

**Payton Planar Magnetics Ltd.**  
**Annual General Shareholders Meeting**

This notice is to announce that an annual general meeting of the Company's shareholders will be held on December 15<sup>th</sup>, 2015 at 10:00 AM (hereinafter: "**The Meeting**").

The meeting will be held in the Company's registered office at 3 Ha'avoda St. Ness-Ziona, Israel (hereinafter: "**The Company's registered office**").

**On the agenda:**

1. Discussion and Approval of the Company's 2014 yearly financial statements.
2. Re-nomination of KPMG Somekh-Chaikin, a member of the KPMG International, as the Company's independent auditors and authorizing Mr. David Yativ, Active Chairman of the Board of Directors of The Company, to define their fees.
3. Re-election of Mr. Doron Livne as a Director and reconfirming his remuneration fee. (Mr. Livne has been appointed as a Director by the Company's board of Directors in its meeting held on May 27, 2015 and serves as a Director as from then).

A Copy of the director's declaration (according to rule number 224b(a) of the Israeli Companies Law) and all documents with regard to the matters on the agenda, according to law, are available at the Company's registered office at regular working hours by prior coordination with the Company's Representative and shall be delivered by e-mail to any shareholder at its request, accompanied by authenticated certificate of ownership, to be sent by registered mail to the Company's registered office.

This notice, as well as other information, is also available on the Company's website: [www.paytongroup.com](http://www.paytongroup.com).

A shareholder who holds at least one percent (1%) of the Company's voting rights in the meeting, is allowed to request the Company's board of directors to include any additional issue on the agenda according to clause 66(b) of the Israeli Company's Law. The request should be provided to the Company within 7 days after this notice.

**The Majority needed for passing the matters on the agenda**

The resolutions in all matters as above mentioned shall be deemed to have been passed, by majority votes of the shareholders, present in the meeting.

**Legal Quorum:**

If within half an hour of the above mentioned time no quorum is present (at least two members present personally or by proxy who together hold at least thirty three percent (33%) of the issued shares of the Company), the meeting shall stand adjourned to December 16, 2015 at the same place and hour.

If no quorum is present at the adjourned meeting within half an hour of the above mentioned time, the present member(s) shall be deemed a quorum.

**The Determine Date of Shares Ownership:**

The persons and/or entities that are entitled to participate and to vote in the meeting are the shareholders of the Company on November 25, 2015. In order to validate their participation, the shareholders are kindly requested to deposit with the Company a certificate of ownership issued by a financial institution according to the Company's Regulations-2000 (proof of ownership in shares for voting in the General Meeting). Such certificate has to be sent to Mrs. Michal Lichtenstein, at Payton Planar Magnetics 3 Ha'avoda St. Ness-Ziona (fax: +972-3-9517571 or [michal@paytongroup.com](mailto:michal@paytongroup.com)) or to Joy Delagrang, at Citigate – Avenue des Arts 46, B-1000, Brussels ([joy.delagrang@citigate.be](mailto:joy.delagrang@citigate.be)).

An instrument appointing a representative, a proxy, a power of attorney, other certificate or a copy of the above mentioned documents attested by a notary, should be delivered to the office of the company, at least forty-eight (48) hours prior to the time of the meeting, or the adjourned meeting, where the person mentioned in the instrument is to vote. If the above conditions were not fulfilled, the appointing document shall be void.

A detailed description of the employment terms of the 5 Company's office holders, that have received the highest remuneration in the financial year 2014, as required according to regulation 4(d)(1) of the Company's Regulations-2000 (an announcement and a note of a general meeting and a type meeting in a public company and including a matter on the agenda), is attached to this notice.

**The Company's Representative:**

The Company's Representative in regard to this Shareholders Meeting is Mrs. Michal Lichtenstein, at Payton Planar Magnetics 3 Ha'avoda st. Nes-Ziona, Israel (tel: +972-3-9611164, fax: +972-3-9517571 or michal@paytongroup.com).

**The Board of Directors.**

**Details of remuneration regarding each of the five highest earners among senior corporate officers in thousands of dollars, for the year ended on 31/12/2015**  
**According to Israeli's Company's Regulations**

Information about Beneficiary		Benefits (in terms of cost to the corporation) for services <sup>(1)</sup>						
	Name	Position	Scope of Position	Holding in Equity %	Salary in US\$ thousands <sup>(3)</sup>	Car Exp. in US\$ thousands	Bonus in US\$ thousands <sup>(2)</sup>	Total US\$ thousands
1	Mr. David Yativ through "David Yativ management technologies Ltd"	Executive Chairman of the Board	100%	51%	434	27	91	552
2	Mr. Doron Yativ	C.E.O.	100%	-	223	11	54	288
3	Mr. Haim Elgamil	V.P. of Operations	100%	-	150	13	-	163
4	Mrs. Michal Lichtenstein	V.P. Finance & C.F.O.	100%	-	109	9	-	118 <sup>(4)</sup>
5	Mrs. Ravit Shreim	Controllor	100%	-	70	-	-	70
	Total				986	60	145	1,191

(1) Including grants for the year 2014.

(2) An executive bonus derived from Company profit (pre-tax).

(3) Inclusive social benefits.

(4) Represents costs for 9 months out of year 2014.