



UNITRONICS (1989) (R"G) LTD.

PRESS RELEASE
Airport City, Israel
May 30, 2018

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

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

Airport City, Israel – May 30, 2018 – Unitronics published the attached Report, pursuant to the requirements of Israeli law, in concerning with the Convening of an Annual 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 Automated Solutions 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")

Re: Immediate Report on a Meeting

Under regulation 36B(a) and (d), and Regulation 36C of the Securities Regulations (Immediate and Periodic Reports) 1970

The corporation announces the: convening of a meeting

1. Type of security: share
Name of the entitling security: Unitronics
Stock exchange number of the security entitling the holder thereof to participate in the meeting: 1083831
Record date for entitlement to participate in and vote at the meeting: June 7, 2018.

2. On date: May 30, 2018
it was resolved to call a meeting: General Meeting
which is to convene on Sunday, on date: July 15, 2017 at time: 08:00 AM

At the address: Unitronics Building, 3 Arava Street, Airport City, Lod, Israel

3. On the agenda:
Topics/resolutions to be raised at the meeting:

1

The topic/resolution and details thereof:

Presentation of the Company's audited financial statements, the Board of Directors' report on the state of affairs of the corporation, including the fee of the Company's independent auditors for audit actions and their fee for other actions, and the periodic annual report (in the Barnea format) for the year ended December 31, 2017.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

Is the issue requires disclosure of interest or other characteristic of the voting shareholder: No

The section in the Companies Law or in the Securities Law or in another law for approval of the resolution:

Section 60 (b) of the Companies Law

The resolution on the agenda is brought: for reporting only

The majority required to approve the resolution is not a simple majority: for reporting only

2

The topic/resolution and details thereof:

Re-appointment of BDO Ziv Haft, CPA as the Company's independent auditors up to the next Annual General Meeting of the Company's shareholders and authorization of the Board of Directors to set their fee.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

Is the issue requires disclosure of interest or other characteristic of the voting shareholder: No

The section in the Companies Law or in the Securities Law or in another law for approval of the resolution:

Section 154 (b) of the Companies Law

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: a regular majority

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: Yes

3

The topic/resolution and details thereof:

Re-appointment of Mr. Zvi Livne for an additional term of office as a Director of the Company.

Appointment or dismissal of a Director as stated in Sections 59 and 230 of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: a regular majority

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: Yes

4

The topic/resolution and details thereof:

Re-appointment of Mr. Gillon Beck for an additional term of office as a Director of the Company.

Appointment or dismissal of a Director as stated in Sections 59 and 230 of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: a regular majority

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: Yes

5

The topic/resolution and details thereof:

Re-appointment of Mr. Yariv Avisar for an additional term of office as a Director of the Company.

Appointment or dismissal of a Director as stated in Sections 59 and 230 of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: a regular majority

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: Yes

6

The topic/resolution and details thereof:

Re-appointment of Mr. Amit Ben-Zvi for an additional term of office as a Director of the Company.

Appointment or dismissal of a Director as stated in Sections 59 and 230 of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: a regular majority

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: Yes

7

The topic/resolution and details thereof:

Re-appointment of Mr. Haim Shani for an additional term of office as a Director of the Company.

Appointment or dismissal of a Director as stated in Sections 59 and 230 of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: a regular majority

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: Yes

8

The topic/resolution and details thereof:

Re-appointment of Ms. Bareket Shani for an additional term of office as a Director of the Company.

Appointment or dismissal of a Director as stated in Sections 239(b) or 245 of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: a regular majority

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: Yes

9

The topic/resolution and details thereof:

Re-appointment of Mr. Doron Shinar for an additional term of office as an External Director of the Company.

Appointment or dismissal of an External Director as stated in Sections 59 and 230 of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: No

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: The 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 holds true: (a) The majority of the votes in the meeting shall include a majority of the votes of the shareholders who are not controlling shareholders of the Company or having a personal interest in the approval of the appointment other than as a result of his / , Where the votes of the abstainers shall not be taken into account in the total number of votes of such shareholders; And (b) that the total votes of the opposing shareholders among the shareholders who are not controlling shareholders of the Company or having a personal interest in the approval of the appointment, other than a personal interest that is not a result of relations with the controlling shareholder, did not exceed two percent of the voting rights in the Company.

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: No

10

The topic/resolution and details thereof:

Approval of a lease agreement from a company controlled by Mr. Haim Shani, the Company's CEO and controlling shareholder (jointly with the Fimi Fund) and Mrs. Bareket Shani, Mr. Shani's wife, for a three-year period commencing on August 1, 2018 (the date of the conclusion of a previous lease agreement) According to Section 275 (a) of the Companies Law.

A transaction between the Company and a controlling shareholder of the Company as stated in Sections 275 and 320(f) of the Companies Law: Yes

The resolution on the agenda is brought: for a vote

The majority required to approve the resolution is: The 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) In counting the votes of the majority at the general meeting, a majority of the votes of shareholders who do not have a personal interest in the approval of the transaction shall be included in the vote, Abstainers; Or (b) the total votes of those opposing from among the shareholders who do not have a personal interest in approving the transaction, the participants in the vote shall not exceed two percent of the total voting rights in the Company.

Is the holdings of the controlling shareholder of the Company will give to the controlling shareholder the majority required for the resolution on the subject: No

4. Attached herewith is/are the following:

Wording of a voting instrument: Yes

Position statement: No

Declaration of candidate to serve as a Director of the corporation: Yes

Declaration of Independent Director: No

Declaration of External Director: Yes

Link to the voting system website in which you can vote: [The voting system](#)

5. Quorum for holding the meeting: A quorum in accordance with the Company's Articles shall be the presence, in person or by proxy, of two shareholders who hold at least thirty percent (30%) of the total voting rights in the Company.
6. In the absence of a quorum, the adjourned meeting will be held on date: July 22, 2018 at time: 08:00 AM at the address: Unitronics Building, 3 Arava Street, Airport City, Lod, Israel.
7. Time and place when any proposed resolution whose text has not been brought in full in the specification of the agenda as set forth above may be inspected: at the Company's offices at Unitronics Building, 3 Arava Street, Airport City, Lod, Israel, Sundays through Thursdays during regular business hours, by prior arrangement with Ms. Bareket Shani.

**Respectfully,
Unitronics (1989) (R"G) Ltd.**

UNITRONICS (1989) (R"G) LTD.
(the "Company")

May 30, 2018

The Securities Authority
www.isa.gov.il

The Tel Aviv Stock Exchange Ltd.
www.tase.co.il

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

An immediate report is hereby given on the convening of an Annual and Extraordinary General Meeting of the Company's shareholders, having on its agenda the matters detailed below and a transaction report, in accordance with the Companies Law, 1999 (the "**Companies Law**"), the Companies Regulations (Notice Regarding a General Meeting and Class Meeting in a Public Company), 2000, the Companies Regulations (Written Votes and Position Statements), 2005, the Companies Regulations (Proof of Title to a Share for Voting at a General Meeting), 2000, the Securities Regulations (Periodic and Immediate Reports), 1970 (the "**Periodic and Immediate Reports Regulations**"), and the Securities Regulation (Transaction between a Company and a Controlling Shareholder Thereof), 2001 (the "**Controlling Shareholder Regulations**").

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 on Sunday, July 15, 2018, at 8:00 AM (Israel time), at Unitronics Building, Arava St., Airport City, Lod, Israel .

2. The matters on the agenda of the Meeting and a summary of the proposed resolutions

- 2.1 Presentation of the Company's audited financial statements, the Board of Directors' report on the state of affairs of the corporation, including the fee of the Company's independent auditors for audit actions and their fee for other actions, and the periodic annual report (in the Barnea Committee format) for the year ended December 31, 2017.**

Summary of the proposed resolution: To confirm that the Company's audited financial statements, the Board of Directors' report on the state of affairs of the corporation, including the fee of the Company's independent auditors for audit actions and their fee for other actions, and the periodic annual report (in the Barnea Committee format) for the year ended December 31, 2017, were presented to the General Meeting of the Company's shareholders.

2.2 Re-appointment of BDO Ziv Haft, CPA, as the Company's independent auditors up to the next Annual General Meeting of the Company's shareholders and authorization of the Board of Directors to set their fee.

Summary of the proposed resolution: To approve the appointment of BDO Ziv Haft, CPA up to the next Annual General Meeting of the Company's shareholders and to authorize the Board of Directors to set their fee.

2.3 Re-appointment of Mr. Zvi Livne for an additional term as a Director of the Company.

Re-appointment of Mr. Zvi Livne for an additional term as a Director of the Company, up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles (for details about Mr. Livne, see Section 4.10 of the periodic and annual report of the Company for 2017, as published on March 26, 2018, Reference No. 2018-01-023733 (the "**2017 Report**")). Mr. Livne's declaration that he satisfies the required conditions for serving as a Director of the Company, pursuant to Section 224B of the Companies Law and Regulation 36B(a)(10) of the Periodic and Immediate Reports Regulations, is attached to this report as **Appendix A**.

During 2017 as well as during 2018 until the date of publication of this report, Mr. Livne's rate of attendance at meetings of the Board of Directors and at meetings of the committees of which he is a member stood at 100%.

Subject to his re-appointment, Mr. Livne will continue to be entitled to an attendance fee and an annual fee as well as to insurance, indemnification and exemption arrangements, in accordance with the Company's Compensation Policy. For further details on the compensation paid to non-External and non-officer Directors of the Company, including Mr. Livne, see Section 24.2 of the Company's Compensation Policy, which was attached as Appendix G to the report on the convening of an Annual General Meeting of the Company's shareholders as published on September 14, 2016, Reference No. 2016-01-123325 (the "**Compensation Policy**"). In accordance with the foregoing, External Directors as well as non-officer Directors of the Company are entitled to an annual fee and an attendance fee in the "fixed amount" as set forth in the Second and Third Schedules to the Companies Regulations (Rules on Remuneration and Expenses of an External Director, 2000) (the "**External Directors Remuneration Regulations**") and based on the Company's relevant equity rating. For details on the insurance, indemnification and exemption arrangements, see Section 25 of the Compensation Policy.

Summary of the proposed resolution: To re-appoint Mr. Zvi Livne as a Director of the Company for an additional term up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles.

2.4 Re-appointment of Mr. Gillon Beck for an additional term as a Director of the Company.

Re-appointment of Mr. Gillon Beck for an additional term as a Director of the Company, up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles (for details about Mr. Beck, see Section 4.10 of 2017 Report). Mr. Beck's declaration that he satisfies the required conditions for serving as a Director of the Company, pursuant to Section 224B of the Companies Law and Regulation 36B(a)(10) of the Periodic and Immediate Reports Regulations, is attached to this report as **Appendix B**.

During 2017 as well as during 2018 until the date of publication of this report, Mr. Beck's rate of attendance at meetings of the Board of Directors stood at 100%.

Subject to his re-appointment, Mr. Beck will continue to be entitled to an attendance fee and an annual fee as well as to insurance, indemnification and exemption arrangements, in accordance with the Company's Compensation Policy, as set forth in Section 2.3 above.

Summary of the proposed resolution: To re-appoint Mr. Gillon Beck as a Director of the Company for an additional term up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles.

2.5 Re-appointment of Mr. Yariv Avisar for an additional term as a Director of the Company.

Re-appointment of Mr. Yariv Avisar for an additional term as a Director of the Company, up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles (for details about Mr. Avisar, see Section 4.10 of the 2017 Report). Mr. Avisar's declaration that he satisfies the required conditions for serving as a Director of the Company, pursuant to Section 224B of the Companies Law and Regulation 36B(a)(10) of the Periodic and Immediate Reports Regulations, is attached to this report as **Appendix C**.

During 2017 Mr. Avisar's rate of attendance at meetings of the Board of Directors stood at 80% and during 2018 until the date of publication of this report, Mr. Avisar's rate of attendance at meetings of the Board of Directors stood at 100%.

Subject to his re-appointment, Mr. Avisar will continue to be entitled to an attendance fee and an annual fee as well as to insurance, indemnification and exemption arrangements, in accordance with the Company's Compensation Policy, as set forth in Section 2.3 above.

Summary of the proposed resolution: To re-appoint Mr. Yariv Avisar as a Director of the Company for an additional term up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles.

2.6 Re-appointment of Mr. Amit Ben-Zvi for an additional term as a Director of the Company.

Re-appointment of Mr. Amit Ben-Zvi, active Chairman of the Board, for an additional term as a Director of the Company, up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles (for details about Mr. Ben-Zvi, see section 4.10 of the 2017 Report). Mr. Ben-Zvi's declaration that he satisfies the required conditions for serving as a Director of the Company, pursuant to Section 224B of the Companies Law and Regulation 36B(a)(10) of the Periodic and Immediate Reports Regulations, is attached to this report as **Appendix D**.

During 2017 as well as during 2018 until the date of publication of this report, Mr. Ben-Zvi's rate of attendance at meetings of the Board of Directors stood at 100%.

For details on the terms of office of Mr. Ben-Zvi, including insurance, indemnification and exemption arrangements, see Sections 3.13 and 3.14 of the report on a transaction and the convening of a Meeting as published on May 2, 2016, Reference No. 2016-01-057655 and section 24.3 of the Compensation Policy.

Summary of the proposed resolution: To re-appoint Mr. Amit Ben-Zvi as a Director of the Company for an additional term up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles.

2.7 Re-appointment of Mr. Haim Shani for an additional term as a Director of the Company.

Re-appointment of Mr. Haim Shani, Company CEO and the Company's controlling shareholder jointly with the FIMI Fund, for an additional term as a Director of the Company, up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles (for details about Mr. Haim Shani, see Section 4.10 of the 2017 Report). Mr. Shani's declaration that he satisfies the required conditions for serving as a Director of the Company, pursuant to Section 224B of the Companies Law and Regulation 36B(a)(10) of the Periodic and Immediate Reports Regulations, is attached to this report as **Appendix E**.

During 2017 as well as during 2018 until the date of publication of this report, Mr. Shani's rate of attendance at meetings of the Board of Directors stood at 100%.

For details on the terms of office and employment of Mr. Shani, including insurance, indemnification and exemption arrangements, see Sections 4 and 5 of the report on a transaction and the convening of a Meeting as published on May 2, 2016, Reference No. 2016-01-057655) and Section 24.3 of the Compensation Policy.

Summary of the proposed resolution: To re-appoint Mr. Haim Shani as a Director of the Company for an additional term up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles.

2.8 Re-appointment of Ms. Bareket Shani for an additional term as a Director of the Company.

Re-appointment of Ms. Bareket Shani, Mr. Shani's wife and the Company's Deputy CEO and VP Human Resources, for an additional term as a Director of the Company, up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles (for details about Ms. Bareket Shani, see Section 4.10 of the 2017 Report). Ms. Shani's declaration that she satisfies the required conditions for serving as a Director of the Company, pursuant to Section 224B of the Companies Law and Regulation 36B(a)(10) of the Periodic and Immediate Reports Regulations, is attached to this report as **Appendix F**.

During 2017 as well as during 2018 until the date of publication of this report, Ms. Shani's rate of attendance at meetings of the Board of Directors stood at 100%.

For details on the terms of office and employment of Ms. Shani, including insurance, indemnification and exemption arrangements, see Sections 4 and 5 of the report on a transaction and the convening of a Meeting as published on May 2, 2016, Reference No. 2016-01-057655) and Section 24.3 of the Compensation Policy.

Summary of the proposed resolution: To re-appoint Ms. Bareket Shani as a Director of the Company for an additional term up to the next Annual General Meeting of the Company's shareholders, in accordance with the Company's articles.

2.9 Re-appointment of Mr. Doron Shinar for an additional term as an External Director of the Company.

Appointment of Mr. Doron Shinar as an External Director of the Company for an additional (second) term of three years, in accordance with the Company's articles (for details about Mr. Doron Shinar, see Section 4.10 of the 2017 Report). Mr. Shinar's declaration that he satisfies the required conditions for serving as an External Director of the Company, pursuant to Sections 224B and 241(a) of the Companies Law, is attached to this report as **Appendix G**. At its meeting on May 30, 2018, the Board of Directors determined that Mr. Shinar has accounting and financial expertise.

During 2017 as well as during 2018 until the date of publication of this report, Mr. Shinar's rate of attendance at meetings of the Board of Directors and at meetings of the committees of which he is a member stood at 100%.

Subject to his re-appointment, Mr. Shinar will continue to be entitled to an attendance fee and an annual fee as well as to insurance, indemnification and exemption

arrangements, in accordance with the Company's Compensation Policy, as set forth in Section 2.3 above.

Summary of the proposed resolution: To re-appoint Mr. Doron Shinar as an External Director of the Company for an additional term of three years from the date of the approval by the Meeting.

2.10 Approval of agreement of lease from a company controlled by Mr. Haim Shani (Company CEO and the Company's controlling shareholder jointly with the FIMI Fund) and Ms. Bareket Shani, Mr. Shani's wife, for a period of three years from August 1, 2018 (the date of expiration of the previous lease agreement), pursuant to Section 275(a) of the Companies Law

Approval of agreement of lease from a company controlled by Mr. Haim Shani (Company CEO and the Company's controlling shareholder jointly with the FIMI Fund) and Ms. Bareket Shani, Mr. Shani's wife, as set forth in Section 3 below.

Summary of the proposed resolution: To approve an agreement of lease from a company controlled by Mr. Haim Shani (Company CEO and the Company's controlling shareholder jointly with the FIMI Fund) and Ms. Bareket Shani, Mr. Shani's wife, for a period of three years from August 1, 2018, pursuant to Section 275(a) of the Companies Law, in accordance with the terms of the New Contract as defined below in this report.

Part B – Transaction Report per Item 2.10 on the Agenda of the Meeting
(the "Transaction")

3. Introduction, description of the basic principles and main terms of the Transaction

- 3.1 The Company operates, inter alia, from an office and industry building located in Airport City near the David Ben Gurion Airport ("**Unitronics Building**"). The Company leases in Unitronics Building floor space of 1,295 sq.m. plus attached yard space from the Israel Lands Administration since August 2000. In addition, the Company leases from a company controlled by Mr. Haim Shani (Company CEO and the Company's controlling shareholder jointly with the FIMI Fund) and Ms. Bareket Shani, Mr. Shani's wife (who serves as a Director and as VP Human Resources of the Company) an area of 1,022 sq.m. in Unitronics Building. Accordingly, and considering its needs, the Company has decided to continue leasing these areas according to the terms set forth below in this report.
- 3.2 The lease period under the current lease contract between the Company and Sky City Office Center for High-Tech Industries Ltd. ("**Sky City**"), which is controlled by Mr. Haim Shani and his wife, Ms. Bareket Shani, which was signed in 2015 (the "**Previous Contract**"), will expire at the end of July 2018.

- 3.3 Under the Previous Contract, the Company leases, as of the date of publication of this report, 1,022 sq.m. (the "**Leased Area**")¹ and 30 parking spaces (the "**Parking Spaces**") in Unitronics Building. The rent is NIS 81 per sq.m. per month (equivalent to nominal monthly rent of NIS 74 per sq.m., linked to the consumer price index (the "**CPI**") of June 2009), and in total NIS 82,930 per month, and NIS 384 per parking space (equivalent to nominal monthly rent of NIS 350 per space, linked to the CPI of June 2009), and in total NIS 11,515 for all the Parking Spaces. In addition, the Company pays monthly management and maintenance fees of NIS 6 per sq.m. (equivalent to nominal monthly maintenance fees of NIS 4.5 per sq.m. plus differences arising from linkage to the CPI of October 1999) and in total NIS 6,090 per month for management and maintenance services by Airport City ("**Airport City**" and the "**Airport City Maintenance Fees**," as applicable), as well as monthly management and maintenance fees of NIS 13.06 per sq.m. (equivalent to nominal monthly maintenance fees of NIS 12.96 per sq.m. plus differences arising from linkage to the CPI of March 2015) and in total NIS 15,400 for management and maintenance services by Unitronics Building Management and Maintenance (2003) Ltd. ("**Unitronics Maintenance**" and the "**Unitronics Maintenance Fees**," as applicable), a wholly owned subsidiary of the Company. The total cost of the lease under the Previous Contract, in respect of the rent, the Parking Spaces, the Unitronics Maintenance Fees and the Airport City Maintenance Fees was NIS 116,000 per month.
- 3.4 The Company needs to continue using the offices and facilities in the Leased Area in Unitronics Building, given the scope and complexity of the Company's operations as well as the size of its workforce. Continuing to lease the Leased Area in Unitronics Building will enable the Company to continue operating within the same structure, efficiently, and without any relocation costs and/or costs arising from splitting the activity of the Products segment among several locations.
- 3.5 Since the Previous Contract, as mentioned, will expire at the end of July 2018, the Company held (a) on March 24, 2018, a meeting of the Balance Sheet, Compensation and Audit Committee, and (b) on March 30, 2018, a meeting of the Board of Directors, both of which meetings considered and approved, subject to approval by the Meeting, the Company's entry into a new lease contract with Sky City, effective as of August 1, 2018 (the "**New Contract**"), at the same terms as those of the Previous Contract, except as set forth below.
- 3.6 The terms of the New Contract were adjusted compared to the Previous Contract, as follows: The rent will stand at NIS 75 per sq.m. and in total at NIS 76,650 per month,

¹ During the period of the Previous Agreement, there were several changes in the area of the Leased Space. For details see Section 1.12.2 in Chapter A of the Company's Periodic Report for 2017, issued on March 26, 2018, Reference No. 2018-01-023733.

linked to the CPI as defined above. According to the New Contract, the Company will be entitled to reduce the space leased from Sky City or to increase it back to 1,022 sq.m., without any change in the price per sq.m. or in any other terms of the lease. Said reduction or increase, at the terms set forth above (and as a result, the change in the rent, the Unitronics Maintenance Fees and the Airport City Maintenance Fees) will be done at the sole discretion of the Company's management, based on the Company's needs from time to time. The maximum cost of the lease for the Company under the New Contract, in respect of the rent, the Parking Spaces, the Unitronics Maintenance Fees and the Airport City Maintenance Fees, together with linkage differences as set forth above, will be NIS 117,000 per month.

- 3.7 The period of the lease under the New Contract is 36 months as from August 1, 2018, subject to the Company having the right, pursuant to a resolution of the Balance Sheet, Compensation and Audit Committee, at any time, to terminate the New Contract by 3 months' prior notice, without any penalty. The Company is not required to provide any collateral under the New Contract.

4. Name of the controlling shareholder having a personal interest in the Transaction

- 4.1 The Company's controlling shareholder (jointly with the FIMI Fund) having a personal interest in the Transaction is Mr. Haim Shani. Mr. Shani holds 3,014,551 ordinary shares of the Company of NIS 0.02 par value each (the "**Shares**"), representing 21.92% of the Company's issued and paid-up share capital (21.91% fully diluted). Ms. Bareket Shani, Mr. Shani's wife, serves as the Company's Deputy CEO and VP Human Resources and as a Director of the Company.
- 4.2 Additionally, the FIMI Fund (the controlling shareholder jointly with Mr. Shani) has a personal interest by virtue of being a party to a shareholders' agreement with Mr. Shani (the "**Shareholders' Agreement**"), under which the parties undertook to cooperate with each other in votes on various issues. Among other things, under the Shareholders' Agreement, the FIMI Fund undertook to vote based on all the Company's shares held by it, at any meeting of the Company's shareholders, in favor of the approval of an agreement for the lease of space in Unitronics Building in Airport City from a company affiliated with Mr. Shani and Ms. Shani. For further details see Section 3.8.3.2 of the report dated May 2, 2016 on the convening of a General Meeting of the Company's shareholders, Reference No. 2016-01-057655.
- 4.3 Therefore, Mr. Shani and Ms. Shani, as well as Ms. Amit Ben Zvi and Mr. Gillon Beck, did not participate in the discussion and the vote held by the Balance Sheet, Compensation and Audit Committee and by the Board of Directors of the Company regarding the approval of the New Contract and regarding the Board of Directors' recommendation to the General Meeting to approve the New Contract for a period of three years as from August 1, 2018.

5. Nature of the personal interest of the controlling shareholder and other Directors

Mr. Shani and Ms. 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, as well as the fact that they are married to each other and serve as senior officers of the Company.

Mr. Ben Zvi and Mr. Beck have a personal interest in the approval of the Transaction due to their being partners in the FIMI Fund, which is bound by a shareholders' agreement with Mr. Shani, as explained above.

6. Manner in which the consideration was determined

6.1 The Balance Sheet, Compensation and Audit Committee and the Board of Directors of the Company were presented with a detailed review, prepared by a professional entity unrelated to the Company or to any of its interested parties (the "**Detailed Review**") at the request of the Company's management, in which information was provided regarding: (a) Transactions made in recent years in connection with the lease of facilities in Airport City, and the terms thereof, taking into account, inter alia, the quality of the construction and the management services provided. The Detailed Review included the range of rental prices typically charged in Airport City (NIS 80-95 per sq.m., excluding management and maintenance fees and municipal property tax); and (b) Management fees generally paid in respect of leases in the area, for similar and/or inferior services. The data presented to the Balance Sheet, Compensation and Audit Committee and the Board of Directors, as mentioned above, showed that typical rental prices and management fees in the area are generally higher than those stipulated in the New Contract.

6.2 The Detailed Review showed, furthermore, that the lease terms under the New Contract are similar to or better than those at which space owned by Sky City in Unitronics Building is leased to third parties unrelated to the Company or to its controlling shareholders, and are more favorable than the typical lease terms (price/period) in Airport City for space with a similar or poorer finishing level, for which similar or inferior general services are offered, and which, to the best of the Company's knowledge, is leased as of the date of this report at prices ranging, in real terms, between NIS 80 and NIS 95 per sq.m. (excluding management and maintenance fees). Additionally, consideration was given to one-time expenses and current expenses which would be entailed in any relocation to another building, and a comparison was made with the terms at which Sky City leases space in Unitronics Building to third parties unrelated to the Company and with the management fees paid by those third parties to Unitronics Maintenance and to Airport City. The Balance Sheet, Compensation and Audit Committee and the Board of Directors found that the possibility of terminating the agreement at any time, as well as the Company's right to reduce or increase the Leased Area, allow the Company to adapt the use to its

actual needs, without incidental costs and expenses and without other repercussions including the effects of timetables and other factors.

- 6.3 The management presented to the Balance Sheet, Compensation and Audit Committee and the Board of Directors other relevant considerations, including considerations relating to management, efficiency, manpower, finishing level and services at Unitronics Building, as well as other considerations, including expenses that could be caused by splitting the activities of the Products segment between more than one facility.
- 6.4 The Balance Sheet, Compensation and Audit Committee and the Board of Directors compared the lease terms of the New Contract with typical lease terms in Airport City and the lease terms of third parties in Unitronics Building, and found that they are reasonable and reflect market terms, and are even more favorable for the Company than market terms, considering the one-time costs and continuing costs that would be entailed in relocating to another facility, and also taking into account considerations of control, management and efficiency. In light of all the foregoing (and after the completion of the examinations described in Sections 6.5-6.7 below), the consideration was set in comparison with the typical terms in Airport City and at Unitronics Building for properties with a similar finishing level and similar services.
- 6.5 In this connection, the Balance Sheet, Compensation and Audit Committee examined, in accordance with Section 117(1b) of the Companies Law, the need for and relevance of a competitive process (as provided in that section) in the circumstances of the case, and determined that such a process in the present circumstances is irrelevant, mainly for the following reasons: a) The lease of areas by the Company in a building in which also the major part of the activity of the Products segment is carried out in areas owned by it, constitutes circumstances which are irrelevant to other properties, and therefore it is not possible to conduct a relevant competitive process; b) An examination of alternatives to the floors leased by the Company in Unitronics Building, in other buildings, would also necessitate taking into account one-time and continuing expenses entailed in splitting the Company's activity in the Products segment and transferring a certain part of this activity to another location, as well as the control and management complexities entailed in splitting the activity, and for this reason as well it is not possible to conduct a relevant competitive process.
- 6.6 In light of the foregoing, and by the power vested in it under Section 117(1b) of the Companies Law, in its meeting on March 24, 2018, the Balance Sheet, Compensation and Audit Committee determined that in the circumstances of the case, the Detailed Review that was prepared at the Company's request and presented to the Committee comprises another proper and correct process in lieu of a competitive process, and that the Detailed Review constitutes appropriate and adequate "other processes" prior to and for the purpose of the Company's entry into the New Contract as a transaction

with a controlling shareholder, as prescribed in Section 117(1b) of the Companies Law.

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

- 7.1 Under Section 275 of the Companies Law, the entry of a public company into an agreement with the party controlling it, directly or indirectly, including through a company owned by such party, for the receipt of services by the company, requires the approval of the audit committee and the board of directors. The Transaction was approved by the Balance Sheet, Compensation and Audit Committee on May 24, 2018 and by the Board of Directors on May 30, 2018.
- 7.2 The Transaction also requires the approval of a general meeting of the company's shareholders that was convened in the manner set forth in said section of the law, by the majority prescribed in that section.

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

In the two years prior to the date of approval of the Transaction by the Balance Sheet, Compensation and Audit Committee and the Board of Directors, no transactions of the same or a similar type to the Transaction were concluded, and on the date of the approval of the Transaction by the Balance Sheet, Compensation and Audit Committee and the Board of Directors, no transactions of the same or a similar type to the Transaction were in effect, between the Company and the controlling shareholder, and there was no such transaction in which the controlling shareholder had a personal interest, except as detailed in Section 3 above regarding the Previous Contract, including with respect to the changes in the Lease Area as mentioned in Section 3. For further details on the Previous Contract, see immediate report dated May 20, 2015 on a transaction between a company and its controlling shareholder, Reference No. 2015-01-024264, and immediate report dated July 16, 2015 on the results of a general meeting for the approval of a transaction with a controlling shareholder, Reference No. 2015-01-074880, included herein by reference.

9. Summary of the reasons of the Audit Committee and the Board of Directors for approving the Transaction

The Balance Sheet, Compensation and Audit Committee and the Board of Directors of the Company approved the Transactions for the reasons set out below:

- 9.1 Changes in the ordinary course in the Company's business activity in recent years, resulting in changes in the size of its workforce and the scope of its operations, justify the continued use of the facilities and offices in Unitronics Building from which the Company currently operates, including the Leased Area.
- 9.2 Examinations conducted by the Company, the results of which were presented to the Committee and the Board of Directors, show that the lease terms under the

Transaction are similar to or better than those at which space owned by Sky City in Unitronics Building is leased to third parties unrelated to the Company or to its controlling shareholders, and are more favorable than the typical lease terms (price/period) in Airport City for space with a similar or poorer finishing level, for which similar or inferior general services are offered, and which, to the best of the Company's knowledge, is leased as of the date of this report at prices ranging, in real terms, between NIS 80 and NIS 95 per sq.m. (excluding management and maintenance fees).

- 9.3 The continuation of the lease will spare the Company one-time and continuing costs entailed in a relocation and in splitting the activity of the Products segment between more than one facility, which would also adversely affect the Company's operational efficiency.
- 9.4 Continuing to run the activity of the Products segment under one roof, coupled with the possibility of terminating the contract at any time as well as the possibility to reduce or increase the Lease Area as described above, allows the Company to adjust its expenses to its actual needs and justifies the continued lease of the place and the lease price.
- 9.5 In light of the special circumstances of the case as detailed above, it was determined that there are no grounds for holding a competitive process, and that other processes that were carried out prior to the approval of the Transaction (the Detailed Review) comply appropriately and adequately with the requirements of Section 117(1b) of the Companies Law.
- 9.6 In light of the foregoing, the members of the Balance Sheet, Compensation and Audit Committee are of the opinion that the New Contract is at market terms, in the ordinary course of the Company's business and in the Company's interests, and they have approved it subject to the approval of the General Meeting of the Company's shareholders.

10. Names of the Directors who participated in the discussions of the Board of Directors and the Audit Committee regarding the approval of the Transaction, specifying those who are External Directors

- 10.1 Names of the Directors who participated in the discussions of the Board of Directors regarding the approval of the Transaction on May 30, 2018: Mr. Yariv Avisar, Mr. Zvi Livne, Mr. Doron Shinar (External Director), Ms. Rivka Granot (External Director).
- 10.2 Names of the Directors who participated in the discussions of the Balance Sheet, Compensation and Audit Committee regarding the approval of the Transaction on May 24, 2018: Mr. Doron Shinar (External Director), Ms. Rivka Granot (External Director), Mr. Zvi Livne (Director).

11. Names of the Directors who have a personal interest in the Transaction and the nature of said interest:

- 11.1 Mr. Shani and Ms. 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, as well as the fact that they are married to each other and serve as senior officers of the Company.
- 11.2 Mr. Ben Zvi and Mr. Beck have a personal interest in the approval of the transaction, because they are partners in the FIMI Fund, which is connected to a shareholders' agreement with Mr. Shani, as stated above.
- 11.3 Mr. Shani and Ms. Shani were not present and did not participate in the discussion and vote held the Audit Committee and by the Board of Directors regarding the approval of the Transaction.

**Part C – Convening of an Annual and Extraordinary General Meeting,
Its Time and Implementation**

12. Quorum and adjourned meeting

A quorum in accordance with the Company's articles will 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 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. Required majority at the Meeting

- 13.1 The required majority for the approval of the matters on the agenda of the Meeting as set forth in Sections 2.1-2.8 above is a majority of the votes of shareholders who are entitled to attend the Meeting and who participate in the vote.
- 13.2 The required majority for the approval of the item on the agenda detailed in Section 2.9 above (appointment of Mr. Doron Shinar as an External 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 majority vote 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, other than a personal interest which does not arise from such shareholder's relations with the controlling shareholder, without taking into account abstentions of such shareholders; or (b) the total number of dissenting votes among 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, other than a personal interest which does not arise from such shareholder's relations with the controlling shareholder, may not exceed two percent (2%) of the total voting rights in the Company.

- 13.3 The required majority for the approval of the item on the agenda detailed in Section 2.10 above (approval of agreement of lease from a company owned by the controlling shareholder and his 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 majority vote 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 may not exceed two percent (2%) of the total voting rights in the Company.

14. Eligibility to vote

- 14.1 In accordance with Section 182(b) of the Companies Law and the Companies Regulations (Written Votes and Position Statements), 2005, the record date will be June 7, 2018 (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. Power of attorney for attendance and voting at the Meeting, together with confirmation of lawful ownership of the shares by virtue of which it is given, must be deposited at the Company's offices at least 48 hours before the date of convening the Meeting. The suggested wording of the power of attorney in Hebrew and English can be found on the Company's website at <http://www.unitronics.com/>.
- 14.2 In accordance with the Companies Regulations (Proof of Title to a Share for Voting at a General Meeting), 2000 (the "**Proof of Title Regulations**"), a shareholder who has a share registered with a member of the Tel Aviv Stock Exchange Ltd., 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 with whom his right in the share is registered, regarding his title to the share, on the Record Date, according to Form 1 in the Schedule to the Regulations, or alternatively will send the Company a certificate of title via the Electronic Voting System.
- 14.3 Under the Companies Law, a shareholder whose shares are registered with a member of the Stock Exchange may, if he so requested, receives the certificate of title from the member of the Stock Exchange through whom he holds his shares, at the branch of that member, or by post to his address against postage payment. Such a request must be given in advance for a particular securities account. An unregistered

shareholder may also direct that his certificate of title be submitted to the Company via the Electronic Voting System.

14.4 The number of shares equivalent to 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).

14.5 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 and position statements

A shareholder may vote at the Meeting through a voting instrument on items 2.9 and 2.10 on the agenda, as detailed below:

15.1 A vote in writing will be entered in the second part of the voting instrument attached to this report, as published on the Distribution Site (as defined in Section 15.8 below).

15.2 A shareholder may apply directly to the Company to receive from it 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 Distribution 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 so interested, provided notice is given prior to the Record Date regarding a particular securities account.

15.4 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 4 hours before the time of convening of the Meeting. 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 before the date of the Meeting.

15.5 The deadline for submitting position statements to the Company is: July 5, 2018.

The deadline for submitting the Board of Directors' response to the position statements is: July 10, 2018.

15.6 The wording of the voting instrument and the position statements, 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 "**Distribution Site**"), on the

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

16. Voting by an electronic voting instrument

An unregistered shareholder may vote on the resolutions on the agenda of the Meeting detailed in Section 2 above by an electronic voting instrument submitted via the Electronic Voting System as defined in the Voting Regulations ("**electronic voting instrument**").

The electronic voting instrument is opened for voting at the end of the Record Date. Voting via the Electronic Voting System will end six hours before the time of the Meeting (i.e. – on Sunday, July 15, 2018, at 2:00 AM), at which time the Electronic Voting System will be closed.

An electronic vote may be changed or cancelled up to the time of closing of the Electronic Voting System, and it may not be changed via the Electronic Voting System after that time. If a shareholder voted in more than one way, his later vote will be counted. In this regard, voting by a shareholder in person or by proxy will be deemed later than a vote by an electronic voting instrument.

17. The Company's representatives for dealing with the immediate report

The Company's representative for purposes of this immediate report is Ms. Bareket Shani, the Company's Deputy CEO and VP Human Resources, at Unitronics Building, Arava St., Airport City, Lod, Israel, telephone 03-9778888, fax 03-9778877.

18. Inspection of documents

This immediate report and the documents referred to herein, as well as the complete wording of the resolutions on the agenda, may be inspected at the Company's offices at Unitronics Building, Arava St., Airport City, Lod, Israel, Sunday through Thursday, during regular business hours, by prior arrangement with Mr. Eitan Alon (telephone 03-9778888, fax 03-9778877).

**Respectfully,
Unitronics (1989) (R"G) Ltd.**

Haim Shani, CEO

Eitan Alon, CFO

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*, ID number: 010025658, address: 20 *Yohanan Hasandlar st. Haifa*, hereby declare for the purpose of my appointment as a director in the company 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. Where 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, based on the skills listed below:

Education

BA, Economics and Accounting, Tel Aviv University

MBA, Business Management, Tel Aviv University.

Professional Experience

CPA since 1975.

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 27, 2018

(-)

Name

Date

Signature

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.

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, *Gillon Beck*, ID number: 057382780, address: 34 *Ha'arazim st., Givat Ada*, hereby declare for the purpose of my appointment as a director in the company 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. Where 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, based on the skills listed below:

Education

CV attached

Professional Experience

CV attached

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.

Gillon Beck

May 27, 2018

(-)

Name

Date

Signature

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.

2003-Current: Senior Partner - FIMI Opportunity Funds:

FIMI is the first and the leading group of private equity funds in Israel. Benefiting from its extensive financial capabilities and powerful sponsorship, FIMI has led more than 87 transactions in Israel, with a total deal value of almost US\$ 4.5 billion, and has realized its investments in more than 56 of its portfolio companies.

Established in 1996, Israel's leading buy-out team has executed Leveraged Buy-Out (LBO) and Management Buy-Out (MBO) transactions for some of the country's premier companies. To date, FIMI 6 (\$1.1B) is active, whereas the previous Funds have completed their respective terms, with an impressive IRR of approximately 30%.

In recent years, Mr. Beck is taking a major role in managing the Fund's portfolio, and serves (or served, as the case may be), as the Chairman/Board Member of the following portfolio companies:

- **Rivulis Irrigation Ltd (Previously John Deere Water):** Chairman. World leader in drip Irrigation. was bought from Deere & Company. Recently bought Eurodrip.
- **ImageSat NV:** Chairman. The Company provides high resolution satellite imagery.
- **Orbit Technologies Ltd.** (TASE). a turnkey telecommunications solutions for ground-based, airborne and maritime platforms provider.
- **Ormat Technologies Inc.** (ORA: NYSE). Chairman. A world leader in geothermal energy and turbines, supplying renewable energy. Market cap ~\$3B. Full Exit.
- **Ham-Let (Israel –Canada) Ltd.** (TASE). Chairman. World leader of F&V for instrumentation.
- **Bet Shemesh Engines Ltd.** (TASE). Chairman. BSEL is a multi-faceted company that includes engine MRO, casting, machining, research and development, assembly and testing of complete modules and turbine engines.
- **Unitronics.** (TASE). Automatic parking solutions and industrial controllers.
- **Overseas Commerce.** Chairman. Logistics of containers and storage. Partial Exit.
- **Magal** (NASDAQ). Chairman. Provider physical security, safety & site management.
- **Inrom Industrial Investments LP:** Chairman: a holding partnership. Home and industrial paints; Metal casting; Composite materials; Blocks for internal and external walls; Glues, mortar and sealants for construction. Partial exit. Was floated on TASE.
- **Oxygen and Argon Works.** Chairman. Leading producer of industrial gases.
- **Retalix Ltd.** World leader of Point of Sale software solutions to the retail, food service and gas station industries. Was traded on NASDAQ and fully exited. Sold to NCR.
- **H.R. Givon.** Chairman. High precision machine part production, for the high standards in aviation and aerospace. Full Exit. Sold to Wipro.
- **Orian Ltd.** (TASE). A logistical solutions provider that is involved in a wide range of activities and services, represents Schenker in Israel. Full Exit.
- **MERHAV Ltd.** (TASE). Faucets and Ceramics. Full Exit.
- **Medtechnica Ltd** (TASE). Chairman. Medical equipment. Full exit.
- **TAT Technologies Ltd.** (TASE, NASDAQ). Heat Exchangers, Cooling Systems, MRO, mainly for military and civil aircraft applications. Full Exit
- **MDT Micro Diamond Technologies Ltd** – Electroplated diamond burs manufacturer. Full Exit.
- **Metro Motor Ltd** – leading Israeli Distributor of Motorbikes and Scooters. Full Exit.
- **TANA Industries Ltd.** (TAMI4). A provider of Point of Use water dispensing systems to residential and business users. Full Exit (through a sale to the Strauss Group).

1995-2003: Arad Ltd. Until 1999: COO, and thereafter CEO.

Arad Ltd (TASE) is a world leader of Water measurement and Automatic Meter Reading systems (AMR).

The company is among the largest AMR manufactures in the world. Following my turnaround activities at the company, sales increased by more than 400%, and company value increased by more than 1700%.

1992-1995: Tadiran Appliance: Manager of Planning and Control.

1990-1992: Aviv Information Systems Ltd: Consultant.

1980-1985: IDF. Military Service. Major. Elite Commando Unit.

Education:

1992: MBA in Finance from Bar Ilan University.

1990: BSc Cum Laude in Industrial Engineering from the Technion - The Israel Institute of Technology.

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, *Yariv Avisar*, ID number: 57418873, address: *Hashachaf st. P.O.B 219 Ein Sarid*, hereby declare for the purpose of my appointment as a director in the company 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. Where 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, based on the skills listed below:

Education

BA, Business Administration.

Professional Experience

Positions as CEO and serving as a director and chairman of several companies.

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.

Yariv Avisar

May 27, 2018

(-)

Name

Date

Signature

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.

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, *Amit Ben-Zvi*, ID number: 022644744, address: 98 Yigal Alon st. Tel Aviv, hereby declare for the purpose of my appointment as a director in the company 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. Where 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, based on the skills listed below:

Education

LLB, Law, Tel Aviv University;

BA, Accounting, Tel Aviv University.

Professional Experience

Partner at FIMI Opportunity Funds;

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.

Amit Ben-Zvi

May 24, 2018

(-)

Name

Date

Signature

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.

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, *Haim Shani*, ID number: 056548142, address: 20 Bazelet st. Shoham, hereby declare for the purpose of my appointment as a director in the company 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. Where 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, based on the skills listed below:

Education

Professional Experience

CEO of Unitronics (1989) (R"G) Ltd since its inception.

Experience as director of various companies

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.

Haim Shani

May 28, 2018

(-)

Name

Date

Signature

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.

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, *Bareket Shani*, ID number: 058136631, address: 20 Bazelet st. Shoham, hereby declare for the purpose of my appointment as a director in the company 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. Where 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, based on the skills listed below:

Education

BSC, Industrial Engineering and Management

Professional Experience

Deputy CEO of Unitronics (1989) (R"G) Ltd since 1999.

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.

Bareket Shani

May 27, 2018

(-)

Name

Date

Signature

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.

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 Zlochesti 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 as detailed below:

Education

LLB, Law, Tel Aviv University;

Professional Experience

Lawyer, private business in Israel and abroad

Lawyer, former law firm owner;

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.

Rivka Granot

May 24, 2018

(-)

Name

Date

Signature

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.

Unitronics (1989) (R"G) Ltd.

Voting Instrument pursuant to the Companies Regulations (Written Votes and Position Statements), 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 Unitronics Building, Arava St., Airport City, Lod, Israel, on Sunday, July 15, 2018, at 08:00 AM. If the Meeting is adjourned in the absence of a quorum, an adjourned meeting will be held on Sunday, July 22, 2018, 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. Re-appointment of Mr. Doron Shinar for an additional term as an External Director of the Company.

Summary of the proposed resolution: To re-appoint Mr. Doron Shinar as an External Director of the Company for an additional term of three years from the date of the approval by the Meeting.

- 3.2. Approval of agreement of lease from a company controlled by Mr. Haim Shani (Company CEO and the Company's controlling shareholder jointly with the FIMI Fund) and Ms. Bareket Shani, Mr. Shani's wife, for a period of three years from August 1, 2018 (the date of expiration of the previous lease agreement), pursuant to Section 275(a) of the Companies Law.

Summary of the proposed resolution: To approve an agreement of lease from a company controlled by Mr. Haim Shani (Company CEO and the Company's controlling shareholder jointly with the FIMI Fund) and Ms. Bareket Shani, Mr. Shani's wife, for a period of three years from August 1, 2018, pursuant to Section 275(a) of the Companies Law, in accordance with the terms of the New Contract as defined in the report on the convening of a meeting.

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. Eitan Alon (telephone 03-9778888, fax 03-9778877), up to the day of the Meeting.

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

- 5.1. The required majority for the approval of the item on the agenda set forth in Section 3.1 above 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 majority vote 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, other than a personal interest which does not arise from such shareholder's relations with the controlling shareholder, without taking into account abstentions of such shareholders; or (b) The total number of dissenting votes among 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, other than a personal interest which does not arise from such shareholder's relations with the controlling shareholder, may not exceed two percent (2%) of the total voting rights in the Company.
- 5.2. The required majority for the approval of the item on the agenda set forth in Section 3.2 above 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 majority vote 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 (2%) of the total voting rights in the Company.

6. Existence/absence of an interest:

The items set forth in Section 3 above requires 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 Israeli Companies Law, 1999 ("**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.

7. Validity of the voting instrument:

- 7.1. 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), 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**").
- 7.2. This voting instrument together with the Attached Documents, as aforesaid, must be submitted to the Company up to 4 hours before the time of voting (i.e. on Sunday, July 15, 2018, at 04:00 AM). 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.

8. Voting by an electronic voting instrument:

An unregistered shareholder may vote on the resolutions on the agenda of the Meeting detailed in Section 2 of the convening report by an electronic voting instrument submitted via the Electronic Voting System as defined in the Voting Regulations ("**electronic voting instrument**").

The electronic voting instrument is opened for voting at the end of the record date. Voting via the Electronic Voting System will end 6 hours before the time of the Meeting (i.e. – Sunday, July 15, 2018, at 02:00 AM), at which time the Electronic Voting System will be closed.

An electronic vote may be changed or cancelled up to the time of closing of the Electronic Voting System, and it may not be changed via the Electronic Voting System after that time. If a shareholder voted in more than one way, his latest vote will be counted. In this regard, voting by a shareholder in person or by proxy will be deemed later than a vote by an electronic voting instrument.

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

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

10. Deadline for submitting position statements to the Company:

Up to 10 days before the meeting date, i.e. up to July 5, 2018 ("**deadline for sending shareholders' position statements**").

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

Up to 5 days before the meeting date, i.e. up to July 10, 2018.

12. Address of the distribution site, the website of the Tel Aviv Stock Exchange Ltd. and the website of the Company, which contain the voting instruments and the position statements:

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

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

12.3. Website of the Company: <http://www.unitronics.com>

13. Certificates of title:

A shareholder may, if he so requested, receives 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.

14. Receipt of voting instruments and position statements:

An unregistered shareholder is entitled to receive by email, free of charge, a link to the wording 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. In addition, an unregistered shareholder may direct that his certificate of title be submitted to the Company via the Electronic Voting System.

15. Inspection of voting instruments:

One shareholder or more holding shares at a rate equivalent to 5% 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 Israeli 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.

15.1. The number of shares equivalent to 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 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).

16. 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.

17. 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), 2000, it must issue an amended wording 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 14, 2018.

18. 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

Date of Meeting: July 15, 2018

Class of Meeting: Annual and Extraordinary General Meeting

Record Date: June 7, 2018

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: _____

Does the shareholder belong to one of the following classes of shareholders:¹

1. Interested party² – **yes/no**
2. Senior officer³ – **yes/no**
3. Institutional entity⁴ – **yes/no**

¹ Circle the appropriate choice in each of the sections.

² As defined in Section 1 of the Israeli Securities Law.

³ As defined in Section 37(d) of the Israeli Securities Law.

⁴ As defined in Section 1 of the Control of Financial Services Regulations (Provident Funds) (Participation of a Management Company in a General Meeting), 2009, as well as a manager of a joint investment trust fund within the meaning of the Joint Investment Trust Law, 1994.

Manner of Voting

Agenda Item	Manner of Voting ⁵			Regarding the appointment of an External Director (Section 239(b) or Section 245(a1) of the Companies Law) – Are you a controlling shareholder or do you have a personal interest in the approval of the appointment? ⁶		Regarding the approval of a transaction pursuant to Section 275 of the Companies Law, for which the required majority is not a simple majority – Are you a controlling shareholder or do you have a personal interest in the approval of the transaction? ⁷	
	For	Abstain	Against	Yes*	No	Yes*	No
Re-appointment of Mr. Doron Shinar for an additional term as an External Director of the Company							
Approval an agreement of lease from a company controlled by Mr. Haim Shani (Company CEO and the Company's controlling shareholder jointly with the FIMI Fund) and Ms. Bareket Shani, Mr. Shani's wife, for a period of three years from August 1, 2018 (the date of expiration of the previous lease agreement), pursuant to Section 275(a) of the Companies Law.							

* Specify.

Details:

*** If you indicated that you are a controlling shareholder or have a personal interest in the appointment of Mr. Doron Shinar as an External Director, specify:**

⁵ Failure to mark off this section will be deemed as abstention in the vote on that item.

⁶ The vote of a shareholder who does not complete this column or marks "yes" without an explanation will not be taken into account.

⁷ The vote of a shareholder who does not complete this column or marks "yes" without an explanation will not be taken into account.

*** If you indicated that you are a controlling shareholder or have a personal interest in the approval of the transaction with a company controlled by Mr. Haim Shani and Ms. Bareket Shani, specify:**

Date: _____

Signature: _____

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.