



UNITRONICS (1989) (R" G) LTD.

PRESS RELEASE
Airport City, Israel
May 20, 2015

*****Regulated Information*****
*****For Immediate Release*****

Re: Immediate Report on Convening of an Annual and Extraordinary General Meeting

Airport City, Israel – May 20, 2015 – Unitronics published the attached Report, pursuant to the requirements of Israeli law, in concerning with the Convening of an Annual and Extraordinary General Meeting

About Unitronics

Unitronics (1989) (R" G) Ltd. is an Israeli company that engages, through its Products Department, in the design, development, production, marketing and sale of industrial automation products, mainly Programmable Logic Controllers ("PLCs"). PLCs are computer-based electronic products (hardware and software), used in the command and control of machines performing automatic tasks, such as production systems and automatic systems for industrial storage, retrieval and logistics. The Company also engages, through its Systems Department and/or its subsidiaries, in the design, construction and maintenance services in the framework of projects for automation, computerization and integration of computerized production and/or logistics systems, mainly automated warehouses, automated distribution centers and automated parking facilities. The Company's PLCs are distributed by over one hundred and forty distributors (and a wholly owned US subsidiary) in approximately fifty countries throughout Europe, Asia, America and Africa. The services of the Systems Department are provided to customers in Israel and also outside Israel.

This press release contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Management of the Company as well as assumptions made by and information currently available to the Management of the Company. Such statements reflect the current views of the Company with respect to future events, the outcome of which is subject to certain risks and other factors which may be outside of the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described herein as projected, anticipated, believed, estimated, expected or intended.



Unitronics (1989) (R”G) Ltd.

(“The Company”)

May 20, 2015

Re: Immediate Report on Convening of an Annual and Extraordinary General Meeting

An Immediate Report is hereby issued on the convening of an annual and extraordinary General Meeting of shareholders of the Company the agenda of which includes the items set forth below and a transaction report in accordance with the Companies Law, 5759-1999 (the “**Companies Law**”), the Companies Regulations (Notice of General Meetings and Class Meetings in Publicly Owned Companies), 5760-2000, Companies Regulations (Written Votes and Position Papers), 5766-2005, Companies Regulations (Proof of Ownership of Shares for Voting at General Meeting), 5760-2000, Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the “**Periodic and Immediate Reporting Regulations**”) and Securities Regulations (A Transaction between a Company and a Controlling Shareholder Therein), 2001 (“**Controlling Shareholders Regulations**”). The meeting will convene on Thursday, July 16, 2015 at 12:00 a.m. (Belgium time) at the Zaventem Sheraton Hotel in Brussels, Belgium.

1. Items on the Agenda

- 1.1 Presentation of the Company’s audited financial statements, the Company’s Board of Directors report on the state of affairs of the corporation, including the fee of the Company’s auditors in respect for auditing actions and their fee for other actions, and the periodic annual report (in the Barnea Committee’s format) for the year ended December 31, 2014.
- 1.2 Reappointment of Amit Halfon, CPA, as the Company’s auditors for the year 2015 and for the period up to the next annual General Meeting of the Company’s shareholders and authorizing the Company’s Board of Directors to determine their fee.
- 1.3 Appointment of Mr. Zvi Livne for an additional term as director of the Company (category B).
- 1.4 Re-approval of the payment of remuneration to Mr. Zvi Livne for his service as director of the Company (category B).
- 1.5 Re-approval of a letter of exemption and indemnification for Mr. Zvi Livne and Mr. Livne’s inclusion in the Company’s directors and officers insurance.
- 1.6 Amendment of the Company’s articles of association.
- 1.7 Appointment of Mr. Doron Shinar as external director of the Company.
- 1.8 Approval of payment of remuneration to Mr. Doron Shinar.
- 1.9 Approval of a letter of exemption and indemnification for Mr. Doron Shinar and Mr. Shinar’s inclusion in the Company’s directors and officers insurance.
- 1.10 Approval of a lease agreement with a company controlled by Mr. Haim Shani, the Company’s controlling shareholder, and Mrs. Bareket Shani, Mr. Shani’s wife, for an

additional three-year period beginning August 1, 2015 (the date of expiry of the previous lease), pursuant to section 275(A) of the Companies Law.

2. **Concise description of the transaction submitted for approval as detailed in section 1.10 of the agenda (hereinafter– “the Transaction”) and the principal terms thereof**

2.1 **Introduction**

The Company mainly operates from facilities in the “Unitronics Building”, an office and industry building situated in Airport City near the David Ben Gurion Airport, where the Company leases 1,295 square meters of floor area with adjacent courtyards from the Israel Land Administration since August 2000. In addition, the Company leases from a company controlled by Mr. Haim Shani, the controlling shareholder, chairman of the board of directors and CEO of the Company, and Mr. Bareket Shani, Mr. Shani’s wife, a member of the board of directors and head of human resources at the Company, 1,106 square meters of floor area in Unitronics Building. Pursuant to the agreement which will expire in July 2015. Therefore, given its current needs, the Company decided to continue leasing these spaces in accordance with the terms set forth below.

2.2 **Description of the transaction and the terms thereof**

The term of the lease pursuant to the current lease contract between the Company and Sky City Office Center for Knowledge Intensive Industries Limited (hereinafter - “**Sky City**”), a company controlled by Mr. Haim Shani, CEO, Chairman of the Board of Directors and controlling shareholder of the Company and his wife, Mrs. Bareket Shani (who is also a senior officer and director in the Company), which was signed in 2009, amended in 2011 and extended in 2012 for 3 additional years (the contract from 2009, as amended in 2011 and extended in 2012 shall hereinafter be referred to as – “**the Previous Lease**”), will expire at the end of July 2015.

Under the Previous Lease, the Company leased 1,106 square meters of floor area (“**the leased space**”) for a monthly fee of NIS 65 per square meters and in total NIS 72,000 per month (hereinafter – “**space rent**”), linked to the Consumer Price Index for June 2009 (hereinafter – “**the CPI**”) and 30 parking spaces (hereinafter – “**the parking spaces**”) for a monthly fee of NIS 250 per place and in total NIS 7,500 for 30 parking spaces. In addition, the Company paid monthly management and maintenance fees of NIS 5.8 per square meter (which comprise nominal monthly maintenance fees of NIS 4.5 per square meter plus linkage differences to the October 1999 CPI; and in total NIS 6,400) for Airport City’s management and maintenance services (“**Keshet**”, “**Keshet Maintenance Services**”, “**Keshet Maintenance Fees**”) as well as monthly management and maintenance fees of NIS 9.5 per square meter (in total NIS 10,500) for the management and maintenance services of the Unitronics Building Management and Maintenance (2003) Ltd. (“**Unitronics Maintenance**”, “**Unitronics Maintenance Services**”, “**Unitronics Maintenance Services**”), a subsidiary wholly owned by the Company. The total rent paid by the Company, pursuant to the Previous Lease, for the space rent, parking spaces, Unitronics Maintenance Fees and Keshet Maintenance Fees, plus linkage differences as specified above, is NIS 105,000 per month (linked until the March 2015 CPI).

The Company needs to continue using the offices and facilities in the leased space in Unitronics Building, in view of the volume and complexity of its business activities and the number of staff employed by the Company. The continued lease of the leased space in Unitronics Building will allow the Company to continue its operations efficiently from the same building, without incurring transition expenses and/or costs by scattering its corporate headquarters among several sites.

Since the Previous Lease will expire at the end of July 2015, a) on December 25, 2014 the Company held audit committee meeting, and on May 18, 2015, held audit committee meeting, which discussed and approved, and b) on December 25, 2014 and May 18, 2015, Board meetings which discussed and on May 20, 2015 Board meeting which re-discussed and approved, subject to the general meeting's approval, the Company's new lease contract with Sky City, which will enter into force on August 1, 2015 (hereinafter – "**the New Lease**"), under the following terms and conditions:

The New Lease includes terms from the Previous Lease, which have been revised as follows: the space rent is NIS 74 per square meter and NIS 82,000 per month in total ("**the New Space Rent**") linked to the CPI as defined above; the monthly fee for a parking space is NIS 350 and NIS 10,500 in total, linked to the CPI as defined above, for 30 parking spaces; Keshet Maintenance Fees are NIS 4.5 per square and NIS 5,000 in total linked to the October 1999 CPI; Unitronics Maintenance Fees is NIS 12.96 per square meter and NIS 14,330 in total, linked to the March 2015 CPI. The term of the lease under the New Lease is 36 month, commencing from August 1, 2015, subject to the Company's right, in line with the audit committee's decision, at any time, to terminate the New Lease with a 3-month prior notice, without penalty. The Company is not required to provide guarantees under the New Lease. The other terms of the New Lease, including the size of the leased space and the number of parking spaces, are identical to the terms of the Previous Lease. The total rent to be paid by the Company, pursuant to the New Lease, for the space rent, parking spaces, Unitronics Maintenance Fees and Keshet Maintenance Fees, plus linkage differences as specified above, is NIS 124,000 per month (linked until the March 2015 CPI).

3. Identity of the controlling shareholders with a personal interest in the transactions and the nature of this matter:

- 3.1 The controlling shareholder of the Company with a personal interest in the transaction is Mr. Haim Shani. Mr. Shani holds 6,139,551 ordinary shares of NIS 0.02 par value of the Company (hereinafter – "**the Shares**"), which represent 61.38% of the issued and paid up share capital of the Company (about 61.38% on a fully diluted basis).
- 3.2 Mrs. Bareket Shani, Mr. Shani's wife, serves as the Deputy CEO, Head of Human Resources and a director of the Company.
- 3.3 Therefore, Mr. Shani and Mrs. Shani did not participate in the discussions and votes of the Audit Committee and Board of Directors regarding the approval of the New Lease and regarding the Board's recommendation to the General Meeting to approve the New Lease for an additional three-year period, commencing from August 1, 2015.

4. Identity of the directors with a personal interest in the transactions and the nature of this matter:

Mr. Shani and Mrs. Shani have a personal interest in the approval of the transaction, due to the fact that the party to the transaction (Sky City) is a company controlled by them and since they are a married couple.

5. Convening, Time and Implementation of an Annual General Meeting:

- 5.1 Time and place of the meeting: Notice is hereby given of the convening of an Annual General Meeting of the Company's shareholders, which is to convene at the Zaventem Sheraton Hotel in Brussels, Belgium, on Thursday, July 16, 2015, at 12:00 a.m. (Belgium time).

The quorum in accordance with the Company's articles will be constituted when two shareholders are present, in person or by proxy, holding at least thirty percent (30%) of

the total voting rights in the Company. If a quorum is not present within half an hour from the time set for the commencement of the General Meeting, the Meeting will be adjourned by a week, to the same day, time and place. A quorum at an adjourned meeting will be constituted when two shareholders are present, in person or by proxy, regardless of the percentage of votes represented by them.

5.2 Majority required at the General Meeting to approve the items on the agenda:

5.2.1 The majority required for approval of the items on the agenda as set forth in paragraphs 1.1 to 1.5 and 1.8 to 1.9 above is an ordinary majority of the shareholders eligible to vote and who attend the meeting.

5.2.2 The majority required for approval of the item set forth in paragraph 1.6 above is a majority of 75% of the shareholders eligible to vote and who attend the meeting.

5.2.3 The majority required for approval of the item set forth in paragraph 1.7 above is an ordinary majority of the shareholders who are entitled to attend the Meeting and who participate in the vote, provided one of the following conditions is met: (a) the majority of the votes counted at the General Meeting includes a majority of the votes of shareholders who are not controlling shareholders in the Company or do not have a personal interest in the approval of the appointment, except for a personal interest which is not the result of their relations with the controlling shareholder, who participate in the vote; the total votes of the said shareholders shall not include the abstaining votes; (b) the total number of dissenting votes among shareholders participating in the vote who are not controlling shareholders of the Company or do not have a personal interest in the approval of the appointment except for a personal interest which is not the result of relations with the controlling shareholder, is not more than two percent of the total voting rights in the Company.

5.2.4 The majority required for approval of items on the agenda as set forth in paragraph 1.10 above is an ordinary majority of the shareholders who are entitled to attend the Meeting and who participate in the vote, provided one of the following conditions is met: (a) the majority of the votes counted at the General Meeting includes a majority of the votes of shareholders who do not have a personal interest in the approval of the transaction, who participate in the vote; the total votes of the said shareholders shall not include the abstaining votes; (b) the total number of dissenting votes among shareholders participating in the vote who do not have a personal interest in the approval of the transactions, is not more than two percent of the total voting rights in the Company.

5.3 Record date for eligibility to vote: under Section 182(b) of the Law and Regulation 3 of the Companies Regulations (Written Votes and Position Statements), 5766-2005 and Companies Regulations (Reliefs for Public Companies Whose Shares are Listed for Trading in a Stock Exchange Outside Israel), 2000, the record date will be June 15, 2015 (the "**Record Date**"), such that anyone holding shares of the Company at the end of the trading day, on the Record Date, will be entitled to attend the Meeting and to vote thereat, in person or by proxy.

The number of shares equivalent to 5% of the total voting rights in the Company is: 500,116 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

The number of shares equivalent to 5% of the total voting rights in the Company not held by the controlling shareholder is: 193,138 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

6. Review of documents

This immediate report, the documents referred to therein, and the full text of the resolutions on the agenda of the General Meeting are available for review at the Company's offices at Unitronics House, Airport city, Lod on Sunday through Thursday, during regular business hours and after prior coordination with Mr. Gavriel Badusa (telephone 03-9778888, fax 03-9778877), until the date of the General Meeting,. The Company's financial statements can be reviewed via the Securities Authority's website (<http://www.magna.isa.gov.il/>) (the "**Dissemination Site**"), and on the Company's website (<http://www.unitronics.com/>).



Unitronics (1989) (R”G) Ltd.

(“The Company”)

May 20, 2015

The Securities Authority

www.isa.gov.il

The Tel Aviv Stock Exchange Ltd.

www.tase.co.il

Re: Immediate Report Concerning the Convening of an Annual and Extraordinary General Meeting

An immediate report is hereby issued on the convening of an Annual and Extraordinary General Meeting of the Company's shareholders (“**the Meeting**”), the agenda of which includes the matters detailed below and a transaction report, in accordance with the Companies Law, 5759-1999 (the "**Companies Law**"), the Companies Regulations (Notice of General Meeting and Class Meeting in a Public Company), 5760-2000, the Companies Regulations (Written Votes and Position Statements), 5766-2005, the Companies Regulations (Proof of Ownership to a Share for Voting at a General Meeting), 5760-2000, the Securities Regulations (Periodic and Immediate Reports), 5730-1970 (the "**The Periodic and Immediate Reporting Regulations**"), and Securities Regulations (A Transaction Between a Company and a Controlling Shareholder Therein), 2001 (the “**Controlling Shareholder Regulations**”).

Part A – Convening of a Meeting and Items on the Agenda

1. Time, place and agenda

Notice is hereby given of the convening of an Annual and Extraordinary General Meeting of the Company's shareholders ("**the Meeting**"), which is to convene at the Zaventem Sheraton Hotel in Brussels, Belgium, on Thursday , July 16, 2015, at 12:00 a.m. (Belgium time).

2. Items on the meeting’s agenda and a summary of the proposed resolutions:

2.1 Presentation of the Company’s audited financial statements, the Company’s Board of Directors report on the state of affairs of the corporation, including the fee of the Company’s auditors in respect for auditing actions and their fee for other actions, and the periodic annual report (in the Barnea Committee’s format) for the year ended December 31, 2014.

Summary of the proposed resolution:

To approve that the Company’s audited financial statements, the Company’s Board of Directors report on the state of affairs of the corporation, including the fee of the Company’s auditors in respect for auditing actions and their fee for other actions, and the periodic annual report (in the Barnea Committee’s format) for the year ended December 31, 2014, have been presented to the General Meeting of the Company.

2.2 Reappointment of Amit Halfon, CPA, as the Company’s auditors for the year 2015 and for the period up to the next annual General Meeting of the Company’s shareholders and authorization of the Company’s Board of Directors to determine their fee.

Summary of the proposed resolution: to re-appoint Amit Halfon, CPA, as the Company’s auditors for 2015 and for the period up to the next annual General Meeting of the Company’s shareholders and to authorize the Company’s Board of Directors to determine their fee.

2.3 Appointment of Mr. Zvi Livne for an additional term as director (Category B) of the Company.

Appointment of Mr. Zvi Livne for an addition term as director (Category B) of the Company, up to the date of the annual general meeting of the Company for 2018, in accordance with the Company’s articles (for details on Mr. Zvi Livne see Section 4.10 of the Company’s Annual and Periodic Report for 2014 as published on March 12, 2015 – Reference No: 2015-01-050227). A statement by Mr. Zvi Livne, that he is in compliance with the conditions required for his appointment as director of the Company in accordance with the provisions of Section 224B of the Companies Law and Regulation 36B(A)(10) of the Reporting Regulations, is attached to this report as **Appendix A**. In its meeting dated May 18, 2015, the Company’s board of directors determined that Mr. Livne has accounting and financial expertise.

During 2014 the percentage of participation of Mr. Livne in the Board of Directors’ meetings was 95% while in committee meetings in which he is a member it was 100%. In the first and second quarter of 2015 until the date of publication of this report, the percentage of participation of Mr. Livne in Board of Directors meetings and in committee meetings was 92%.

Summary of the proposed resolution: to appoint of Mr. Zvi Livne as director (category B) of the Company for an additional term up to the date of the annual general meeting of the Company for 2018, in accordance with the Company’s articles.

2.4 Re-approval of the payment of remuneration to Mr. Zvi Livne as director of the Company (category B).

Subject to the approval of Mr. Livne’s appointment as director of the Company, to re-approve the payment of participation fee and annual remuneration to Mr. Livne, in accordance with the Company’s remuneration policy. For additional details on the remuneration paid to directors of the Company, including Mr. Livne, see section 24 of the Company’s remuneration policy as published in an immediate report on the convening of a general meeting, dated November 17, 2013, reference no: 2013-01-193608, which is hereby included by way of reference (hereinafter – “**the Remuneration Policy**”); In the past, the audit committee, the Board of Directors of the Company and the general meetings of its shareholders have approved, from time to time (in separate meetings held between 2011 and 2008) payment to external directors of the Company as well as to directors that are not officers of the Company, of annual remuneration and participation fee at the “fixed amount” specified in the Second and Third Addendum to the Companies Regulations (Rules regarding Compensation and Expenses to External Directors – 2000) (hereinafter – “**External Directors Compensation Regulations**”) and in line with the Company’s relevant rating at the time.

Summary of the approved resolution: to re-approve the payment of participation fee and annual remuneration to Mr. Zvi Livne, in accordance with the Company’s Remuneration Policy and the Compensation Regulations, at the fixed amount, as the term is defined in said regulations.

2.5 Re-approval of a letter of exemption and indemnification to Mr. Zvi Livne and Mr. Livne's inclusion in the Company's directors and officers insurance.

Subject to the approval of Mr. Livne's appointment as director of the Company, to re-approve a letter of exemption and indemnification to Mr. Livne, in the same wording that was approved and signed with other directors of the Company (for additional details, including the text of the letter of indemnification used by the Company, see immediate report on indemnification of officers, reference no: 2011-01-282483 (hereinafter – "**Standard Indemnification Letter**") and Mr. Livne's inclusion in the Company's directors and officers insurance, all in accordance with the Company's Remuneration Policy.

Summary of the approved resolution: to re-approve a letter of exemption and indemnification to Mr. Zvi Livne, in the wording of the Standard Indemnification Letter, and Mr. Livne's inclusion in the Company's directors and officers insurance, in accordance with the Company's Remuneration Policy.

2.6 Amendment of the Company's Articles of Association

Following the Company's intention to appoint an additional external director for the Company, and pursuant to the provisions of section 65(a) of the Company's Articles of Association, which limit the number of members in the Company's Board of Directors to six only (including external directors), where on the date of this report there are six members on the Board of Directors, on December 25, 2014, the Company's Board of Directors decided to recommend to the general meeting of Company shareholders to approve an amendment to the Company's Articles whereby the maximum number of Board members (including external directors) will increase from six to eight (8), all as set forth in the text attached as **Appendix B** to this report.

Summary of the approved resolution: to re-approve the amendment to the Company's Articles of Association, as set forth in the text attached as **Appendix B** to this report.

2.7 Appointment of Mr. Doron Shinar as external director of the Company.

The appointment of Mr. Doron Shinar as an external director of the Company for a period of three years, in accordance with the Company's Articles. The statement by Mr. Shinar, that he is in compliance with the conditions required for their appointment as directors of the Company in accordance with the provisions of Section 224 and 241(A) of the Companies Law is attached to this report as **Appendix C**. Details on Doron Shinar, in accordance with Regulation 36B(A)(10) of the Periodic and Immediate Regulations are attached to this report as **Appendix D**. In its session on May 18, 2015, the Company's Board of Directors determined that Mr. Shinar has accounting and financial expertise.

Summary of the proposed resolution: to appoint Mr. Doron Shinar as external director of the Company for a three-year term, beginning on the date of approval of the meeting.

2.8 Approval of payment of remuneration to Mr. Doron Shinar.

Subject to the approval of Mr. Shinar's appointment as external director of the Company, and beginning on the date of his appointment as stated in section 2.7 above, to approve the payment of participation fee and annual remuneration to Mr. Doron Shinar, in accordance with the Company's Remuneration Policy and the External Directors Compensation Regulations, at the fixed amount, as it is defined in said regulations.

Summary of the approved resolution: to approve the payment of a participation fee and annual remuneration to Mr. Doron Shinar, in accordance with the Company's Remuneration Policy and the External Directors Compensation Regulations, at a fixed amount as it is defined in said regulations, commencing from the date of his appointment as an external director.

2.9 Approval of a letter of exemption and indemnification to Mr. Doron Shinar and Mr. Shinar's inclusion in the Company's directors and officers insurance.

Subject to the approval of Mr. Shinar's appointment as external director of the Company, and commencing from the date of his appointment as stated in section 2.7 above, to approve a letter of exemption and indemnification to Mr. Shinar, in the wording of the Standard Letter of Indemnification that was approved and signed with the other directors of the Company and Mr. Shinar's inclusion in the Company's directors and officers insurance, all in accordance with the Company's Remuneration Policy.

Summary of the approved resolution: to approve a letter of exemption and indemnification to Mr. Doron Shinar, in the wording of the Standard Indemnification Letter, and Mr. Shinar's inclusion in the Company's directors and officers insurance, in accordance with the Company's Remuneration Policy, commencing from the date of his appointment as an external director.

2.10 Approval of a lease agreement with a company controlled by Mr. Haim Shani, the Company's controlling shareholder, and Mrs. Bareket Shani, Mr. Shani's wife, for an additional three-year period, commencing from August 1, 2015 (the date of expiry of the previous lease), pursuant to section 275(A) of the Companies Law.

Approval of a lease agreement with a company controlled by Mr. Haim Shani, the controlling shareholder of the Company, as specified in section 3 below.

Summary of the approved resolution: to approve a lease agreement with a company controlled by Mr. Haim Shani, the controlling shareholder of the Company, and Mrs. Bareket Shani, Mr. Shani's wife, for a period of three years commencing on August 1, 2015, in accordance with Section 275(A) of the Companies Law, pursuant to the terms of the New Lease as it is defined in this report below.

Part B – Transaction Report for item 2.10 on the Meeting’s Agenda (“the Transaction”)

3. Preamble, description of the transaction and key terms and conditions

- 3.1 The Company mainly operates from facilities in the “**Unitronics Building**”, an office and industry building situated in Airport City near the David Ben Gurion Airport, where the Company leases 1,295 square meters of floor area with adjacent courtyards from the Israel Land Administration since August 2000. In addition, the Company leases from a company controlled by Mr. Haim Shani, the controlling shareholder, chairman of the board of directors and CEO of the Company, and Mrs. Bareket Shani, Mr. Shani’s wife, a member of the board of directors and head of human resources at the Company, 1,106 square meters of floor area in Unitronics Building. Pursuant to the agreement which will expire in July 2015. Therefore, given its current needs, the Company decided to continue leasing these spaces in accordance with the terms set forth below.
- 3.2 The term of the lease pursuant to the current lease contract between the Company and Sky City Office Center for Knowledge Intensive Industries Limited (hereinafter - “**Sky City**”), a company controlled by Mr. Haim Shani, CEO, Chairman of the Board of Directors and controlling shareholder of the Company and his wife, Mrs. Bareket Shani (who is also a senior officer and director in the Company), which was signed in 2009, amended in 2011 and extended in 2012 for 3 additional years (the contract from 2009, as amended in 2011 and extended in 2012 shall hereinafter be referred to as – “**the Previous Lease**”), will expire at the end of July 2015.
- 3.3 Under the Previous Lease, the Company leased 1,106 square meters of floor area (“**the leased space**”) for a monthly fee of NIS 65 per square meters and in total NIS 72,000 per month (hereinafter – “**space rent**”), linked to the Consumer Price Index for June 2009 (hereinafter – “**the CPI**”) and 30 parking spaces (hereinafter – “**the parking spaces**”) for a monthly fee of NIS 250 per place and in total NIS 7,500 for 30 parking spaces. In addition, the Company paid monthly management and maintenance fees of NIS 5.8 per square meter (which comprise nominal monthly maintenance fees of NIS 4.5 per square meter plus linkage differences to the October 1999 CPI; and in total NIS 6,400) for Airport City’s management and maintenance services (“**Keshet**”, “**Keshet Maintenance Services**”, “**Keshet Maintenance Fees**”) as well as monthly management and maintenance fees of NIS 9.5 per square meter (in total NIS 10,500) for the management and maintenance services of the Unitronics Building Management and Maintenance (2003) Ltd. (“**Unitronics Maintenance**”, “**Unitronics Maintenance Services**”, “**Unitronics Maintenance Fees**”), a subsidiary wholly owned by the Company. The total rent paid by the Company, pursuant to the Previous Lease, for the space rent, parking spaces, Unitronics Maintenance Fees and Keshet Maintenance Fees, plus linkage differences as specified above, is NIS 105,000 per month (linked until the March 2015 CPI).

The Company needs to continue using the offices and facilities in the leased space in Unitronics Building, in view of the volume and complexity of the Company’s business activities and the number of staff employed by the Company. The continued lease of the leased space in Unitronics Building will allow the Company to continue its operations efficiently from the same building, without incurring transition expenses and/or costs by splitting its corporate headquarters among several sites.

- 3.4 Since the Previous Lease will expire at the end of July 2015, a) on December 25, 2014 the Company held audit committee meeting which discussed and on May 18, 2015 audit committee meeting which re-discussed and approved, and b) on December 25, 2014 and on May 18, 2015, held board of directors meetings, which

discussed and approved, subject to the general meeting's approval, the Company's new lease contract with Sky City, which will enter into force on August 1, 2015 (hereinafter – "**the New Lease**"), under the following terms and conditions:

- 3.5 The terms of the New Lease were taken from the Previous Lease and revised as follows: the space rent is NIS 74 per square meter and NIS 82,000 per month in total ("**the New Space Rent**") linked to the CPI as defined above; the monthly fee for a parking space is NIS 350 and NIS 10,500 in total, linked to the CPI as defined above, for 30 parking spaces; Keshet's Maintenance Fees are NIS 4.5 per square meter and NIS 5,000 in total, linked to the October 1999 CPI; Unitronics Maintenance Fees is NIS 12.96 per square meter and NIS 14,330 in total, linked to the March 2015 CPI. The term of the lease under the New Lease is 36 month, commencing from August 1, 2015, subject to the Company's right, in line with the audit committee's decision, at any time, to terminate the New Lease with a 3-month prior notice, without penalty. The Company is not required to provide guarantees under the New Lease. The other terms of the New Lease, including the size of the leased space and the number of parking spaces, are identical to the terms of the Previous Lease. The total rent to be paid by the Company, pursuant to the New Lease, for the space rent, parking spaces, Unitronics Maintenance Fees and Keshet Maintenance Fees, plus linkage differences as specified above, is NIS 124,000 per month (linked until the March 2015 CPI).

4. Identity of the controlling shareholders with a personal interest in the transactions and the nature of this matter:

- 4.1 The controlling shareholder of the Company with a personal interest in the transaction is Mr. Haim Shani. Mr. Shani holds 6,139,551 ordinary shares of NIS 0.02 par value of the Company (hereinafter – "**the Shares**"), which represent 61.38% of the issued and paid up share capital of the Company (about 61.38% on a fully diluted basis).
- 4.2 Mrs. Bareket Shani, Mr. Shani's wife, serves as the Deputy CEO, Head of Human Resources and a director of the Company.
- 4.3 Therefore, Mr. Shani and Mrs. Shani did not participate in the discussions and votes of the audit committee and Board of Directors regarding the approval of the New Lease and regarding the Board's recommendation to the General Meeting to approve the New Lease for an additional three-year period, commencing from August 1, 2015.

5. Nature of the personal interest of the controlling shareholder and other directors:

Mr. Shani and Mrs. Shani have a personal interest in the approval of the transaction, due to the fact that a party to the transaction (Sky City) is a company controlled by them and since they are a married couple and serve as senior officers of the Company.

6. The manner in which payment was determined:

- 6.1 A detailed review was presented to the audit committee and Board of Directors of the Company (hereinafter – "**the Detailed Review**"), at management's request, the results of which were validated by a certified real estate appraiser, as set forth below. The Detailed Review provided information on (a) transactions conducted in the years 2013-2014 in connection with the leasing of Keshet's facilities and the terms thereof, taking into account the quality of the building and management services rendered. The Detailed Review included rental prices charged by Keshet (ranging between NIS 70-92 per square meter, excluding management and maintenance fees and municipal prices, at an average price of NIS 78.5 per square

meter); the Review stated that said prices were in nominal terms as of the date of signature of the original agreements and do not include linkage to CPI as customary in lease agreements; and (b) the management fees paid in the area in respect of leases (which primarily range between NIS 12 – NIS 16 per square meter). The data presented to the audit committee and the Board of Directors of the Company, as aforesaid, showed that both the market rent and management fees exceed those offered under the New Lease.

- 6.2 The Review also took into account non-recurring expenses and current expenses that would be incurred if the Company transitioned to another building, and a comparison was made to the terms of Sky's leases in Unitronics Building with third parties that are not related to the Company, and to the management fees paid by such third parties to Unitronics Maintenance and Keshet. Management described additional relevant considerations to the audit committee and the Board of Directors, including those relating to administration, efficiency, manpower, finish standards and services at Unitronics Building, as well as expenses that might be incurred if headquarters were split between several sites.
- 6.3 The audit committee and Board of Directors of the Company compared the terms of the Previous Lease to the terms of the New Lease, as well as the terms of leases offered by Keshet and the leases signed by third parties in Unitronics Building, and found them to be reasonable, at market rates, and indeed more favourable to the Company taking into account the non-recurring costs and current expenses involved in the transition to another facility, as well as considerations of control, management and efficiency.
- 6.4 The Detailed Review further found that the terms of the New Lease are similar or preferable to the terms in which Sky City leases space in Unitronics Building to third parties, which are not related to the Company or to the controlling shareholders of the Company, and are more favourable than the terms of leases (price/period) offered by Keshet for spaces at a similar and/or inferior level of finish with similar and/or inferior general services which, to the best of the Company's knowledge, are leased, as of the reporting date, at prices ranging between NIS 80 and NIS 90 per square meter, in real terms (excluding management and maintenance fees and municipal taxes). In addition, the possibility to cancel the agreement at any time allows the Company to customize the space to its needs. Given the aforesaid (and having completed the examinations outlined in section 6.6-6.9 below), payment was determined in comparison with the terms offered by Keshet in Unitronics Building, for properties at a similar level of finish with similar services.
- 6.5 In addition, the audit committee and the Board of Directors examined the nature and quality of maintenance services offered by Unitronics Maintenance, the level of Unitronics Maintenance Fees and the method of determining such fees. They also examined the scope and prices of maintenance services provided by Unitronics Maintenance to third parties, which are not related to the Company or to controlling shareholders of the Company, which lease space in Unitronics Building, and found that the terms and prices of maintenance services offered by Unitronics Maintenance are preferable to those offered by Keshet in general and Unitronics Building in particular.
- 6.6 In this context, the audit committee examined, pursuant to the provisions of Section 117(1B) of the Companies Law, whether a competitive process (as defined in this section) is a proper process under the circumstances of the matter, and determined that the said process is not relevant in this case, for the following reasons: (a) the leasing of spaces by the Company in a building where its offices occupy spaces it owns, are circumstances which are not relevant to other

properties and therefore, a proper competitive process cannot be conducted; (b) when examining alternatives for the floors leased by the Company in Unitronics Building, in other buildings, it is necessary to consider non-recurring and current expenses, which would be incurred if the Company split its operations and transferred some of them to another site, as well as the control and management complexities associated with split operations. For this reason, a competitive process is irrelevant in this case.

- 6.7 Given the aforesaid, and by virtue of its authority under Section 117(1B) of the Companies Law, in its meeting on December 25, 2014, the audit committee determined that under the circumstances, it would be proper to conduct other procedures, prior to the approval of the transaction. After several alternative procedures were considered, it was decided to ask a certified appraiser to examine the data included the Detailed Review, which was presented to the audit committee, in order to validate them, if he sees fit.
- 6.8 The audit committee, in its meeting on December 25, 2014, further determined that a review and validation of the data by a certified appraiser, as aforesaid, constitute sufficient and adequate “other procedures”, before the Company enters into a New Lease, as a transaction with a controlling shareholder therein, as stipulated in Section 117(1B) of the Companies Law.
- 6.9 In its meeting from May 18, 2015, the audit committee discussed the appraiser’s validation process and findings, which validated the data of the Detailed Review and determined that in view of said findings, it is satisfied that the procedures mandated by Section 117(1B) have been implemented.

7. Required approvals or conditions for the execution of the transaction:

- 7.1 Pursuant to Section 275 of the Companies Law, a transaction between a public company and its controlling shareholder, directly or indirectly, including through a company controlled by him, concerning receipt of services by the company requires the approval of the audit committee and Board of Directors. The transaction was approved by the audit committee on May 18, 2015 and by the Board of Directors of the Company on May 20, 2015.
- 7.2 The transaction also requires the approval of the general meeting of Company shareholders, which was convened as set forth below, with the majority required by law, as described therein.

8. Similar transactions between the Company and the controlling shareholder in the last two years or which are still in effect:

In the two years preceding the date of approval of the transaction by the audit committee and the Board of Directors of the Company, no transactions of this kind or similar transactions were signed, and on the date of approval thereof by the audit committee and the Board of Directors of the Company, no transactions of this kind or similar transactions between the Company and its controlling shareholder were in effect, nor had the controlling shareholder a personal interest therein, except as specified in section 3 above regarding the Previous Lease. For additional details on the Previous Lease, see immediate report on a Transaction Between the Company and a Controlling Shareholder Therein dated June 18, 2009, reference no: 2009-01-145188, immediate report on the Results of a Meeting dated July 29, 2009, reference no: 2009-01-182697, immediate report on the Results of a Meeting regarding Approval of a Transaction with the Controlling Shareholder and/or Approval of a Private Offer dated July 29, 2009, reference no: 2009-01-182700, immediate report on a Transaction with a Controlling Shareholder or with a Director which Does not Require Approval by the General Meeting dated March 27, 2011, reference no: 2011-01-094152, immediate

report in a Transaction between the Company and a Controlling Shareholder Therein dated March 29, 2012, reference no: 2012-01-086748, immediate report on the Results of a Meeting dated June 14, 2012, reference no: 2012-01-156780, which are hereby included by way of reference.

9. **Summary of the reasons of the audit committee and Board of Directors for approving the transaction:**

The audit committee and Board of Directors of the Company approved the transaction for the following reasons:

- 9.1 The steady expansion of the Company's business in the past few years as part of the ordinary course of the Company's activity, the Company's staff and its growing operation, justify the continued use of the facilities and offices from which the Company operates in Unitronics Buildings, including the Leased Space.
- 9.2 Analyses conducted by the Company and presented to the audit committee and Board of Directors of the Company, show that the terms of the New Lease transaction, are similar or preferable to the terms on which the space in Unitronics Building is leased by the landlord to third parties, which are not related to the Company or to the controlling shareholders of the Company, and are more favourable than the standard terms of leases (price/period) in Airport City for spaces at a similar and/or inferior level of finish with similar and/or inferior general services which, to the best of the Company's knowledge, are leased, as of the reporting date, at prices ranging between NIS 80 and NIS 90 per square meter, in real terms (excluding management and maintenance fees and municipal taxes).
- 9.3 Other analyses presented to the audit committee and Board of Directors of the Company indicate that A) Unitronics maintenance services provided at market fee, are part of the normal course of business of the Company and do not have a material effect on the Company's assets, rights or obligations; (B) continues to receive maintenance services Unitronics Maintenance Services is in favour of the Company, among other things, considering the fact that the Company is the owner of a large portion of the Unitronics Building, and therefore want to monitor the maintenance services provided to other tenants at Unitronics Building without involving other service providers; (C) The services of Unitronics Maintenance Services identical to the services provided to other tenants at Unitronics building and D)the maintenance fees charged by Unitronics Maintenance under the transaction, are similar or preferable to those paid to Unitronics Maintenance by third parties leasing space in Unitronics Building, which are not related to the Company or to the controlling shareholders of the Company; moreover, these maintenance fees are cheaper than those paid in Airport City for similar and/or less favourable services which, to the best of the Company's knowledge, range between NIS 12 and NIS 16 per square meter, as of the date of this report.
- 9.4 Failure to extend the lease at Unitronics Building, under these circumstances, will cause the Company to incur non-recurring and current expenses by transition and splitting its headquarters between several sites, which would hurt the Company's operating efficiency.
- 9.5 The continued managing of the Company's under one roof, while having the option to terminate the contract at any time will enable the Company to adjust its expenses in line with its needs, justifying the cost of the lease in the premises.

- 9.6 Given the unique circumstances of the matter, as detailed above, it was determined that a competitive process would be irrelevant, and that other processes which were implemented prior to the approval of the transaction (a validation of these data by a certified real estate appraiser), adequately fulfil the requirements of Section 117(1B) of the Companies Law.
- 9.7 Given the aforesaid, the members of the audit committee and Board of Directors of the Company believe that the proposed new lease is in the Company's best interest and therefore approved it subject to the approval of the general meeting of Company shareholders.
- 10. Identity of the directors who attended the discussions of the Board of Directors and audit committee in connection with the approval of the said transaction, including external directors:**
- 10.1 Names of the directors who attended the Board of Directors discussions regarding the approval of transactions on May 20, 2015: Mr. Moshe Braz (external director), Mr. Yoel Sela (external director), Ms. Edna Ramot (director).
- 10.2 Names of the directors who attended the audit committee discussions regarding the approval of transactions on May 18, 2015: Mr. Moshe Braz (external director), Mr. Yoel Sela (external director), Mr. Zvi Livne (director).
- 11. Identity of the directors with a personal interest in the transaction and the nature of this interest:**
- 11.1 Mr. Shani and Mrs. Shani have a personal interest in the approval of the transaction due to the fact that a party to this transaction (Sky City) is a company owned by Mr. Haim Shani, and because they are a married couple that serve as senior officers of the Company.
- 11.2 Mr. Shani and Mrs. Shani did not participate in the discussions and votes at the meetings of the audit committee and Board of Directors regarding the approval of the aforesaid transaction.

Part III – Convening, Date and Execution of an Annual General Meeting:

12. Date, place and quorum

- 12.1 Notice is hereby given of the convening of an Annual and Extraordinary General Meeting of the Company's shareholders ("**the Meeting**"), which is to convene at the Zaventem Sheraton Hotel in Brussels, Belgium, on Thursday, July 16, 2015, at 12:00 a.m. (Belgium time).
- 12.2 The quorum in accordance with the Company's articles shall be constituted when two shareholders holding at least thirty percent (30%) of the total voting rights in the Company are present, in person or by proxy. If a quorum is not present within half an hour from the time set for the start of the General Meeting, the Meeting will be adjourned by a week, to the same day, time and place. A quorum at an adjourned meeting will be constituted when two shareholders are present, in person or by proxy, regardless of the percentage of votes represented by them.

13. Majority required at the General Meeting to approve the transactions:

- 13.1 The majority required for approval of the items on the agenda as set forth in paragraphs 2.1-2.5 and 2.8-2.9 above is an ordinary majority of the shareholders eligible to vote and who voted at the meeting.

- 13.2 The majority required for approval of the item set forth in paragraph 2.6 above is a majority of 75% of the shareholders eligible to vote and who voted at the meeting.
- 13.3 The majority required for approval of the agenda item set forth in paragraph 2.7 above (the appointment of Mr. Doron Shinar as external director of the Company) is an ordinary majority of the shareholders who are entitled to attend the Meeting and who participate in the vote, provided one of the following conditions is met: (a) the majority of the votes counted at the General Meeting includes a majority of the votes of shareholders who are not controlling shareholders in the Company or do not have a personal interest in the approval of the appointment, except for a personal interest which is not the result of their relations with the controlling shareholder, and who participate in the vote; the total votes of the said shareholders shall not include the abstaining votes; (b) the total number of dissenting votes among shareholders participating in the vote who are not controlling shareholders of the Company or do not have a personal interest in the approval of the appointment except for a personal interest which is not the result of relations with the controlling shareholder, is not more than two percent of the total voting rights in the Company.
- 13.4 The majority required for approval of the agenda item as set forth in paragraph 2.10 above (approval of a lease agreement with a company owned by the controlling shareholder and his wife) is an ordinary majority of the shareholders who are entitled to attend the Meeting and who participate in the vote, provided one of the following conditions is met: (a) the majority of the votes counted at the General Meeting includes a majority of the votes of shareholders who do not have a personal interest in the approval of the transaction, who participate in the vote; the total votes of the said shareholders shall not include the abstaining votes; (b) the total number of dissenting votes among shareholders participating in the vote who do not have a personal interest in the approval of the transactions, is not more than two percent of the total voting rights in the Company.

14. Eligibility to vote

- 14.1 Under Section 182(b) of the Law and Regulation 3 of the Companies Regulations (Written Votes and Position Statements), 5766-2005 and Companies Regulations (Reliefs for Public Companies Whose Shares are Listed for Trading in a Stock Exchange Outside Israel), 2000, the record date will be June 15, 2015 (the "**Record Date**"), such that anyone holding shares of the Company at the end of the trading day, on the Record Date, will be entitled to attend the Meeting and to vote thereat, in person or by proxy.
- 14.2 In accordance with the Companies Regulations (Proof of Ownership of Shares for Voting at a General Meeting), 5760-2000 (in this section – the "**Ownership Regulations**"), a shareholder who has a share registered with a member of the Tel Aviv Stock Exchange Ltd. and/or with an authorized broker under the Belgian law, and that share is included among the shares of the Company, which are registered in the Register of Shareholders in the name of a nominee company and/or EuroClear Belgium / Interprofessionnelle Effeotendeposito – en Girokas N.V. – Caisse Interprofessionnelle de Depots et de Virements de Titres S.A., and he wishes to attend and vote at the General Meeting, will submit to the Company a certificate from the member of the Stock Exchange and/or the authorized broker under the Belgian law with whom his right to the share is registered, regarding his ownership of the share, on the Record Date, according to Form 1 in the Schedule to the Ownership Regulations. A power of attorney to attend and vote at the

Meeting must be deposited at least 48 hours before the date of convening the General Meeting.

- 14.3 Under the Companies Law, a shareholder whose shares are registered with a member of the Stock Exchange may receive the certificate of ownership from the Stock Exchange member through which he holds his shares, at the branch of that Stock Exchange member, or by post to his address, in return for postage only, if he so requested. Such a request must be given in advance for a particular securities account.
- 14.4 Likewise, a shareholder may vote at the General Meeting through a voting instrument on items 2.7 and 2.10 on the agenda. A vote in writing is cast using Part II of the voting instrument attached to this report.
- 14.5 The number of shares equivalent to 5% of the total voting rights in the Company is: 500,116 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

The number of shares equivalent to 5% of the total voting rights in the Company not held by the controlling shareholder is: 193,138 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

15. Voting instrument

A shareholder may vote at the General Meeting through a voting instrument on items 2.7 and 2.10 on the agenda, as detailed below:

- 15.1 A vote in writing will be cast using Part II of the voting instrument attached to the immediate report, as published on the Dissemination Site (as defined in Section 15.6 below).
- 15.2 A shareholder may apply directly to the Company to receive the text of the voting instrument and the position statements.
- 15.3 A Stock Exchange member will send by email, free of charge, a link to the text of the voting instrument and the position statements on the Dissemination Site, to every shareholder who is not registered in the Register of Shareholders and whose shares are registered with that Stock Exchange member, if the shareholder notified him that he is interested, provided notice is given prior to the Record Date regarding a particular securities account.
- 15.4 A shareholder whose shares are registered with a Stock Exchange member may, if so requested, receive the certificate of ownership from the Stock Exchange member through whom he holds his shares, at the branch of the Stock Exchange member, or by post to his address, in return for postage only. Such a request must be given in advance for a particular securities account.
- 15.5 A voting instrument will be valid only if the documents listed in the voting instrument (the "**Attached Documents**") are attached to it, and if it is submitted to the Company's offices up to 72 hours before the Meeting is convened. In this regard, the "date of submission" is the date on which the voting instrument and the Attached Documents reached the Company's offices. The deadline for the submission of position statements to the Company is up to 10 days after the Record Date.
- 15.6 The text of the voting instrument and the position papers, as these terms are defined in Section 88 of the Companies, can be found on the website of the Israel Securities Authority (<http://www.magna.isa.gov.il/>) (the "**Dissemination Site**")

and on the website of the Tel Aviv Stock Exchange Ltd. (<http://maya.tase.co.il/>), on the website of Euronext in Belgium (<http://euronext.com>) or on the Company's website (<http://www.unitronics.com/>).

16. Powers of the Securities Authority

In accordance with the Controlling Shareholders Regulations, within 21 days of the date of submitting the report, the Securities Authority (“**the ISA**”) or an employees that it so authorized by virtue of Regulation 10 of the Controlling Shareholders Regulations, may instruct the Company to provide, on a designated date, explanations, details, information and documents regarding the transactions specified in this Immediate Report, and to instruct the Company to amend this Immediate Report in such manner and on such date as the ISA shall determine. If an instruction to amend the report is given, the ISA may give an instruction to postpone the General Meeting to a date not earlier than three business days or later than thirty five days from the date of publication of the amendment to the Immediate Report.

17. The Company's representatives for purposes of the immediate report

The Company's representative for purposes of this immediate report is Mr. Gavriel Badusa, the Company's Chief Financial Officer, at Unitronics House, Airport City, Lod, Israel, telephone 03-9778888, fax 03-9778877.

18. Review of documents

This immediate report and the documents referred to herein, as well as the complete text of the resolutions on the agenda, may be reviewed at the Company's offices, at Unitronics House, 3 Arava St., Airport City, Lod, on Sunday through Thursday, during regular business hours, after prior coordination with Mr. Gavriel Badusa (telephone 03-9778888, fax 03-9778877),. The Company’s financial statements may be reviewed at the dissemination site . The above documents are also available to the public on the Company’s website (<http://unitronics.com/>).

Sincerely,

Unitronics (1989) (R”G) Ltd.

Haim Shani, CEO and chairman of the Board

Gavriel Badusa, CFO

Appendix A

Statement of the Candidate to Serve on the Company's Board of Directors -

Mr. Zvi Livne

To:

Unitronics (1989) (R"G) Ltd.

Declaration of Candidate for Office of Director in Public Company

Under the Companies Law, 5759-1999 (the "**Law**")

I, the undersigned, Zvi Livne, after having been warned that I must state the truth and that I shall be liable to the penalties prescribed by law should I fail to do so, hereby declare as follows:

1. None of the restrictions determined in Sections 225 to 227A of the Law on restriction on appointment of a minor, an incompetent person, bankruptcy, a restriction on appointment as a result of the commission of an offense, a conviction or a decision of the administrative enforcement committee – as these restrictions are drafted on the date of execution of this declaration, as set forth in **Appendix A** and constituting an integral part hereof, are satisfied in my case.
2. Pursuant to the provisions of the Law, I am considered to have a "personal interest" as defined in the Law, in transactions between the Company and myself and between the Company and any of my relatives and between the Company and corporations and entities in which I or any of my relatives are stakeholders (hereinafter, the "**Corporations**").
3. My activities within the scope of my office as an office holder of the Company, as long as they are carried out in good faith, as long as they are not connected to me or my relatives or the Corporations personally, are not considered to be acts amounting to a conflict of interest or competition with the business of the Company or usurpation of a business opportunity of the Company with the object of obtaining a benefit for myself or any other person (hereinafter, "**Breach of Trust**") and do not harm the best interest of the Company, just because me or my relatives are stakeholders in the Corporations.
4. Were I to believe, according to my best knowledge, that an activity within the scope of my office as office holder of the Company is connected to me or my relatives or the Corporations personally, and also were the Company to enter into an exceptional transaction and/or an ordinary transaction connected to me or my relatives or the Corporations personally and it came to my knowledge – I shall notify the audit committee and/or the board of directors, as the case may be, of my personal interest, if the activity and/or transaction is presented for their approval, or to an entity and/or forum reaching a decision with respect to the act or approving the transaction, if the activity and/or transaction is not presented for the approval of the board of directors at the beginning of the

deliberation on the activity and/or the transaction and I shall not be present at the meeting at the time of the deliberation on the activity and/or the transaction; however, I may be entitled to participate at the beginning of the meeting for the purpose of passing on information only.

5. I possess all the skills required and the capacity to devote the appropriate time to perform my position as director of the Company, with attention *inter alia* to the special needs and size of the Company.
6. Likewise, I undertake that if any of the conditions required under the Law for my office as director of the Company cease to exist in my case, or if a ground for the expiration of my office as director of the Company exists in my case, I shall notify the Company thereof immediately and my office shall expire from the date of notification as stated in Section 227A of the Law (as set forth in Appendix A). I know that pursuant to Section 234 of the Law, a breach of such duty of notification shall be deemed a Breach of Trust on my part to the Company.
7. After having closely read and understood all that stated above, I declare that all that stated above is the truth and that I am fully aware of all my obligations and rights under the Law and Regulations.

Zvi Livne	May 10, 2015	(-)
_____	_____	_____
Name	Date	Signature

Attorney Certification

I, the undersigned, Advocate Nir Weissbarger, L.N 13707 whose address is 10 Abba Eban Blvd. Herzlia, POB 2031, hereby certify that on May 10, 2015, Mr. Zvi Livne, known to me personally, appeared before me and after I warned him that he must declare the truth and that he will be liable to the penalties prescribed by law should he fail to do so, he signed this declaration in my presence.

May 10, 2015	(-)
_____	_____
Date	Attorney Signature and Stamp

Appendix A

Articles 225-227A of the Companies Law, 5759-1999

Duty of Disclosure

225. (a) A person who is a candidate to hold office as a director shall disclose to the person appointing him:

(1) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a) and not yet passed the period in which he should not serve as a director under section 226;

(2) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a1) and not yet passed the period set by the court under that subsection;

(3) whether the Administrative Enforcement Committee imposed on him enforcement measure which prohibits him to serve as a director in any public company, and not yet passed the period set by the Administrative Enforcement Committee.

(b) In this section:

"enforcement measure" – as stated in section 52NF to the Securities Law which imposed under chapter H4 to the Securities Law, under chapter G2 to the Investment Advice and Investment Portfolio Management Law, 1995, or under chapter J1 to the Joint Investment Trust Law, 1994, as applicable;

"Administrative Enforcement Committee" - the committee appointed under section 52LB(a) to the Securities Law;

"Conclusive judgment" – judgment of a court of the first instance

Restriction on Appointment Due to Conviction

226. (a) A person convicted by a conclusive judgment of one of the following offenses shall not hold office as a Director in a public company unless five years have passed from the date on which the judgment by which he was convicted was given:

(1) Offenses under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law;

(2) A conviction by a court outside Israel for offenses of bribery, deceit, offenses by managers of a corporate body or offenses involving misuse of inside information;

(3) (deleted)

(a1) A person convicted by a conclusive judgment, as it is defined in section 225(b), in an offense that was not mentioned in subsection (a), if the court determined that due to its nature, severity or circumstances he is not fit to serve as a director of public company for the period that the court determined which shall not exceed five years from the judgment.

(b) The court may determine, at the date of the conviction or thereafter, on the application of a person interested in being appointed as a director, that

despite his conviction of offenses as laid down in subsections (a), and taking into account, inter alia, the circumstances in which the offense took place, such person is not precluded from holding office as director of a public company, or the period in which he is precluded from holding office as director of public company or a private company which is a Debenture Company will be shorter than five years.

(c) The Minister may prescribe additional offenses to those laid down in subsection (a)(1).

(d) The court, or a court of appeal – if one was submitted, may order a stay of execution regarding the limitations of the appointment or termination of office under this section at the date and on such terms as it deems fit.

**Restriction on
Appointment
Due to
Administrative
Enforcement
Committee
decision**

226A. If the Administrative Enforcement Committee has imposed an enforcement measure on a person, which precludes him from holding office as director of a public company, such person shall not be appointed as a director of a company in which he is prohibited to serve as a director according to this measure; in this section “enforcement measure” and “Administrative Enforcement Committee” – as defined in section 225(b).

**Limitation of
Appointment**

227. (a) A minor, a legally incompetent person, a person who has been declared bankrupt as long as such person remains undischarged, shall not be appointed as director, nor shall a corporation that has resolved to enter into voluntary liquidation or in respect of which a winding up order has been issued.

(b) A person nominated to hold office as director to whom the provisions of subsection (A) apply shall disclose such to the entity appointing him.

**Duty of
Notice**

227A. A director that no longer fulfils one of the requirements for office as a director under this Law or there is ground for expiration of his office as a director shall notify the company immediately, and his office shall expire on the date of the notice.

Appendix B

Proposed Text of the Amended Articles of Association of the Company

The number of members on the Company's Board of Directors shall be revised in section 65(a) of the Company's Articles as follows:

65. (a) The Board of directors of the Company shall consist of not less than three and no more than ~~six~~ **eight** Directors (including External Directors, as defined in the Companies Law) ...

Appendix C

Statement of the Candidate to Serve as an External Director of the Company –

Mr. Doron Shinar

To:

Unitronics (1989) (R”G) Ltd.

Declaration of eligibility as an external director

Pursuant to the Companies Law, 1999 (“**the Law**”)

I, the undersigned, Doron Shinar, bearer of I.D No: 054973029, of 12 Zlochisti St. Tel-Aviv, after having been warned to state the truth, and that I shall be liable to the penalties prescribed by law should I fail to do so, hereby declare and undertake that I meet the qualifying requirements described in Section 240 of the Law, and declare that:

1. I am a resident of Israel.
2. I am not restricted from serving as a director of the Company under any items set forth in Sections 225 to 227A of the Law, regarding the restriction of appointment of a minor, incapacitated person, restriction of appointment due to conviction or the decision of an administrative enforcement committee or bankruptcy – as these restrictions were. The provisions of the sections, as being on the date of signing of this declaration, are specified in **Annex A** which is attached to this declaration as an integral part hereof.
3. I declare that I have all of the qualifications required, and the ability to dedicate the proper time to the fulfilment of the office of external director in the Company, taking into account, among others, the special needs and size of the Company.
4. I have financial and accounting expertise in accordance with the provisions of the Law and the regulations thereunder.
5. I am not a relative of the controlling shareholder of the Company and neither myself nor any of my relatives, partners, employers, a person to whom I am directly or indirectly subordinated or an entity in which I am a controlling shareholder, on the date of my appointment as external director of the Company or in the two years that preceded the date of my appointment, have affiliation with the Company, the controlling shareholder of the Company or a relative of the controlling shareholder on the date of my appointment, or with another corporate body;

Without derogating from Section 4 above, neither I, nor any of my relatives, partners or employers, nor any person to which I am directly or indirectly subordinated, nor a corporate body in which I am a controlling shareholder, have any business or professional relationship with the Company, the controlling shareholder of the Company or a relative of the controlling shareholder of the Company on the date of my appointment, or another corporate body, even if such relationships are not continuing, excluding insignificant relationships, and I have not received any payment in addition to the directors’ remuneration and reimbursement of expenses to which I am entitled by law, directly or indirectly, as an external director of the Company.

For purposes of this declaration –

“Affiliation” – The existence of employment relations, the existence of habitual business or professional relationship or control, and the holding of office as an officer, apart from the office of a director who was appointed to act as an outside director of a company which is about to make a first public offering of shares, except for matters which, as the minister determined, shall not constitute an affiliation.

“Another Corporation” – A corporation whose controlling shareholder, on or two years before the date of appointment, is the Company or its controlling shareholder.

“Relative” – spouse, sibling, parent, grandparents, offspring, and an offspring, sibling or parent of the spouse or the spouse of any of the above.

6. My other positions and occupations do not and may not create a conflict of interests with my duties as outside director, and will not prejudice my ability to hold office as outside director.
7. I do not serve as a director of any other company any of whose directors serve as an external director and/or independent director of the Company.
8. I am neither an employee of the Israel Securities Authority, nor an employee of the Tel Aviv Stock Exchange Ltd.
9. I hereby undertake to immediately notify the Company if any of the legal requirements, for serving as an external director cease to be met or in the case of a cause which may give rise to the termination of my tenure as external director of the Company.
10. Having read and understood all the foregoing, I hereby declare that all the aforesaid is the truth and that I am aware of all my rights and obligations under the Law and regulations thereunder.

Doron Shinar	April 28, 2015	(-)
_____	_____	_____
Name	Date	Signature

Attorney Certification

I, the undersigned, Advocate Nir Weissbarger, whose address is 10 Abba Eban Blvd. Herzlia, POB 2031, Ackerstein Towers C, Floor 7 hereby certify that on April 28, 2015 Mr. Doron Shinar, known to me personally, appeared before me and after I warned him that he must declare the truth and that he will be liable to the penalties prescribed by law should he fail to do so, he signed this declaration in my presence.

April 28, 2015	(-)
_____	_____
Date	Attorney Signature and Stamp

[Adv. Nir Weissbarger L.N 13707]

Appendix A

Articles 225-227A of the Companies Law, 5759-1999

Duty of Disclosure

225. (a) A person who is a candidate to hold office as a director shall disclose to the person appointing him:

(1) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a) and not yet passed the period in which he should not serve as a director under section 226;

(2) whether he has been convicted by a conclusive judgment of an offense referred to in section 226(a1) and not yet passed the period set by the court under that subsection;

(3) whether the Administrative Enforcement Committee imposed on him enforcement measure which prohibits him to serve as a director in any public company, and not yet passed the period set by the Administrative Enforcement Committee.

(b) In this section:

"enforcement measure" – as stated in section 52NF to the Securities Law which imposed under chapter H4 to the Securities Law, under chapter G2 to the Investment Advice and Investment Portfolio Management Law, 1995, or under chapter J1 to the Joint Investment Trust Law, 1994, as applicable;

"Administrative Enforcement Committee" - the committee appointed under section 52LB(a) to the Securities Law;

"Conclusive judgment" – judgment of a court of the first instance

Restriction on Appointment Due to Conviction

226. (a) A person convicted by a conclusive judgment of one of the following offenses shall not hold office as a Director in a public company unless five years have passed from the date on which the judgment by which he was convicted was given:

(1) Offenses under sections 290 to 297, 392, 415, 418 to 420 and 422 to 428 of the Penal Law, 5737-1977, and under sections 52C, 52D, 53(a) and 54 of the Securities Law;

(2) A conviction by a court outside Israel for offenses of bribery, deceit, offenses by managers of a corporate body or offenses involving misuse of inside information;

(3) (deleted)

(a1) A person convicted by a conclusive judgment, as it is defined in section 225(b), in an offense that was not mentioned in subsection (a), if the court determined that due to its nature, severity or circumstances he is not fit to serve as a director of public company for the period that the court determined which shall not exceed five years from the judgment.

(b) The court may determine, at the date of the conviction or thereafter, on the application of a person interested in being appointed as a director, that despite his conviction of offenses as laid down in subsections (a), and taking

into account, inter alia, the circumstances in which the offense took place, such person is not precluded from holding office as director of a public company, or the period in which he is precluded from holding office as director of public company or a private company which is a Debenture Company will be shorter than five years.

(c) The Minister may prescribe additional offenses to those laid down in subsection (a)(1).

(d) The court, or a court of appeal – if one was submitted, may order a stay of execution regarding the limitations of the appointment or termination of office under this section at the date and on such terms as it deems fit.

**Restriction on
Appointment
Due to
Administrative
Enforcement
Committee
decision**

226A. If the Administrative Enforcement Committee has imposed an enforcement measure on a person, which precludes him from holding office as director of a public company, such person shall not be appointed as a director of a company in which he is prohibited to serve as a director according to this measure; in this section “enforcement measure” and “Administrative Enforcement Committee” – as defined in section 225(b).

**Limitation of
Appointment**

227. (a) A minor, a legally incompetent person, a person who has been declared bankrupt as long as such person remains undischarged, shall not be appointed as director, nor shall a corporation that has resolved to enter into voluntary liquidation or in respect of which a winding up order has been issued.

(b) A person nominated to hold office as director to whom the provisions of subsection (A) apply shall disclose such to the entity appointing him.

**Duty of
Notice**

227A. A director that no longer fulfils one of the requirements for office as a director under this Law or there is ground for expiration of his office as a director shall notify the company immediately, and his office shall expire on the date of the notice.

Appendix D

Details of Mr. Doron Shinar

Personal details

Full name:	Doron Shinar
I.D. number	054973029
Date of birth:	Decemebr 8, 1957
Address for judicial documents:	12, Zelochisti Street, Tel Aviv 6299412
Residency:	Israeli
Membership on Board of Directors committees:	Not yet appointed
Independent directo or external director	Yes (external director)
Director with accounting and financial expertise	Yes, including for the purpose of the minimum number determined by the Board of Directors, pursuant to Section 92(A)(12) of the Companies Law
An expert external director	No
En employee of the corporation, of its subsidiary, a related company thereof or an interested party therein	No
Family member of another interested party in the corporation	No

Academic education

Degree/certificate	Major	Name of academic institution and graduation year
LLB	Law	Law Faculty, Tel Aviv University, 1989

Additional professional training

Degree/certificate	Field	Name of academic/professional institution and year of accreditation
Lawyer	Members of the Israel bar Association	Israel Bar Association, 1989

Professional and managerial positions in the last five years

Period	Name of corporation	Position and title
March 1, 2008 - today	Acidos Ltd. (private company + subsidiaries in Central Asia)	Development and management of residential real estate projects in Central Asia
March 1, 2011 to December 31, 2014	RR Magyarország Kft + RR Japan (private companies)	Franchises and general commerce in Europe and Japan
January 1, 2008 to December 31, 2011	Eitan, Mehulal and Associates	Outside consultant
January 1, 2005 - today	D. Shinar Holdings (private company)	Consulting and investment services

Past and present terms as director in another corporation

Period	Position	Name of corporation
July 11 – today	Director (director with accounting and financial expertise or professional expertise)	Leumi Start Ltd. (public company)
May 2013 - today	External director (director with accounting and financial expertise or professional expertise)	Netz Hotels Ltd. (public company)
2005	Chairman and director	Clal Finances Underwriting (underwriting company)
January 1, 2005 – today	CEO	D. Shinar Holdings (private company)
March 1, 2008 – today	CEO	Acidos Ltd. (private company)

Unitronics (1989) (R"G) Ltd.

Voting Instrument pursuant to the Companies Regulations (Written Votes and Position Statements), 5766-2005 (the "Regulations")

PART ONE

1. **Company name:** Unitronics (1989) (R"G) Ltd. (the "**Company**").
2. **Class of General Meeting, time and place of convening:** Annual and Extraordinary General Meeting of the Company's shareholders (the "**Meeting**"). The Meeting will convene at the Zaventem Sheraton Hotel, Brussels, Belgium, on Thursday, July 16, 2015, at 12:00 noon (Belgium time). If the Meeting is adjourned in the absence of a quorum, an adjourned meeting will be held on Thursday, July 23, 2015, at the same time and place.
3. **Details of the items on the agenda on which it is allowed to vote by a voting instrument:**

- 3.1. Appointment of Mr. Doron Shinar as an Outside Director of the Company for a term of three years, subject to the amendment of the Company's articles, as set forth in the report on the convening of the Meeting (the "**Convening Report**") to which this notice of convening is attached. For details on Mr. Doron Shinar, see Mr. Shinar's declaration as well as the Questionnaire for a Candidate to Serve as a Company Director, which are attached to the Convening Report.

Summary of the proposed resolution: To appoint Mr. Doron Shinar as an Outside Director of the Company for a term of three years commencing on the date of approval of the appointment by the Meeting.

- 3.2. Approval of an agreement of lease from a company controlled by Mr. Haim Shani, the Company's controlling shareholder, and Mrs. Bareket Shani, Mr. Shani's wife, for a period of three years commencing on August 1, 2015 (the date of expiration of the previous lease agreement), pursuant to Section 275(a) of the Companies Law. For further details on said lease agreement, see Section 3 of the Convening Notice.

Summary of the proposed resolution: To approve an agreement of lease from a company controlled by Mr. Haim Shani, the Company's controlling shareholder, and Mrs. Bareket Shani, Mr. Shani's wife, for a period of three years commencing on August 1, 2015, in accordance with Section 275(a) of the Companies Law.

4. The time and place at which the complete text of the proposed resolutions can be inspected:

Any shareholder may, at his request, inspect the text of the proposed resolutions, the text of the immediate report issued by the Company in connection with the Meeting, and the attachments thereto, and the voting instrument, at Unitronics House, 3 Arava St., Airport City, Lod, Israel, Sunday through Thursday, during regular business hours, by prior arrangement with Mr. Gabriel Badusa (telephone 03-9778888, fax 03-9778877), up to the day of the Meeting.

5. Details, to the best of the Company's knowledge, on the candidate to serve as a Company Director:

Candidate's name	Membership on committees of the Company's Board of Directors	Year in which his tenure as a Director of the Company began	Accounting and financial expertise	Changes compared to the details appearing in the periodic report
Doron Shinar	--	--	Yes	--

6. Majority required for passing resolutions at the Meeting on the items on the agenda:

6.1. The required majority for the approval of the item on the agenda set forth in Section 3.1 above (appointment of Mr. Doron Shinar as an Outside Director of the Company) is a majority of the votes of shareholders who are entitled to attend the Meeting and who participate in the vote, provided one of the following is fulfilled: (a) The count of the majority of the votes at the Meeting must include a majority of all the votes of shareholders participating in the vote who are not controlling shareholders of the Company or who do not have a personal interest in the approval of the appointment, excluding a personal interest that does not result from the shareholder's relationship with the controlling shareholder, without taking into account abstentions of such shareholders; or (b) The total number of dissenting votes among shareholders who are not controlling shareholders of the Company or who do not have a personal interest in the approval of the appointment, excluding a personal interest that does not result from the shareholder's relationship with the controlling shareholder, is not more than two percent of the total voting rights in the Company.

6.2. The required majority for the approval of the item on the agenda set forth in Section 3.2 (approval of an agreement of lease from a company controlled by Mr. Haim Shani, the Company's controlling shareholder, and Mrs. Bareket Shani, Mr. Shani's wife) is a majority of the votes of shareholders who are entitled to attend the Meeting and who participate in the vote, provided one of the following is fulfilled: (a) The count of the majority of the votes at the Meeting must include a majority of all the votes of shareholders participating in the vote who do not have a personal interest in the approval of the transaction, without taking into account abstentions of such shareholders; or (b) The total number of dissenting votes among shareholders participating in the vote who do not have a personal interest in the approval of the transaction is not more than two percent of the total voting rights in the Company.

7. Existence/absence of an interest:

Items 3.1 and 3.2 are items that require the shareholders participating in the vote by this voting instrument to disclose the existence or absence of an interest or another characteristic of the shareholder as prescribed in the Companies Law and the regulations pursuant thereto. In Part Two of this voting instrument, space is allocated for marking off the existence or absence of an interest or other characteristic of the shareholder, as prescribed in the Companies Law and the regulations pursuant thereto, and for detailing such interest, if it exists, in items 3.1 and 3.2 above. It is emphasized that the vote of someone who did not mark off the existence or absence of an interest or another characteristic of the shareholder as stated, or did not provide details as stated, will not be included in the count of the votes at the Meeting.

8. Validity of the voting instrument:

8.1. The voting instrument will be valid only if there is attached to it the certificate of title of an unregistered shareholder (i.e. a person who has shares registered with a Stock Exchange member, and those shares are included among the shares of the Company registered in the Register of Shareholders in the name of a nominee company and/or EuroClear Belgium / Interprofessionnelle Effectendeposito – en Girokas N.V. – Caisse Interprofessionnelle de Depots et de Virements de Titres S.A.), or – if the shareholder is registered in the Register of Shareholders – a photocopy of the shareholders' ID card, passport or certificate of incorporation (all the above – the "**Attached Documents**").

8.2. This voting instrument together with the Attached Documents, as aforesaid,

must be submitted to the Company up to 72 hours before the time of voting. In this regard, the time of submission is the time when the voting instrument and the Attached Documents reached the Company's offices at the address specified above.

9. Internet:

The Company does not permit voting via the Internet.

10. Address for delivery of voting instruments and position statements:

The Company's offices as detailed in Section 4 above.

11. Deadline for submitting position statements to the Company:

Up to ten days after the record date, i.e. up to Thursday, June 25, 2015 (the "**Deadline for Sending Shareholders' Position Statements**").

12. Deadline for submitting the Board of Directors' response to position statements:

No later than five days after the Deadline for Sending Shareholders' Position Statements.

13. Address of the Distribution Site, the website of the Tel Aviv Stock Exchange Ltd. and the Euronext Exchange website in Belgium, which contain the voting instruments and the position statements:

13.1. Distribution site of the Israel Securities Authority (the "**Distribution Site**"): <http://www.magna.isa.gov.il/>

13.2. Website of the Tel Aviv Stock Exchange Ltd.: <http://maya.tase.co.il/>

13.3. Distribution site of the Euronext Exchange in Belgium: <http://www.euronext.com/>

14. Certificates of title:

A shareholder may, if he so requested, receive the certificate of title at a branch of the Stock Exchange member or through the post. Such a request will be submitted in advance for a particular securities account.

15. Receipt of voting instruments and position statements:

An unregistered shareholder is entitled to receive by email, free of charge, a link to the text of the voting instrument and the position statements on the Distribution Site, from the Stock Exchange member through whom he holds his shares, unless he notified the Stock Exchange member that he does not wish to receive such a link, or that he wants to receive voting instruments by post against payment. A

notice concerning voting instruments will apply also to the receipt of position statements.

16. Inspection of voting instruments:

One shareholder or more holding shares at a rate equivalent to five percent or more of the total voting rights in the Company, and a shareholder holding such a percentage out of the total voting rights not held by the Company's controlling shareholder as this term is defined in Section 268 of the Companies Law ("**controlling shareholder**"), is entitled, following the convening of the Meeting, to inspect the voting instruments as set forth in Regulation 10 of the Regulations, in person or through a proxy, at the Company's offices, during regular business hours.

16.1. The number of shares equivalent to 5% of the total voting rights in the Company is: 500,116 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

16.2. The number of shares equivalent to 5% of the total voting rights in the Company not held by the controlling shareholder is: 193,138 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

17. Changes in the agenda:

Following the publication of the voting instrument there may be changes in the agenda of the Meeting, including the addition of an item to the agenda, and position statements may be published. It will be possible to read the up-to-date agenda and the position statements that have been published in the Company's reports on the Distribution Site.

18. Deadline for issuing an amended voting instrument:

If the Company has published an amended notice as provided in Regulation 5B of the Companies Regulations (Notice and Announcement of a General Meeting and Class Meeting in a Public Company and Addition of an Item to the Agenda), 5760-2000, it must issue an amended text of the voting instrument pursuant to this regulation on the day of publication of the amended notice, and in any event no later than June 4, 2015.

19. Manner of voting:

A shareholder will indicate his manner of voting on each item on the agenda in the second part of this voting instrument.

VOTING INSTRUMENT – PART TWO

Company Name: **Unitronics (1989) (R"G) Ltd.**

Company's address (for delivery and sending of voting instruments): Unitronics House, 3
Arava St., Airport City, Lod, Israel

Company No.: 520044199

Time of Meeting: July 16, 2015

Class of Meeting: Annual and Extraordinary General Meeting

Record Date: June 15, 2015

Shareholder's Details

Shareholder's name: _____

ID No.: _____

If the shareholder does not have an Israeli identity card:

Passport No.: _____

Issuing country: _____

Valid until: _____

If the shareholder is a corporation:

Corporation No.: _____

Country of incorporation: _____

Manner of Voting

Number of agenda item	Manner of Voting ¹			Regarding the appointment of Mr. Doron Shinar as an Outside Director (Section 245(a1) of the Companies Law) – are you a controlling shareholder, an interested party, a shareholder having a personal interest in the approval of the appointment, a senior officer or an institutional investor ² ?		Regarding the approval of an agreement of lease from a company controlled by Mr. Haim Shani, the Company's controlling shareholder, and Mrs. Bareket Shani, Mr. Shani's wife, for a period of three years commencing on August 1, 2015 (the date of expiration of the previous lease agreement), pursuant to Section 275(a) of the Company's Law – do you have a personal interest ³ ?		Are you an institutional investor ⁴ ?	
	For	Against	Abstain	Yes(*)	No	Yes(*)	No	Yes*	No
3.1									
3.2									

Date: _____

Signature: _____

(*) Specify.

¹ Failure to mark off this section will be deemed as abstention in the vote on that item.

² The vote of a shareholder who does not complete this column or marks "yes" without an explanation will not be taken into account. There is no need to specify a personal interest in the approval of the appointment that does not result from the shareholder's relationship with the controlling shareholder.

³ The vote of a shareholder who does not complete this column or marks "yes" without an explanation will not be taken into account.

⁴ As this term is defined in Regulation 1 of the Financial Services Control (Provident Funds) (Participation of a Management Company in General Meetings) Regulations, 5769-2009, and a manager of a joint investment trust fund, within the meaning of the Joint Investment Trust Law, 5754-1994.

Details:

With respect to the appointment of Mr. Doron Shinar as an Outside Director of the Company (see Section 3.1 of this voting instrument above):

Below are details on my being a controlling shareholder, an interested party, a shareholder having a personal interest in the approval of the appointment, a senior officer or an institutional investor:

With respect to the approval of an agreement of lease from a company controlled by Mr. Haim Shani, the Company's controlling shareholder, and Mrs. Bareket Shani, Mr. Shani's wife, for a period of three years commencing on August 1, 2015 (the date of expiration of the previous lease agreement), pursuant to Section 275(a) of the Companies Law (see Section 3.2 of this voting instrument above):

Below are details on my having a personal interest:

With respect to shareholders who hold shares through a Stock Exchange member (per Section 177(1)) – this voting instrument is valid only with a certificate of title attached to it, except in cases where the vote is via the Internet.

With respect to shareholders who are registered in the Register of Shareholders – the voting instrument is valid with an attached photocopy of an ID card / passport / certificate of incorporation.