the interest rate and the allotment to the subscribers

All of the Units for which purchase orders shall be accepted, shall be issued at a uniform interest rate per Unit (hereinafter: "the Uniform Interest Rate"), that will be determined in accordance with the tender results, and the method for allotting the Units shall be as follows:

2.10.1 If the inclusive number of Units included in the orders (including Units in purchase orders that were received from Classified Investors that engaged in an early commitment with the Company, as stated in clause 4 of the Memorandum) that shall be accepted is less than the inclusive number of Units being offered pursuant to the Offering Memorandum, then all of the orders shall be accepted in their entirety and, in such instance, the Uniform Interest Rate shall be the Maximum Interest Rate prescribed in the Offering Memorandum. The balance of the Units, for which orders shall not be accepted, shall not be issued.

2.10.2 If the inclusive number of Units included in the orders (including Units in purchase orders that were received from Classified Investors that engaged in an early commitment with the Company, as stated in clause 4 of the Memorandum) that shall be accepted is equal to or higher than the inclusive number of Units being offered to the public, then the Uniform Interest Rate shall be equal to the lowest interest rate at which orders were submitted for the purchase of all of the Units being offered pursuant to this Offering Memorandum (including orders submitted by Classified Investors) pursuant to the Offering Memorandum.

In such instance, the Units being offered shall be allotted as follows:

- (a) Orders quoting an interest rate higher than the Uniform Interest Rate – shall not be accepted;
- (b) Orders quoting an interest rate lower than the Uniform Interest Rate – shall be accepted in their entirety;

Orders (not including orders submitted by Classified Investors that engaged in an early commitment with the Company, as stated in clause 4 of the Memorandum) quoting an interest rate that equals the Uniform Interest Rate – shall be accepted on a pro rata basis, so that each subscriber shall receive, out of the total of the offered Units that shall remain for distribution after accepting orders quoting an interest rate that is lower than the Uniform Interest Rate (and after accepting the orders of the Classified Investors that engaged in an early commitment with the Company, which shall order at the Uniform Interest Rate, as stated in clause 4 of the Memorandum), a portion that is equal to the ratio between the number of Units that it ordered in an order quoting the Uniform Interest Rate and the inclusive number of Units included in all orders submitted to the Company that quoted the Uniform Interest Rate (after deducting the Units of the Classified Investors that engaged in an early commitment with the Company, as stated in clause 4 of the Memorandum);

(d) The allotment to Classified Investors shall be done as specified in clause 4 of the Memorandum.

2.10.3 If an allotment as stated above in clause 2.10.2 shall not lead to the fulfillment of the minimum dispersion requirements of the Offered Debentures, as stated in the clause 13.3 of the Shelf Offering Memorandum, then the allotment priority to the Classified Investors shall be cancelled, and the offered Units shall be allotted as follows:

(a) Orders quoting an interest rate higher than the Uniform Interest Rate – shall not be accepted;

(b) Orders quoting an interest rate lower than the Uniform Interest Rate – shall be accepted fully;

Orders (including orders submitted by Classified Investors that engaged in an early commitment with the Company, as stated in clause 4 of the Memorandum) quoting an interest rate that is equal to the Uniform Interest Rate – shall be accepted on a pro rata basis, so that each subscriber shall receive, out of the total of the offered Units that shall remain for distribution after accepting orders quoting a lower interest rate than the Uniform Interest Rate,

(c) a portion that is equal to the ratio between the number of Units that it ordered in an order in which it quoted the Uniform Interest Rate and the total number of Units included in all of the Orders, which were submitted to the Company in which the Uniform Interest Rate was quoted (including Units for which the Classified Investors' commitments to purchase them were received as an early commitment with the Company, as stated in clause 4 of the Memorandum);

If an allotment as stated above in clause 2.10.3 shall not lead to the fulfillment of the minimum dispersion requirement of the Debentures (Series G) as stated in clause 13.3 herein, then the offered Units shall be allotted as follows:

(a) Orders quoting an interest rate higher than the Uniform Interest Rate – shall not be accepted;

(b) Orders (including orders submitted by Classified Investors that engaged in an early commitment with the Company, as stated in clause 4 of the Memorandum) quoting the Uniform Interest Rate and/or a lower interest rate – shall be accepted on a pro rata basis, so that each subscriber shall receive, out of the total of the offered Units, a portion that is equal to the ratio between the number of Units that it ordered quoting the Uniform Interest Rate and/or a lower interest rate, and the total of the Units at the Uniform Interest Rate and/or a lower interest rate, which were submitted to the Company (including Units for which the Classified Investors' commitments to purchase them were received, as stated in clause 4 of the Memorandum);

If an allotment as stated above in clause 2.10.4 shall not lead to the fulfillment of the minimum dispersion requirement of the Debentures (Series G), as stated in clause 13.3 of the Shelf Offering Memorandum, then a re-allotment shall be executed for the purpose of determining a new Uniform Interest Rate per Unit, which shall exceed the Maximum Interest Rate, and which shall be the lowest interest rate at which it shall be possible to allot the securities included in the Units in a manner that shall fulfill the minimum dispersion requirement as stated in clause 13.3 of the Shelf Offering Memorandum, provided that Units shall not be allotted to a subscriber at a number higher than the number it ordered or at an interest rate lower than the price it quoted in its order (hereinafter: "the New Uniform Interest Rate per Unit").

If the New Interest Rate per Unit as stated in this clause is determined, then the allotment shall be carried out according to that stated above in clause 2.10.4, except that, instead of “the Uniform Interest Rate per Unit,” it shall be deemed as if it states “the New Uniform Interest Rate per Unit.”

2.10.6 If an allotment as stated above in clause 2.10.5 shall not lead to the fulfillment of the minimum dispersion requirement of the Debentures (Series G), as stated in clause 13.3 of the Shelf Offering Memorandum, which are being offered pursuant to this Shelf Offering Memorandum, then the issue shall be cancelled, the Offered Securities shall not be allotted, and no monies shall be collected from the applicants in respect thereof.

2.10.7 If fractional Units shall be created as a result of the allotment of the Units according to the response to the tender as stated above, they shall be rounded, to the extent possible, to the closest whole Unit. Surplus Units that might remain as a result of rounding as stated shall be purchased by the Issue Coordinator at the price per Unit specified in the Offering Memorandum.

2.10.8 Each subscriber shall be deemed as if it committed in its order to purchase all of the Units that shall be allotted to it as a result of a partial or full acceptance of its order, according to the rules specified above in this clause 2.

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2.11 Special account

2.11.1 Shortly before the Day of the Tender, the Issue Coordinator shall open a special income-bearing trust account under the Company's name in a banking corporation (hereinafter: "the Special Account") and shall disclose the details of the Special Account to the Authorized Order Recipients. The Special Account shall be used for monies that shall be received from the subscribers.

2.11.2 The Special Account shall be managed exclusively by the Issue Coordinator for and on behalf of the Company pursuant to the provisions of section 28 of the Securities Law. The monies that shall be paid in respect of the orders that were fully or partially accepted by the Company shall be deposited in the Special Account. The Issue Coordinator shall invest the monies that shall accumulate in the Special Account in liquid, unlinked deposits bearing interest on a daily basis, to the extent that this shall be possible.

2.11.3 By no later than 12:00 p.m. on the second trading day after the Day of the Tender, the Issue Coordinator shall transfer the balance of the monies that shall remain in the Special Account to the Company, including the profits that accumulated in respect thereof, and this, against the transfer of certificates in respect of the Debentures Mizrahi Tefahot Nominee Company Ltd. (hereinafter: "the Nominee Company") and crediting of the TASE member pursuant to the instructions of the Issue Coordinator.

In the event of cancellation of the tender, the Debentures (Series G) being offered in the tender shall not be listed for trading on the TASE, and no monies shall be collected from the investors in connection with those Debentures.

3. Additional allotment

The Company shall not execute an additional allotment, as this term is defined in the Mode of Offering Regulations, pursuant to this Shelf Offering Memorandum.

4. Classified Investors

Out of the Units being offered to the public as stated in this Shelf Offering Memorandum, early commitments for the purchase of 225,000 Units were given by Classified Investors,³ as defined in Regulation 1 of the Mode of Offering Regulations (hereinafter: "the Classified Investors"), whereby, the Classified Investors shall submit orders in the tender for the purchase of Units constituting approximately 82% of the total Units being offered pursuant to the Shelf Offering Memorandum, as specified hereunder in this clause 4.

The early commitments from Classified Investors were received according to the principles prescribed in the Mode of Offering Regulations.

In this clause 4, "oversubscription" is the ratio between the quantity of offered Units for which orders were submitted at the Uniform Interest Rate, and the quantity remaining for distribution (as defined below), provided that it exceeds one;

"The quantity remaining for distribution" is the quantity of Units that were offered in the tender at the interest rate, in accordance with the Shelf Offering Memorandum, after deducting from it that quantity of securities for which orders were submitted at an interest rate that is lower than the Uniform Interest Rate.

Pursuant to the Mode of Offering Regulations, in the event of oversubscription, the allotment to Classified Investors shall be as follows:

- (a) if the oversubscription was up to five times higher than the quantity of Units offered to the public, then each Classified Investor shall be allotted 100% of the quantity that it committed to purchase;
- (b) if the oversubscription was more than five times higher than the quantity of Units offered to the public, then each Classified Investor shall be allotted 50% of the quantity that it committed to purchase.

"Classified Investor" – one of the following: (1) a portfolio manager as defined in section 8(b) of the Investment Counseling Law, that purchases at its discretion for the account of a client; (2) a corporation that is wholly owned by one or more classified investors, that purchases for itself or for another classified investor; (3) an investor as set forth in section 15A(b)(2) of the Securities Law 5728 – 1968 (hereinafter: "the Law"); (4) an investor as set forth in sections (1) through (9) or (11) of the First Addendum to the Law, that purchases for itself. In addition, a Classified Investor must undertake to purchase securities at a minimum volume of NIS 800,000.

If the quantity of the Debentures (Series G) remaining for distribution is insufficient for an allotment as stated above, then the quantity remaining for distribution shall be allotted to the Classified Investors according to the pro rata of each early commitment out of the total early commitments submitted at the same interest rate.

The allotment to Classified Investors shall be at the Uniform Interest Rate.

Orders from the Classified Investors shall be submitted within the scope of the tender and shall be deemed orders submitted by the public for the purpose of determining the interest rate, and this, subject to that stated above with regard to the allotment of the Debentures (Series G) in the event of an oversubscription. It is clarified that, if there is no oversubscription, then the orders from the Classified Investors within the scope of the tender shall be deemed orders submitted by the public for the purpose of allotting the Debentures (Series G) to the subscribers.

Early commitments received from Classified Investors:

Each of the Classified Investors specified hereunder committed, within the scope of an early commitment, to submit orders to purchase Units at a quantity of not less than detailed herein, and at the interest rate that shall not exceed the rate specified hereunder:

No.	Name of the Classified Investor	Quantity of units	Interest rate
1	Arbitrage Global, LP. (*)	7,500	3.89%
2	Arbitrage Global, LP. (*)	5,504	4.00%
3	Oporto Securities Distribution Ltd.	2,000	3.99%
4	Orcam Strategies Ltd.	2,000	3.90%
5	Orcam Strategies Ltd.	2,203	4.00%
6	Alumot Trust Fund Management Ltd.	550	4.00%
7	Altris Finance Ltd.	3,800	3.89%
8	Ametrine Limited Partership(*)	6,500	3.90%
9	Excellance Nessuah Investment Management Ltd. (**)	12,500	3.99%
10	Best Invest-Yalin Lapidot Investment Portfolio Management Ltd.	3,000	3.94%

No.	Name of the Classified Investor	Quantity of units	Interest rate
11	Barak Capital Investments 2006 Ltd. (*)	800	3.90%
12	Harel Insurance Company Ltd.- Nostro	20,000	3.99%
13	Vardan Investment House Ltd.	7,784	3.70%
14	Yalin-Lapidot Provident Fund Management	8,000	3.94%
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