

## **Unitronics (1989) (R"G) Ltd.**

**A proxy statement in accordance with the Companies Regulations (Voting in Writing and Position Notices), 5766-2005 (the "Regulations")**

### **Part One**

1. **Company name:** Unitronics (1989) (R"G) Ltd. (the "Company").
2. **Type of general meeting, its date and place of convening:** Annual general meeting of the Company's shareholders (the "Meeting"). The Meeting will be held at Unitronics House, Arava Street, Airport City, Lod, Israel, on Thursday, May 16, 2019, at 08:00. If the meeting is postponed due to the absence of a quorum, a postponed meeting will be held on Thursday may 23, 2019, at the same time and place.
3. **Details of the topic on the agenda, which can be voted on through the proxy statement:**
  - 3.1. The reappointment of Ms. Rivka Granot for another tenure as an external director in the Company.

The summary of the suggested resolution: To reappoint Ms. Rivka Granot as an external director in the Company for an additional tenure of three years as of the approval date by the Meeting.
  - 3.2. Approval of employment agreements of Mr. Haim Shani and Ms. Bareket Shani

The summary of the suggested resolution: To approve the employment agreements of Mr. Shani and Ms. Shani for a period of three years, effective as of April 1, 2019.
  - 3.3. Approval of the terms of service of Mr. Amit Harari, CEO of the Company

The summary of the suggested resolution: To approve the terms of service of Mr. Amit Harari, CEO of the Company, effective as of April 1, 2019.
  - 3.4. Approval of the payment of compensation to the Company's Joint Active Chairman of the Board, Mr. Amit Ben Zvi

The summary of the suggested resolution: To approve the payment of compensation to the Company's Joint Active Chairman of the Board, Mr. Amit Ben Zvi, for a period of three years, effective as of April 1, 2019.

3.5. Approval of updated compensation policy

The summary of the suggested resolution: To approve the updated compensation policy for a period of three years, as of the date of its approval by the General Meeting of the Company's Shareholders.

4. **The place and times on which it will be made possible to review the full formulation of the suggested resolutions:**

A Shareholder will be able to view, per their request, the formulation of the suggested resolutions, the formulation of the Immediate Report published by the Company in connection with the Meeting and its attachments, at Unitronics House, 3 HaArava Street, Airport City, Lod, Israel, on Sunday-Thursday, during the customary business hours, and pursuant to an advance coordination with Mr. Eitan Alon (tel.: 03-9778888, fax: 03-9778877), until the date of the Meeting.

5. **The required majority to pass a resolution on the Meeting's agenda:**

5.1. The majority required for the approval of the topic on the agenda as set forth in Section 3.1 above is a majority of the votes of the shareholders entitled to participate in the meeting and those participating in the vote, provided that one of the following is fulfilled: (a) The majority of the votes in the meeting shall include a majority of all the votes of shareholders who are not controlling shareholders of the Company or those who have a personal interest in the approval the appointment, other than a personal matter that is not the result of their contacts with the Controlling Shareholder, who participate in the vote, and the votes of the abstainers shall not be taken into account in the total votes of such shareholders; Or (b) The total number of opposing votes from among the said shareholders in subsection (a) will not exceed two percent of the total voting rights in the Company.

5.2. The majority required for approval of the topic on the agenda as set forth in Section 3.2 above is the majority of the votes of the Shareholders entitled to participate in the Meeting and who participate in the vote, provided that one of the following is fulfilled: (a) The majority of the votes in the Meeting shall include a majority of the votes of shareholders who have no personal interest in approving the employment agreements, who participate in the vote, where the votes of the abstainers shall not be taken into account in the total votes of such shareholders; Or (b) the total votes of the opposing

shareholders among the said shareholders in subsection (a) will not exceed two percent of the total voting rights in the Company.

- 5.3. The majority required for approval of the topic on the agenda as set forth in Section 3.3 above is the majority of the votes of the Shareholders entitled to participate in the Meeting and who participate in the vote, provided that one of the following is fulfilled: (a) The majority of the votes in the Meeting shall include a majority of the votes of shareholders who have no personal interest in approving the terms of service, who participate in the vote, where the votes of the abstainers shall not be taken into account in the total votes of such shareholders; Or (b) the total votes of the opposing shareholders among the said shareholders in subsection (a) will not exceed two percent of the total voting rights in the Company.
- 5.4. The majority required for approval of the topic on the agenda as set forth in Section 3.4 above is the majority of the votes of the Shareholders entitled to participate in the Meeting and who participate in the vote, provided that one of the following is fulfilled: (a) The majority of the votes in the Meeting shall include a majority of the votes of shareholders who have no personal interest in approving the payment of compensation, who participate in the vote, where the votes of the abstainers shall not be taken into account in the total votes of such shareholders; Or (b) the total votes of the opposing shareholders among the said shareholders in subsection (a) will not exceed two percent of the total voting rights in the Company.
- 5.5. The majority required for approval of the topic on the agenda as set forth in Section 3.5 above is the majority of the votes of the Shareholders entitled to participate in the Meeting and who participate in the vote, provided that one of the following is fulfilled: (a) The majority of the votes in the Meeting shall include a majority of the votes of shareholders who have no personal interest in approving the consideration policy, who participate in the vote, where the votes of the abstainers shall not be taken into account in the total votes of such shareholders; Or (b) the total votes of the opposing shareholders among the said shareholders in subsection (a) will not exceed two percent of the total voting rights in the Company.

**6. The existence / absence of interest:**

The topics set forth in Section 3 above are matters requiring the Shareholders participating in

the voting according to this proxy statement to disclose the existence or absence of interest or any other connection or characteristic thereof as required by the provisions of the Companies Law, 5759-1999 (hereinafter: the "**Companies Law**") and the regulations enacted thereunder. In the second part of this proxy statement, a place is allocated to mark the existence or absence of interest or any other characteristic of the Shareholder, as required by the provisions of the Companies Law and the regulations thereunder, and to detail the said interest, if any, on issues 3.1-3.5 above. It should be noted that a person who does not mark the existence or absence of interest or any other characteristic of the aforesaid Shareholder or does not give such details, their vote shall not be counted in the vote count of the Meeting.

**7. The validity of the proxy statement:**

7.1. The proxy statement shall be valid only if it is appended by a certificate of ownership of the unregistered Shareholder, (i.e. a person for whom shares are registered with a member of the stock exchange, and those shares are included among the shares registered in the Company's register of shareholders in the name of a nominee company; or a photocopy of an identity card, a passport or a certificate of incorporation, if the Shareholder is registered in the Company's shareholders register (all these: the "**Appended Documents**")).

7.2. This proxy statement, jointly with the Appended Documents, shall be furnished to the Company, as stated above, up to 4 hours prior to the time of the vote (i.e. on Thursday may 16, 2019, at 04:00 am). The furnishing date for this purpose is the time on which the proxy statement and the Appended Documents arrived at the Company's offices at the address specified above.

**8. Voting using an electronic proxy statement:**

An unregistered Shareholder may vote on the resolutions on the agenda of the Meeting as specified in Section 2 of the gathering report, by means of a proxy statement to be transmitted through the electronic voting system, as defined in the voting regulations (hereinafter: the "**Electronic Proxy Statement**").

The electronic proxy statement is opened for voting at the end of the effective date. Voting through the electronic voting system will end 6 hours prior to the time of the Meeting (i.e. on Thursday May 16, 2019, at 02:00), when the electronic voting system will close.

The electronic voting will be subject to change or cancellation until the closing time of the electronic voting system, and after this time it cannot be changed through the electronic voting system. Should a Shareholder vote in more than one way, their later vote would be counted. For this purpose, a vote by a shareholder himself or by means of a proxy shall be considered as being delayed for voting by means of the electronic proxy statement.

9. **Address for delivery of voting papers and position notices:**

The Company's offices, as stated in Section 4 above.

10. **The last date for delivery of position notices to the Company:**

Up to 10 days prior to the date of the Meeting, i.e. by May 6<sup>th</sup>, 2019 (hereinafter: the "**Last Date for Delivery of Position Notices by the Shareholders**").

11. **The last date for submitting the Board of Directors' response to the position notices:**

Up to 5 days prior to the date of the Meeting, i.e. by May 11<sup>th</sup>, 2019.

12. **The addresses of the distribution website, the website of the Tel Aviv Stock Exchange Ltd. and the Company's website, which contain the proxy statements and position notices:**

12.1. The distribution website of the Israel Securities Authority (the "**Distribution Website**"): <http://www.magna.isa.gov.il/>

12.2. The website of Tel Aviv Stock Exchange Ltd.: <http://maya.tase.co.il/>

12.3. The Company's website: <http://www.unitronics.com>

13. **Certificates of ownership:**

A shareholder is entitled to receive their certificate of ownership at the member's branch of the Stock Exchange or by post, should they so request. A request for this purpose shall be given in advance for a specific securities account.

14. **Receipt of proxy statements and position notices:**

An unregistered shareholder is entitled to receive by email, free of charge, a link to the text of the proxy statement and position notices on the distribution website from stock exchange member through whom he holds his shares, unless they notified the stock exchange member that they do not wish to receive such a link, or that they are interested to receive the proxy

statements by post for a fee; notice regarding proxy statements shall also apply to the receipt of position notices. Furthermore, an unregistered shareholder may order that their certificate of ownership be transferred to the Company through the electronic voting system.

**15. Reviewing the proxy statements:**

One or more shareholders holding shares at a rate constituting five percent or more of the total voting rights in the Company, as well as anyone who holds such percentage out of the total voting rights not held by the Controlling Shareholder of the Company as defined in Section 268 of the Companies Law ("**Controlling Shareholder**") is entitled, themselves or by means of a representative on their behalf, to review the voting papers in the offices of the Company and during the business hours, as specified in Regulation 10 of the Regulations, after the convening of the meeting.

15.1. The number of shares constituting 5% of the total voting rights in the Company is 687,616 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

15.2. The number of shares constituting 5% of the total voting rights in the Company that are 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).

**16. Changes in the agenda:**

After the publication of the proxy statement, there may be changes in the agenda of the Meeting, including the addition of a topic to the agenda, and position notices may be published, and the updated agenda and position notices can be reviewed in the Company's reports published on the distribution website.

**17. Deadline for submission of an amended proxy statement:**

Should the Company publish an amended notice as stated in Regulation 5B of the Companies Regulations (Notice and Announcement of a General Meeting and a Class Meeting in a Public Company and Addition of a Topic to the Agenda), 5760-2000, the Company shall prepare an amended version of the proxy statement under this regulation on the day of publication of the amended notice, and in any case no later than April 22<sup>nd</sup>, 2019.

**18. Method of voting:**

A shareholder will indicate the manner of their vote regarding the topic on the agenda in the second part of this proxy statement.

**Proxy Statement – Part Two**

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

Company Address (for delivery and mailing of the proxy statements): Unitronics House, 3 HaArava Street, Airport City, Lod, Israel.

Company number: 520044199

Meeting date: May 16, 2019

Meeting Type: General, annual and special

The effective date: April 16, 2019

**Shareholder details**

Shareholder name: \_\_\_\_\_

ID number: \_\_\_\_\_

If the Shareholder has no Israeli ID:

Passport number: \_\_\_\_\_

Issuance country: \_\_\_\_\_

Valid until: \_\_\_\_\_

If the shareholder is a corporation:

Corporation number: \_\_\_\_\_

Country of incorporation: \_\_\_\_\_

Are they one of the shareholder types as follows<sup>1</sup>:

- |  |                 |
|--|-----------------|
| 1. Interested party <sup>2</sup> :       | <b>Yes / No</b> |
| 2. Senior officer <sup>3</sup> :         | <b>Yes / No</b> |
| 3. Institutional investor <sup>4</sup> : | <b>Yes / No</b> |

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<sup>1</sup> Please circle the appropriate option in each section.

<sup>2</sup> As defined in Section 1 of the Securities Law.

<sup>3</sup> As defined in Section 37(D) of the Securities Law.

<sup>4</sup> As defined in Regulation 1 of the Supervision of Financial Services Regulations (Provident Funds) (Participation of a Managing Company in a General Meeting), 5769-2009, as well as Manager of a Joint Investment Trust Fund, as defined in the Joint Investment Trust Law, 5754-1994.



**Voting manner**

The topic on the agenda	Voting manner <sup>5</sup>			Regarding the approval of the topics on the agenda – are you a Controlling Shareholder, have you a personal interest in the approval of the decision, or are you an institutional investor? <sup>6</sup>	
	For	Abstained	Against	Yes <sup>*</sup>	No
Reappointment of Ms. Rivka Granot for an additional term as an external director of the Company.					
Approval of the employment agreements of Mr. Haim Shani and Mrs. Bareket Shani.					
Approval of the terms of service of Mr. Amit Harari, CEO of the Company.					
Approval of the payment of compensation to the Company's Joint Active Chairman of the Board, Mr. Amit Ben Zvi.					
Approval of the updated compensation policy.					

**Details:**

- \* **Please specify if you stated that you are a Controlling Shareholder or have a personal interest in the appointment of Ms. Rivka Granot as an external director:**

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- \* **Please specify if you stated that you have a personal interest in the approval of Mr. Shani and Ms. Shani's employment agreements:**

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- \* **Please specify if you stated that you are a Controlling Shareholder or have a personal interest in the approval of the terms of service of Mr. Harari, the Company's CEO:**

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<sup>5</sup> Non-marking will be considered as abstaining from voting on the same subject.

<sup>6</sup> A shareholder who does not fill this column or who answers "yes" and does not specify, their vote will not be counted.

\* Specify

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**\* Please specify if you stated that you have a personal interest in the approval of the compensation payment to Mr. Ben Zvi, Joint Active Chairman of the Board:**

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**\* Please specify if you stated that you are a Controlling Shareholder or have a personal interest in the approval of the compensation policy:**

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Date: \_\_\_\_\_

Signature: \_\_\_\_\_

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For shareholders who hold shares through a member of the stock exchange (under section 177(1)) – this proxy statement is valid only with an appended certificate of ownership, except in cases where the voting is made via the Internet.

For shareholders registered in the Company's register of shareholders – the proxy statement is valid when appended with a copy of the identity card / passport / certificate of incorporation.