

January 17, 2019

To:  
The Shareholders of S H L Telemedicine Ltd.

Ladies and Gentlemen,

**Re: Notice of a Special General Meeting of the Shareholders of S H L Telemedicine Ltd.**

NOTICE IS HEREBY GIVEN THAT the agenda of the Special General Meeting of the Shareholders (the “**Special General Meeting**” or “**SGM**”) of S H L Telemedicine Ltd. (the “**Company**”) that will be held on **February 21, 2019, at 13:00** (Israel Time) at the Company’s registered office, located at 90 Yigal Alon Street, Ashdar Building, Tel-Aviv, Israel (the “**Company's Registered Office**”), shall be as follows:

1. Following the approval of the Company's Compensation Committee and of the Board – grant of a letter of exemption and indemnification to the Company's officers and directors

**Further information with respect to item 1:**

It is hereby proposed to approve the grant of a letter of exemption and indemnification, a copy of which is attached hereto as **Exhibit A** (the “**Indemnification Letter**”) to all officers and directors of the Company, as shall be in office from time to time, including the Company’s CEO and officers and directors who might be deemed controlling shareholders.

It is proposed that at the SGM, the following resolutions be adopted:

“*RESOLVED:*

*WHEREAS, the Company’s Compensation Committee and the Board have approved the grant of the Indemnification Letter to all officers and directors of the Company, as shall be in office from time to time, including the Company’s CEO and officers and directors who might be deemed controlling shareholders; and*

*WHEREAS, pursuant to Sections 270(4) and 275 of the Companies Law 5759-1999 (the “**Companies Law**”), such Indemnification Letter, being a transaction between the Company and its officers and directors, some of whom may be deemed controlling shareholders, requires the affirmative vote of a majority of shares present at the Special General Meeting, in person or by proxy or ballot, and voting thereon, provided however, that either (i) the majority vote at the general meeting includes a majority of the shareholders voting power represented at the Special General Meeting and who are not the controlling shareholders of the Company or shareholders having a personal interest in the approval*

of the grant of Indemnification Letter and voting thereon (without abstaining votes); or (ii) the total number of objecting votes of those shareholders who are listed under (i) and who participate in the vote does not exceed two percent (2%) of all of the voting rights in the Company; and that prior to voting, shareholders (or their representatives) are required to disclose whether they are controlling shareholders or whether they have a personal interest in the adoption of the resolution.

**Appendix A** includes the declarations provided by each shareholder indicating whether he/she/it is or is deemed to be considered a controlling shareholder for the purpose of this item on the agenda, or his/hers/its personal interest in the adoption of the said resolution; all pursuant to Section 270(4), Section 275 and Section 276 of the Companies Law.

NOW THEREFORE, upon motion duly made

With \_\_\_ Ordinary Shares out of \_\_\_\_\_ Ordinary Shares represented and voting at the meeting (without abstaining votes) voting for (with \_\_\_ votes against); and with \_\_\_ Ordinary Shares out of \_\_\_\_\_ Ordinary Shares represented and voting at the meeting (without abstaining votes) and who are not the controlling shareholders of the Company or shareholders having a personal interest in the approval of the said resolution voting for (with \_\_\_ votes against of such shareholders); it is hereby

**RESOLVED:**

*Following the approval of the Compensation Committee and of the Board, to approve the grant by the Company of an Indemnification Letter to all of the Company's officers and directors (as shall be in office from time to time), including the Company's CEO and officers and directors who might be deemed controlling shareholders.*

*That the aforesaid resolution is in the best interest of the Company".*

2. Following the approval of the Company's Compensation Committee and of the Board – grant of 18,000 options to Mr. Erez Nachtomny

**Further information with respect to item 2:**

It is proposed to grant 18,000 options exercisable into 18,000 ordinary shares of NIS 0.01 par value each of the Company (the "**Options**"), to Mr. Erez Nachtomny, a director of the Company.

The exercise price of each Option shall be the average closing price of the Company's share on the Swiss stock exchange in the 30 trading days preceding the Board of Directors' resolution to approve the said grant of Options (i.e. CHF 6.51).

The Options' vesting schedule shall be: a third following twelve (12) months of the engagement as a director (i.e., December 10, 2018), and the remainder in 8 equal parts, with full vesting to be completed within thirty-six (36) months of the engagement as a director (i.e., December 10, 2018), subject to Mr. Nachtomny's

continued engagement at the relevant vesting time. The grant is subject to the Company's procurement of all approvals and permits required by applicable law or regulatory authorities having jurisdiction over the Company's 2015 Executive and Key Employee Israeli Share Option Plan (the "**Plan**"), the Options and the shares issued pursuant to it, and subject to the completion of any procedure required by applicable law.

For the sake of caution, it is hereby noted that since Mr. Erez Nachtomy has business relations with the Alroy Group – which may be deemed controlling shareholders of the Company – and thus, the aforesaid grant of options will be subject to the approval of the General Meeting of the Shareholders by a special majority pursuant to Sections 270(4) and 275 of the Companies Law.

It is proposed that at the SGM, the following resolutions be adopted:

*“RESOLVED:*

*WHEREAS, the Company's Compensation Committee and the Board have approved the grant of Options to Mr. Erez Nachtomy; and*

*WHEREAS, pursuant to Sections 270(4) and 275 of the Companies Law, such grant of Options, being a transaction in which the deemed controlling shareholders of the Company may be interested, requires the affirmative vote of a majority of shares present at the Special General Meeting, in person or by proxy or ballot, and voting thereon, provided however, that either (i) the majority vote at the general meeting includes a majority of the shareholders voting power represented at the Special General Meeting and who are not the controlling shareholders of the Company or shareholders having a personal interest in the approval of the grant of Options and voting thereon (without abstaining votes); or (ii) the total number of objecting votes of those shareholders who are listed under (i) and who participate in the vote does not exceed two percent (2%) of all of the voting rights in the Company; and that prior to voting, shareholders (or their representatives) are required to disclose whether they are controlling shareholders or whether they have a personal interest in the adoption of the resolution.*

*Appendix A includes the declarations provided by each shareholder indicating whether he/she/it is or is deemed to be considered a controlling shareholder for the purpose of this item on the agenda, or his/hers/its personal interest in the adoption of the said resolution, all pursuant to Section 270(4), Section 275 and Section 276 of the Companies Law.*

*NOW THEREFORE, upon motion duly made*

*With \_\_\_ Ordinary Shares out of \_\_\_\_\_ Ordinary Shares represented at the meeting and entitled to vote thereon voting for (with \_\_\_ votes against); and with \_\_\_ Ordinary Shares out of \_\_\_\_\_ Ordinary Shares represented at the meeting and entitled to vote thereon and who are not the controlling shareholders of the Company or shareholders having a personal interest in the approval of the grant of Options voting for (with \_\_\_ votes against of such shareholders); it is hereby*

**RESOLVED:**

*Following the approval of the Compensation Committee and of the Board, to approve and authorize in all respects the grant to Mr. Erez Nachtomy, of 18,000 options to purchase 18,000 ordinary shares of the Company (the “Options”), under Section 102 or Section 3(9) of the Israeli Tax Ordinance, as the case may be, under the Plan or any replacement thereof, all as of his appointment, at an exercise price equal to the average trading price of the Company’s Ordinary Shares during the thirty (30) trading days prior to the date of approval by the Board (i.e. CHF 6.51), and subject to the Company’s procurement of all approvals and permits required by applicable law or regulatory authorities having jurisdiction over the Plan, the Options and the shares issued pursuant to it, and subject to the completion of any procedure required by applicable law; The Options' vesting schedule shall be: a third following twelve (12) months of engagement as a director (i.e., December 10, 2018), and the remainder in 8 equal parts (each 3 month period), with full vesting to be completed within thirty-six (36) months of engagement as a director (i.e., December 10, 2018), subject to continued engagement of Mr. Nachtomy at the relevant vesting time.*

*That the aforesaid resolution is in the best interest of the Company”.*

3. Amendment to the Articles of Association of the Company

**Further information with respect to item 3:**

It is noted that according to Section 66 of the Companies Law, one or more shareholders holding at least one percent of the voting rights may request the Board to include an item on the agenda of the General Meeting provided that the it is suitable for discussion at the General Meeting.

The Board has approved the request of the Alroy Group, holding more than one percent of the voting rights of the Company, to further include on the agenda for the Special General Meeting the following proposed amendment to the Company’s Articles of Association (the “**Amendment**”):

*“Notwithstanding anything to the contrary contained in this Article 50, each shareholder holding 5% or more of the Company’s shares or voting rights (the “Shareholder”) and each member of the Board of Directors of the Company is obliged to provide the Company with an address in Israel for the receiving of documents (including judicial documents) (the “Address”). As long as such Address has not been provided, the Company’s registered office will be considered as the Shareholder’s and/or director’s Address for the receiving of documents (including judicial documents). In the event of contradiction between the provisions of this Sub-Article 50(d) and any other provisions contained in any of the other Sub-Articles of this Article 50, the provisions of this Sub-Article 50(d) shall prevail”*

A copy of the Articles of Association of the Company proposed to be amended pursuant to the Amendment, is attached hereto as **Exhibit B**.

It is proposed that at the SGM, the following resolutions be adopted:

*"Upon a motion duly made, with \_\_\_ Ordinary Shares out of \_\_\_\_\_ Ordinary Shares represented and voting at the meeting (without abstaining votes) voting for (with \_\_\_ votes against); it is hereby*

**RESOLVED:**

*To amend Article 50 of the Company's Articles of Association by adding the following sub-article 50(d):*

*"Notwithstanding anything to the contrary contained in this Article 50, each shareholder holding 5% or more of the Company's shares or voting rights (the "**Shareholder**") and each member of the Board of Directors of the Company is obliged to provide the Company with an address in Israel for the receiving of documents (including judicial documents) (the "**Address**"). As long as such Address has not been provided, the Company's registered office will be considered as the Shareholder's and/or director's Address for the receiving of documents (including judicial documents). In the event of contradiction between the provisions of this Sub- Article 50(d) and any other provisions contained in any of the other Sub-Articles of this Article 50, the provisions of this Sub-Article 50(d) shall prevail."*

For the sake of caution, it is noted that the Alroy Group may be deemed to be controlling shareholders for the purposes of the Companies Law,(due to the suspension of the voting rights of Himalaya (Cayman Islands) TMT Fund, Himalaya Asset Management Ltd., Xiang Xu, Kun Shen and Mengke Cai pursuant to the Swiss Takeover Board's resolution). Thus, pursuant to Section 270(4) and Section 275 of the Companies Law, the approval of resolutions 1 and 2 requires the affirmative vote of a majority of shares present at the Special General Meeting, in person or by proxy or ballot, and voting thereon, provided however, that either (i) the majority vote at the general meeting includes a majority of the shareholders voting power represented at the Special General Meeting and who are not the controlling shareholders of the Company or shareholders having a personal interest in the approval of the said resolutions and voting thereon (without abstaining votes); or (ii) the total number of objecting votes of those shareholders who are listed under (i) and who participate in the vote does not exceed two percent (2%) of all of the voting rights in the Company. Prior to voting, shareholders (or their representatives) are required to disclose whether they are controlling shareholders or whether they have a personal interest in the adoption of the applicable resolution.

Pursuant to Section 20 of the Companies Law and to Article 54 of the Articles of Association of the Company, the approval of resolution 3 requires the consent of the holders of a simple majority of the voting power represented at the Special General Meeting in person or by proxy, as the case may be, and voting thereon.

The record date for the right to participate and vote in the Special General Meeting was set as **January 24, 2019** (the “**Record Date**”). All shareholders at the Record Date who are entitled to vote may participate and vote in the Special General Meeting by attending the meeting in person or by proxy (the “**Proxy**”). Pursuant to the regulations promulgated under the Companies Law, shareholders may also vote on resolutions 1 and 2 on the agenda of the Special General Meeting by submitting a written ballot with respect thereto (the “**Ballot**”). Vote on resolution 3 must be done by attending the meeting in person or by Proxy.

The Ballot, the form of Proxy and the Notice to Shareholders are also available on the Company’s website at <http://www.shl-telemedicine.com/about-us/investorrelations/general-meeting>. Kindly note that no hard copies shall be mailed to shareholders, however should a shareholder so request, Company shall mail same to him/her/it.

Each Proxy must be delivered to the Company's Registered Office (for the attention of Mr. Yossi Vadnagra - CFO), not later than 48 hours prior to the Special General Meeting. A specimen of the Proxy is available on the Company’s website at <http://www.shl-telemedicine.com/about-us/investorrelations/general-meeting>. The Proxy, if executed and sent, should be in the name of a person who is attending the Special General Meeting.

The Ballot must be delivered to the Registered Office of the Company (for the attention of Mr. Yossi Vadnagra - CFO) not later than 4 hours prior to the Special General Meeting. For the Ballot to become effective: (i) any shareholder whose shares are registered with the Company's registrar of shareholders must enclose a copy of such shareholder's identity card, passport or certificate of incorporation, as the case may be; and (ii) any shareholder whose shares are registered with Computershare Schweiz AG must enclose a written confirmation from it as to its ownership of the voting shares. Confirmations regarding share registration can be obtained at Computershare Schweiz AG, P.O. Box, 4601 Olten, Switzerland, [share.register@computershare.ch](mailto:share.register@computershare.ch); +41 62 205 77 00.

A specimen of the Ballot is posted on the Company’s website. **Kindly note that the vote by Ballot is by filling in part II of the Ballot.**

A shareholder electing to distribute a shareholder statement (a “**Shareholder Statement**”), must deliver same to the Registered Office of the Company (for the attention of Mr. Yossi Vadnagra - CFO) not later than ten (10) days prior to the Special General Meeting. A shareholder submitting the Shareholder Statement, who acts in concert with others with respect to voting in shareholder meetings, whether in general or with respect to certain matter(s) on the agenda, shall indicate so in the Shareholder Statement, and shall describe the aforementioned arrangements and the identity of the shareholders so acting in concert. Copies of any Shareholder Statement shall be available at the Company’s Registered Office, on the Company’s website at <http://www.shl-telemedicine.com/about-us/investorrelations/general-meeting>, commencing no later than one (1) business day following receipt thereof. Should the Company elect to

state its position with respect to such Shareholder Statement, copies of such position (the "**Company Statement**") shall be available at the Company's Registered Office and on the Company's website, no later than five (5) days prior to the Special General Meeting.

Any Shareholder Statement must be written in a clear and simple language, and shall include no more than 500 words per subject matter. A Shareholder Statement shall detail the identity of such shareholder, as well as his percentage interest in the Company; a shareholder who is a corporate entity shall detail the identity of its controlling shareholder(s), as well as additional holdings (if any) of such controlling shareholder(s) in shares of the Company, to the best knowledge of the shareholder submitting the Shareholder Statement. A shareholder submitting the Shareholder Statement, who acts in concert with others with respect to voting in shareholder meetings, whether in general or with respect to certain matter(s) on the agendas, shall indicate so in the Shareholder Statement, and shall describe the aforementioned arrangements and the identity of the shareholders so acting in concert. Any shareholder (as well as any shareholder acting in concert with such shareholder) having a personal interest in any matter on the agendas, shall describe the nature of such personal interest.

Any shareholder may revoke his/hers/its Ballot by submitting a cancellation notice (the "**Cancellation Notice**"). The Cancellation Notice together with sufficient proof as to the identity of such canceling shareholder, to the absolute discretion of Mr. Yossi Vadnagra, must be delivered to the Registered Office of the Company (for the attention of Mr. Yossi Vadnagra - CFO) not later than 24 hours prior to the Special General Meeting. Any such shareholder submitting a Cancellation Notice may only vote by attending the Special General Meeting in person or by Proxy.

One or more shareholders holding shares representing at least one percent (1%) of the voting rights at the General Meeting may request the Board, in writing, not later than seven (7) days from the date of the invitation to the Special General Meeting, to include an item on the agenda of the Special General Meeting to be held. Such item shall be included on the Special General Meeting's agenda, provided that the Board found it to be suitable for discussion at the Special General Meeting. Should there be any changes in the agenda of the Special General Meeting due to such shareholder's request, amended Ballot and Notice shall be available on the Company's website at <http://www.shl-telemedicine.com/about-us/investorrelations/general-meeting> not later than fourteen (14) days from the date of the invitation to the Special General Meeting.

One or more shareholders holding, at the Record Date, shares representing five percent (5%) or more of the total voting power in the Company, as well as any holder of such percentage out of the total voting power not held by controlling shareholder(s), as such term is defined under Section 268 of the Companies Law, may, following the Special General Meeting, in person or by proxy, inspect the Ballots and the record thereof at the Company's Registered Office (Tel: +972-3-5633888), Sunday to Thursday, between 9:00 to 17:00 (Israel time). The competent court may, at the request of any shareholder who does not hold, at the Record Date, the aforementioned percentage, instruct the Company to allow the inspection of said documents and records, in whole or in part, on terms and conditions determined by the court.

In accordance with Article 21 of the Company's Articles of Association, two or more shareholders present in person or by proxy and holding shares conferring in the aggregate thirty three and one third percent (33 $\frac{1}{3}$ %) or more of the voting power of the Company, shall constitute a quorum at the Special General Meeting. If within half an hour from the time appointed for the Special General Meeting, a quorum is not present, the Special General Meeting shall stand adjourned immediately thereafter (i.e. on the same day, at 13:30 (Israel time), at the same place) and in the adjourned meeting any two shareholders shall constitute a quorum.

S H L Telemedicine Ltd.

**Exhibit A – Indemnification Letter**

**Exhibit B – Amended Articles of Association**