



UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE
Airport City, Israel,
March 28, 2019

Regulated Information

For Immediate Release

An Immediate report concerning a transaction with a controlling shareholder or director that does not require General Meeting approval

Airport City, Israel – March 28, 2019 – Unitronics published the attached Immediate Report pursuant to the requirements of Israeli law, concerning a transaction with a controlling shareholder or director that does not require General Meeting approval.

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's PLCs are distributed by over one hundred and sixty distributors (and a wholly owned US subsidiary) in approximately sixty 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")

**Re: An Immediate report on a transaction with a controlling shareholder or director
that does not require General Meeting approval**

Pursuant to regulation 37a(5) to the Israeli Securities Regulation (Periodic and Immediate Reports), 5766 - 2006.

1. Unitronics hereby files a report concerning the approval of a transaction according to regulation 1b to the Companies Regulations (Reliefs in Transactions with Interested Parties) - 2000.

2. Date of approval of the transaction by the Board of Directors: March 27, 2019.

3. Description of the main aspects of the transaction and the Board of Directors and Audit Committee for approval of the transaction:

1. On March 21 2019 and on March 27, 2019, the financial statement review, audit and compensation committee and Board of Directors of the Company, respectively, decided in accordance with the provisions of Articles 1B (5) and 1B1 of the Companies Regulations (Easements in Transactions with Interested Parties), 5760-2000 ("**Relief Regulations**"), to approve renewal and extension of the D&O Liability insurance policy (Hereinafter: "**the Previous Policy**"), for a period of 12 months from June 1, 2019 to May 31, 2020, in accordance with the Company's compensation policy (see Appendix G for a description of the committee policy) (Reference No. 2016-01-123325, which is hereby included by way of reference), furthermore, the Commission and the Board of Directors decided, to insure, in accordance with the terms of the new policy, the directors and officers in the Company who are not owners Control of the Company or its relative. as well as the directors and officers who are the controlling shareholders of the Company or its relative The principal terms of the policy are as follows: Insurance coverage for one event and total for damages that may occur during the insurance period in the amount of \$ 7,500,000 (seven and a half million US dollars) And reasonable legal defense expenses in Israel and abroad); The Company's deductible in respect of claims filed in the US and Canada is \$ 25,000 per case, excluding securities claims, in which the deductible will be \$ 35,000 per event.

Reasons for the Committee approval of the transaction:

i. The new policy gives proper protection to the officers of the Company, in light of the company's activities its operations in Israel and United States.

ii. The new policy is necessary for the Company's activities and it allows the directors to act freely and independently in the Company's best interests, in light of the enormous responsibility imposed on directors pursuant to their legal duties.

iii. The new policy is customary for the Company and for companies of its type and size and the new policy amount as well as its terms are reasonable and do not exceed customary terms under the company's specific circumstances.

iv. The terms of the new policy match the compensation Policy of the company.

v. The terms of the new policy, as to directors and officers who are non-controlling shareholders of the Company or their relatives, are on market terms in comparison to the terms and conditions

of other companies with similar characteristics to the company, the transaction is not likely to materially affect the company's profitability, assets or obligations, therefore the terms of rule 1B(1) of the Reliefs Regulations are met.

vi. The terms of the new policy, as to directors and officers who are controlling shareholders of the company or their relatives, are equal to the terms of the Policy apply to other officers of the Company, the transaction is on market terms, in comparison to the terms and conditions of other companies with similar characteristics to the company, the transaction is not likely to materially affect the company's profitability, assets or obligations, therefore the terms of rule 1B(5) of the Reliefs Regulations are met.

The Company's Board's decisions were given based on the reasons detailed above.

Respectfully,

Unitronics (1989) (R"G) Ltd.