



UNITRONICS (1989) (R" G) LTD.

PRESS RELEASE  
Airport City, Israel  
February 23<sup>rd</sup>, 2014

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

**Immediate Report regarding Adoption of Dividend Distribution Policy**

**Airport City, Israel – February 23<sup>rd</sup>, 2014**– Unitronics published the attached Immediate Report pursuant to the requirements of Israeli law, in concerning with the Adoption of Dividend Distribution Policy

**About Unitronics**

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

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

**Unitronics (1989) (R"G) Ltd.**  
**(the "Company")**

**Re: Immediate Report regarding Adoption of Dividend Distribution Policy**

The Company hereby announced that on February 23, 2014, the Board of Directors of the Company resolved to adopt a dividend policy, which shall be effective from the date of publication of the Company's annual financial statements as at December 31, 2013.

The Company shall distribute to its shareholders from the net profit attributable to the shareholders of the Company based on the consolidated audited annual financial statements of the Company excluding profits from revaluation of assets (hereinafter –**"the Profit"**) dividend at the rate of 30% of the Profit amount in respect of each calendar year, in excess of a total of NIS 3,000,000 (three million New Israeli Shekels) . The terms of distribution of the dividend, including the number and dates of the payments shall be determined by the Board of Directors of the Company specifically for each distribution.

It is hereby clarified that actual distribution of dividends is subject to: (a) the provisions of any applicable law, including the Company's compliance with the distribution tests set forth in Section 302 (A) of the Companies Law, 1999 (**"the Companies Law"**) on the date of each distribution; (b) the Company's obligations to the holders of debentures, including financial covenants which the Company assumed and/or shall assume (for additional details regarding the Company's obligations towards the holders of debentures (Series 3) of the Company, see section 1.4.8 of the Company's Periodic Report for 2012, Reference No: 2013-02-015544 (hereinafter – **"2012 Report"**) and fro additional details regarding the Company's obligations towards the holders of debentures (Series 4) of the Company, see section 1.4.9 of the 2012 Report; (c) the Company's existing and anticipated obligations towards third parties, which are not the Company's shareholders or debenture holders; (d) the financing needs, investment plans and business plans of the Company, such that said distribution shall not prevent the Company from executing its plans and meeting its planned needs as shall be from time to time; (e) the Company's activities, cash flows and cash balance; and (f) other business considerations as shall be reviewed from time to time by the Board of Directors of the Company at its sole discretion.

It is further clarified that the Board of Directors of the Company reserves the right to review the aforesaid policy from time to time, to change the policy at its sole discretion and to decide on a different use for the Company's profits.

Insofar as it has not been changed by the Board of Directors of the Company, the said policy shall be effective from the date of publication of the Company's annual financial statements as at December 31, 2013 .

Notwithstanding the aforesaid, the Company may distribute dividend whose amount deviates from the amount prescribed in the aforementioned policy, whether by paying a bigger dividend or smaller dividend than the aforesaid or by refraining from dividend payment or changing the date of the distribution and/or the

distributed amount. It is clarified that nothing in the aforesaid provisions shall derogate from the Company's power to buy back Company shares, subject to the provisions of any applicable law. Insofar as such buybacks are made, they shall constitute part of the distributed amount, which is the subject of the aforesaid policy, for all intents and purposes.

The Board of Directors' reasons for adopting the dividend policy:

1. It is proper that the Company's shareholders participate in the Company's distributable profits, pursuant to the law.
2. In the Board of Directors' opinion, the adoption of dividend distribution policy points to the Company's healthy financial performance and is an important means to promote trust among shareholders and investors in the Company.
3. Even after adopting a dividend policy, the Board of Directors of the Company maintains a broad discretion to determine the actual distribution, its terms and dates.

**Sincerely,**

**Unitronics (1989) (R''G) Ltd.**