



**Payton Planar Magnetics Ltd. ("The Company")**  
**Annual General Meeting**

This notice is to announce that an annual general meeting of The Company's shareholders will be held on **August 6<sup>th</sup>, 2013** at 10:00 AM.

The meeting will be held in The Company's registered office at 3 Haavoda St. Nes-Ziona, Israel.

**On the agenda:**

1. Discussion and Approval of the The Company's 2012 annual 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-nomination of the external director Mr. Israel Leonov.  
**Proposed resolutions:** to re-nominate Mr. Israel Leonov as an external director for an additional period of 3 years, as of August 20<sup>th</sup> 2013, and to reconfirm his remuneration given by The Company in a minimal rate, according to the Israeli Companies Regulations (Rules in regard to remuneration and expenses to an external director) 2000, according to The Company's rate, as defined at this regulations, and according to the remunerations which are paid to the other directors of The Company.

A signed copy of Mr. Israel Leonov declaration, according to rules number 224 b(a) and 241 of the Israeli Companies Law, 1999, is available at The Company's registered office 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.

The resolution in clause 3 on the agenda above shall be deemed to have been passed, by majority votes of the shareholders, voting in the meeting, conditional upon the existence of one of the terms as follows:

- a. The majority votes shall include the majority votes of the participating shareholders who are not controlling shareholders in the company, or anyone on their behalf, or any shareholders who has a personal interest in the matter of the vote, excluding a personal interest which is not as a result of the company's shareholder connections with the company's holder of controlling interest. The votes of the abstainers will not be taken into account. Rule number 276 of the Israeli Companies Law, 1999, shall apply with regard to shareholders who have a personal interest in the matter of the vote.
- b. The total of the objecting votes, from the entire shareholders mentioned in section (a), will not exceed 2% (two percent) of the total voting rights in the company.

The shareholders may vote with regard to the resolution in clause 3 on the agenda above, also by a Voting Letter. The form of the Voting Letter is available at The Company's registered office and can be delivered at request sent by mail to Mrs. Michal Lichtenstein (michal@paytongroup.com). The latest date to deliver the Voting Letter is **August 3<sup>rd</sup>, 2013** at 10:00 AM.

The resolutions in clauses 1 & 2 on the agenda above require an ordinary majority of the voters present in the general meeting of The Company's shareholders.

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 **August 13, 2013** 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 persons and/or entities that are entitled to participate and to vote in the meeting are the shareholders of The Company on July 23<sup>rd</sup>, 2013.

In order to validate their participation, the shareholders are kindly requested to deposit with The Company, forty- eight (48) hours prior to the meeting, a certificate of ownership issued by a financial institution. Such

certificate to be sent to Mrs. Michal Lichtenstein, at Payton Planar Magnetics 3 Haavoda St. Nes-Ziona, Israel (fax: +972-3-9517571 or: [michal@paytongroup.com](mailto:michal@paytongroup.com)) or to Mrs. Evi Robignon, at Citigate - Avenue des Arts 46, B-1000, Brussels (Fax: + (32) 02 732 71 76 or: [erobignon@citigate.be](mailto:erobignon@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.

The Board of Directors.