

July 11, 2018

Safe-T Group Ltd.

(hereafter – “the Company”)

To
Israel Securities Authority
www.magna.isa.gov.il

To
Tel Aviv Stock Exchange Ltd.
www.maya.tase.co.il

Re: Immediate Report on the Convening of an Annual and Special General Meeting of the Company’s Shareholders

In accordance with the Companies Law, 1999 (hereafter - "**Companies Law** "), the Securities Regulations (Periodic and Immediate Reports), 1970 (hereafter - "**Reports Regulations**"), the Companies Regulations (Notice of General Meeting and Class Meeting in a Public Company), 2000, Companies Regulations (Voting Ballot and Position Papers), 2005, and Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at the General Meeting), 2000, notice is hereby given of the publication of an immediate report (hereafter – "**the Report**") regarding the convening of an Annual and Special General Meeting of the Shareholders of the Company (hereafter – "**the Meeting**") to be held on Sunday, August 12 at 15:00 o'clock at the Company's offices at 8 Abba Even St., Herzliya, Entrance A, Floor 1.

1. Items on the agenda of the general meeting and summary of the suggested resolutions:

1.1 Presentation of the Company’s audited financial statements, the Company’s Directors’ Report and the annual periodic report for the year ended December 31, 2017¹ (hereafter – "**the Periodic Report for the Year 2017**").

1.2 Extending the term of office of the Company’s independent auditor through the end of the next annual general meeting of the Company and determining its fees;

For details about the fees that were paid to the Company’s independent auditor - Kesselman & Kesselman CPAs - in respect of the year 2017, see section 4.5 in Chapter B (Directors’ Report) of the Periodic Report for the Year 2017.

The suggested resolution:

To extend the term of office of the Company’s independent auditor - Kesselman & Kesselman CPAs - through the end of the next annual general meeting of the Company and to authorize the Company’s Board of Directors to determine its fees.

1.3 Re-appointment of Company directors, who are not external directors

It is suggested to re-appoint all Company directors, who are not external directors: Mr. Amir Mizhar (who serves as active Chairman of the Board of Directors), Mr. Shahar Daniel (who also serves as the Company’s CEO), Mr. Yuval Illuz, Mr. Lior Vider and Mr. Eylon Jeda (hereafter – "**the directors who are candidates for re-appointment**") for an additional term of service as Company directors as from the date of approval of reappointment thereof by the Meeting through the date of the next annual general meeting, pursuant to the Company’s articles of association.

For details regarding the directors who are candidates for re-appointment, as required pursuant to Regulations 26 and 36B(a)(10) to the Reports Regulations, see Appendix A of Chapter D (Additional Information Regarding the Corporation) of the Periodic Report for the Year 2017.

¹ As published on March 25, 2018, reference no. 2018-01-023235, which is incorporated in this report by way of reference.

Declarations on behalf of the directors who are candidates for re-appointment, whereby the required conditions for their service as Company directors in accordance with Section 224b to the Companies Law are met, are attached as **Appendix A** to this Report.

Subject to their reappointment by the Meeting, Mr. Lior Vider and Mr. Eylon Jeda shall continue to be entitled to a participation payment and an annual payment equal to the minimal amount set in the second and third addendum to the Companies Regulations (Rules Regarding Remuneration and Expenses to External Director), 2000.

For details regarding the terms of remuneration of Mr. Amir Mizhar for his service as active Chairman of the Board of Directors and of Mr. Yuval Illuz for his service as a Company director, as approved by the General Meeting of the Company's Shareholders on May 8, 2016, see the amended summons to convene the General Meeting of the Company's Shareholders that was published by the Company on May 3, 2016 (reference no: 2016-01-058504) (hereafter – "**Summons to Convene the Annual Meeting 2016**"), which is incorporated in this Report by way of reference. For details regarding the terms of remuneration of Mr. Shahar Daniel for his service as the Company's CEO, as approved by the General Meeting of the Company's Shareholders on May 8, 2016 and on August 8, 2017, see the Summons to Convene the Annual Meeting 2016 and an amended summons to convene the General Meeting of the Company's Shareholders as published by the Company on August 2, 2017, reference no.: 2017-01-066517, which is incorporated in this Report by way of reference. For the avoidance of doubt, it is clarified that Mr. Shahar Daniel shall not be entitled to additional remuneration for his service as a Company director, in excess of the amount paid to him for his service as the Company's CEO, as described above.

Furthermore, subject to their re-appointment, the directors shall continue to be entitled to exemption, indemnification and insurance arrangements in accordance with the Company's remuneration policy.

For the avoidance of doubt, it is hereby clarified that the re-appointment of each of the directors, who are candidates for re-appointment, shall be voted on separately for each and every such director.

1.4 **Transition to reporting in accordance with the U.S. securities laws**

It is suggested that subject to and upon the completion of the listing of the Company's shares on the NASDAQ through ADSs, at such time when the Company will be required to report pursuant to the U.S. Securities Exchange Act of 1934 (hereafter – "**the U.S. Securities Laws**") the Company will transition from reporting pursuant to Chapter F of the Securities Law, 1968 (hereafter – "**the Securities Law**"), to reporting pursuant to Chapter E3 of the Securities Law and the regulations promulgated thereunder, i.e., reporting in accordance with the U.S. Securities Laws; the transition will be carried out pursuant to Section 35FF of the Companies Law and subject to the conditions set out therein.

It is hereby clarified that upon the transition to reporting in accordance with Chapter E3 of the Securities Law as described above, the Company shall file the reports it will publish to The United States Securities and Exchange Commission and will simultaneously publish those reports on the MAGNA website - the Distribution Website of the Israel Securities Authority.

The decision to carry out a transition from reporting pursuant to Chapter F of the Securities Law to reporting pursuant to the U.S. Securities Laws, as described above, is subject to the approval of the General Meeting of the Company's Shareholders, which is convened pursuant to this Report, and to the approval of a separate meeting of the holders of the Company's other securities; all such resolutions should be passed at the majority referred to in section 2 to this Report.

The suggested resolution

It is suggested to approve, subject to and upon the completion of the listing of the Company's shares on the NASDAQ through ADSs, the transition from Company's reporting pursuant to Chapter F to the Securities Law, to reporting pursuant to Chapter E3 of the Securities Law and the regulations promulgated thereunder.

1.5 Reduction of the exercise price of the non-tradable warrants that were awarded to Company office holders.

Further to the approval of the Remuneration Committee and the Company's Board of Directors, of June 14, and 20, respectively, it is suggested to reduce the exercise price of 231,840 warrants, which are exercisable into ordinary Company shares of no par value (hereafter – "**the Warrants**") that were awarded to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director, on September 15, 2016 and on August 8, 2017, and the exercise price of 28,240 warrants that were awarded to Mr. Yuval Illuz, who serves as a Company director, on September 15, 2016, under the provisions of an outline plan of options to employees²; it is suggested to reduce the exercise price of each warrant to NIS 4.5 (instead of an exercise prices of NIS 4.887 for 131,840 warrants and exercise price of NIS 6.371 for 100,000 warrants to Mr. Daniel, and instead of an exercise price of NIS 4.887 per warrant for Mr. Illuz).

The aforementioned reduction of the exercise prices is suggested further to the resolutions of Remuneration Committee and the Company's Board of Directors, of June 14, and 20, respectively, to reduce the exercise price of the warrants that were awarded to all Company's employees and office holders to a total of NIS 4.5 per warrant (instead of exercise prices in the range of NIS 4.887 to NIS 6.976)³; the objective of the said resolutions was to update the exercise prices of the warrants to reflect a suitable incentive to employees in order to motivate them to work towards the success of the Company's.

It should be noted that except for the reduction of the exercise price as described above, the remaining terms of the warrants were not changed. For further details regarding the terms of the warrants, see the 2016 Outline.

For the avoidance of doubt, it is hereby clarified that the vote as to the reduction of the exercise price of all the warrants that were awarded to Mr. Daniel and to Mr. Illuz shall be carried out separately, as described below:

1.5.1 The suggested resolution

To approve the reduction of the exercise price of 231,840 warrants that were awarded to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director, to a total of NIS 4.5 per warrant.

1.5.2 The suggested resolution

To approve the reduction of the exercise price of 28,240 warrants that were awarded to Mr. Yuval Illuz, who serves as a Company director, to a total of NIS 4.5 per warrant.

² As amended on November 17, 2016, reference no. 2016-01-079611 (hereafter- "**the 2016 Outline**").

³ For further details, see immediate report of June 20, 2018, reference no. 2018-01-059674, which is incorporated in this Report by way of reference.

1.6 Payment of an annual bonus to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director

Pursuant to the Company's Remuneration Policy, as approved on August 8, 2017⁴, the Company's Board of Directors may, further to the approval of the Remuneration Committee, approve the payment of a discretionary bonus to the Company's CEO, based, among other things, on qualitative criteria set out in the Remuneration Policy. Pursuant to the provisions of the Remuneration Policy, if the Company's CEO is not paid an annual bonus based on measurable targets in a certain year, a discretionary bonus as described above shall amount to up to 3 gross monthly salaries of the Company's CEO. On June 20, 2018 and after the approval of the Remuneration Committee on the matter had been received, the Company's Board of Directors resolved to approve the payment of a discretionary annual bonus to Mr. Daniel pursuant to the Remuneration Policy at the total amount of NIS 45.7 thousand (which constitute approximately 1.14 gross monthly salaries of Mr. Daniel), in respect of special efforts invested by Mr. Daniel and in respect of his contribution in 2017 for successful capital raising rounds of the Company, for the promotion of its business and the development of its products.

The suggested resolution

To approve the payment of a discretionary bonus of NIS 45.7 thousand in respect of the year 2017 to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director, in accordance with the Company's Remuneration Policy.

1.7 Payment of an annual bonus to Mr. Amir Mizhar, who serves as active Chairman of the Company's Board of Directors

Pursuant to the Company's Remuneration Policy, the Company's Board of Directors may, further to the approval of the Remuneration Committee, approve the payment of a discretionary bonus to the active Chairman of the Board of Directors, based, among other things, on qualitative criteria set out in the Remuneration Policy. Pursuant to the provisions of the Remuneration Policy, if the active Chairman of the Board of Directors is not paid an annual bonus based on measurable targets in a certain year, a discretionary bonus as described above shall amount to up to 3 gross monthly salaries of the active Chairman of the Board of Directors. On June 20, 2018 and after the approval of the Remuneration Committee on the matter had been received, the Company's Board of Directors resolved to approve the payment of a discretionary annual bonus to Mr. Mizhar pursuant to the Remuneration Policy at the total amount of NIS 62.8 thousand (which constitute approximately 1.14 gross monthly salaries of Mr. Mizhar), in respect of special efforts invested by Mr. Mizhar and in respect of his contribution in 2017 for successful capital raising rounds of the Company, for the promotion of its business and the development of its products.

The suggested resolution

To approve the payment of a discretionary bonus of NIS 62.8 thousand in respect of the year 2017 to Mr. Amir Mizhar, who serves as an active Chairman of the Board of Directors, in accordance with the Company's Remuneration Policy.

2. The requisite majority

- 2.1 The requisite majority for the approval of the resolutions on the agenda as set out in sections 1.2-1.3 above is the majority of all votes cast by shareholders who are entitled to participate in the Meeting and who take part in the vote.

⁴ For the wording of the Company's remuneration policy, see an amending summons to convene the General Meeting, of August 2, 2017, reference no. 2017-01-066517, which is incorporated in this Report by way of reference (hereafter – "**the Remuneration Policy**").

- 2.2 The requisite majority for the approval of the resolution on the agenda as set out in section 1.4 above is the majority required pursuant to the provisions of Section 35FF(c) to the Securities Law, i.e., the majority of all votes cast by shareholders, who are entitled to participate in the Meeting and who take part in the vote, excluding the Company's controlling shareholders.
- 2.3 The requisite majority for the approval of the resolutions on the agenda as set out in sections 1.5.2 and 1.7 above is the majority required pursuant to the provisions of Section 273(A) to the Companies Law, i.e., the majority of all votes cast by shareholders who are entitled to participate in the Meeting and who take part in the vote.
- 2.4 The requisite majority for the approval of the resolutions on the agenda as set out in sections 1.5.1 and 1.6 above is the majority required pursuant to the provisions of Section 272(C1)(1) to the Companies Law, i.e., a simple majority of all votes cast by shareholders who participate and vote in the Meeting, provided that one of the following is met: (a) A majority of votes cast at the Meeting will include a majority of votes of the shareholders who are not the controlling shareholders on the Company or have a personal interest in the approval of the remuneration policy; in counting all of the votes of the aforesaid shareholders, abstentions will not be taken into account; parties with a personal interest will be subject to the provisions of Section 276 of the Companies Law, *mutatis mutandis*; (b) the total of opposing votes among the shareholders described in section (a) above, will not exceed a rate of two percent (2%) of all of the voting rights in the Company.
- 2.5 It should be noted that pursuant to the provisions of Section 272(c)(3) of the Companies Law, even if the general meeting that is convened pursuant to this report shall object to the approval of the issues on the agenda as set out in sections 1.5.1 and 1.6 above, the Remuneration Committee and subsequently the Board of Directors may approve such transactions, provided that the Remuneration Committee and subsequently the Board of Directors decided to do so based on detailed reasons, after they discussed those transactions again and considered during such discussions, among other things, the objection of the general meeting.

3 **The record date for determining the shareholders' entitlement to vote in the Meeting**

The record date fixed for determining the right of a shareholder regarding entitlement to vote at a general meeting pursuant to Section 182(b) of the Companies Law and Regulation 3 to the Companies Regulations (Voting Ballot and Position Papers), 2005 (hereafter – "**the Voting Ballot Regulations**"), is the end of the trading day on the Stock Exchange on Sunday, July 15, 2018 (hereafter – "**the Record Date**").

As of the date of publication of this Report, the number of shares that constitutes 5% of all voting rights in the Company (including the voting rights that are not held by a controlling shareholder) is 1,421,441 ordinary Company shares.

4. **The manner of voting**

Anyone that will be a Company shareholder as of the Record Date, regardless of whether the shares are registered in his name or whether he holds them through a Member of the Stock Exchange, may participate and cast a vote in the Meeting, in person or through a proxy, and in a case of a corporation, by a person who was authorized to do so as described below. A document that appoints a person to vote as proxy (hereafter – "**the Appointment Letter**") shall be drawn up in writing and will be signed by the appointing person or by the person authorized to do so; if the appointing shareholder is a corporation, the Appointment Letter shall be signed in a manner that binds the corporation and an attorney's confirmation of the signatories' power to bind the corporation will be attached thereto. The Appointment Letter, together with a confirmation of ownership in the shares by virtue of which the power of attorney was granted, to the satisfaction of the Company's legal advisors or whoever was authorized for that purpose by the Board of Directors, shall be submitted at the Company's Offices, at 8 Abba Even St., Herzliya, Entrance A, Floor 1, at least 48 hours before the beginning of the Meeting or the adjourned meeting, as the case may be.

An unregistered shareholder shall be entitled to take part in the general meeting only if he presents to the Company, prior to the general meeting, an original confirmation regarding his ownership of the Company's shares as of the Record Date, by the Member of the Stock Exchange with whom his right to the share is registered, pursuant to the form set out in the addendum to the Companies Regulations (Proof of Ownership of a Share for the Purpose of Voting at the General Meeting), 2000 (hereafter – **"the Ownership Confirmation"**) or alternatively, if he sends to the Company an Ownership Confirmation through the electronic voting system. An unregistered shareholder is entitled to receive the Ownership Confirmation at a branch of the Member of the Stock Exchange or delivered by post at his request (for postage fees), as long as the request in this case is submitted in advance to a specific securities account. Furthermore, an unregistered shareholder may instruct that his Ownership Confirmation be delivered to the Company through the electronic voting system.

5. **Voting by written voting ballots and position papers**

A shareholder may vote in the general meeting in connection with the approval of the resolutions on the agenda of the Meeting as set out in section 1 above, by the written voting ballot as described below (hereafter – **"the Voting Ballot"**). A shareholder may also express his position on the said issue through position papers.

Voting by written Voting Ballots shall be done using the second part of the Voting Ballot, in which the shareholder will note his manner of vote in connection with the resolutions on the agenda. The Voting Ballot shall only be valid if an Ownership Confirmation is attached thereto, if the shareholder is an unregistered shareholder (as defined in Section 177(1) to the Companies Law, or a photocopy of an identity card, passport or certificate of incorporation, where the shareholder is registered as the owner of the share in the Company's shareholders register. The Voting Ballot and the said confirmations should be delivered to the Company's Offices, at 8 Abba Even St., Herzliya, Entrance A, Floor 1, no later than 4 hours prior to the time of the convening of the Meeting. For that purpose, the time of delivery is the time on which the Voting Ballot and the attached documents were received at the offices of the Company's legal advisors as described above. As long as the Voting Ballots in which the shareholders noted their votes reached the Company until the deadline set for that purpose as described above, this shall be considered as those shareholders' being present in the Meeting for purposes of checking the legal quorum for the convening of the Meeting.

The deadline for submission of position papers to the Company is: August 2, 2018.

The deadline for submitting the Board of Directors' response to the position papers is: August 7, 2018.

The deadline for submitting the Voting Ballots to the Company is: Sunday, August 12, 2018 at 11:00 o'clock.

The texts of the Voting Ballot and any position papers are available on the distribution website of the Securities Authority [/http://www.magna.isa.gov.il](http://www.magna.isa.gov.il) (hereafter – **"the Distribution Website"**) and on the website of the Tel Aviv Stock Exchange Ltd. [/http://maya.tase.co.il](http://maya.tase.co.il) (hereafter – **"the Stock Exchange's Website"**)

A shareholder is entitled to contact the Company directly and receive from it the texts of the Voting Ballot and the position papers. An unregistered shareholder is entitled to receive by electronic mail and free of charge a link to the texts of the Voting Ballot and the position papers on the Distribution Website from the Member of the Stock Exchange through whom he holds his shares, unless he had informed that Member of the Stock Exchange that he does not wish to receive such a link, so long as the notification was given concerning a specific securities account and prior to the Record Date, or if he has notified that he wishes to receive the Voting Ballots by post (for postage fees). Such notice regarding the Voting Ballots shall also apply to receipt of position papers.

A shareholder may approach the offices of the Company's legal advisors – no later than 24 hours before the date on which the general meeting is to convene – and withdraw his Voting Ballot and Ownership Confirmation after he has proven his identity to the satisfaction of the Company's legal advisors or another employee who was appointed for that purpose.

6. **Voting by means the electronic Voting Ballot**

As mentioned above, an unregistered shareholder may vote with respect to all of the resolutions on the agenda of the Meeting as set out in section 1 above by means of a Voting Ballot that will be sent through the electronic voting system, as defined in the voting regulations (hereafter – “**the Electronic Ballot**”).

The Electronic Ballot is opened for voting at the end of the Record Date. Voting through the Electronic Voting System will end 6 hours before the time of the Meeting (i.e., - Sunday, August 12, at 09:00 o'clock, at which point, the Electronic Voting System is locked.

The electronic vote can be changed or cancelled until the time on which the electronic system is locked and it will not be possible to change it through the electronic voting system after that time. If the shareholder voted in more than one way, his latest vote shall count. In that regard, the shareholder's vote in person or through a proxy shall be considered as a vote that was cast later than a vote through the Electronic Ballot.

7. **Legal quorum and adjourned meeting**

According to the Company's Articles of Association, two (2) or more shareholders, present in person, by Voting Ballot or by proxy within half an hour from the time appointed for the opening of the Meeting, and holding at least twenty five percent (25%) of the total voting rights in the Company shall constitute a legal quorum for holding the Meeting. If within half an hour from the time appointed for the opening of the Meeting a legal quorum is not present, the Meeting shall be cancelled if it was convened at the request of a shareholder, or in any other case it shall stand adjourned to the same day the following week, at the same time and place, and there will be no obligation to issue a notice to that effect to the shareholders (hereafter – “**the Adjourned Meeting**”). The requisite quorum at an Adjourned Meeting shall be one shareholder, regardless of his shareholding in the Company.

8. **Perusal of documents**

The shareholders who are entitled to take part in the Meeting may peruse the documents relating to the issues on the agenda of the Meeting at the Company's Offices at 8 Abba Even St., Herzliya, Entrance A, Floor 1, by prior arrangement with Mr. Shai Avnit, the Company's Chief Financial Officer at: 09-8666110 prior to the date of convening of the Meeting.

Sincerely,

Safe-T Group Ltd.

By Shai Avnit, Chief Financial Officer

Appendix A – Directors' Declarations

Safe-T Group Ltd.

Voting Ballot in accordance with the Companies Regulations (Voting Ballot and Position Papers), 2005 (hereafter – “the Regulations”)

Part One

1. **Company’s name:** Safe-T Group Ltd. (hereafter – “the Company”).
2. **Type of general meeting and date and place of convening thereof:** annual, general and special meeting of the shareholders of the Company (hereafter – “the Meeting”). The Meeting will be held on Sunday, August 12, 2018 at 15:00 o’clock at the Company’s offices at 8 Abba Even St., Herzliya, Entrance A, Floor 1. Should the Meeting be adjourned since a legal quorum is not present, an adjourned meeting shall take place on Sunday, August 19, 2018, at the same time and at the same place.
3. **Subject on the agenda, in respect of which one can vote through a voting ballot:**
 - 3.1 Extending the term of office of the Company’s independent auditor through the end of the next annual general meeting of the Company and determining its fees.

Summary of the proposed resolution: to approve the extension of the term of office of Kesselman & Kesselman CPAs as the Company’s independent auditor through the end of the next annual general meeting of the Company and to authorize the Company’s Board of Directors to determine the auditor’s fees.
 - 3.2 Re-appointment of Company directors, who are not external directors.

It is suggested to re-appoint all Company directors, who are not external directors: Mr. Amir Mizhar (who serves as active Chairman of the Board of Directors), Mr. Shahar Daniel (who also serves as the Company’s CEO), Mr. Yuval Illuz, Mr. Lior Vider and Mr. Eylon Jeda (hereafter – “**the directors who are candidates for re-appointment**”) for an additional term of service as Company directors as from the date of approval of re-appointment thereof by the Meeting through the date of the next annual general meeting, pursuant to the Company’s articles of association.

For the avoidance of doubt, it is hereby clarified that the re-appointment of each of the directors, who are candidates for re-appointment, shall be voted on separately for each and every such director, as set out in the second part of this voting ballot.
 - 3.3 Transition to reporting in accordance with the U.S securities laws.

Summary of the proposed resolution: it is suggested to approve, subject to and upon the completion of the listing of the Company’s shares on the NASDAQ through ADSs, the transition from Company’s reporting pursuant to Chapter F to the Securities Law, 1968 (hereafter – “**the Securities Law**”), to reporting pursuant to Chapter E3 of the Securities Law and the regulations promulgated thereunder.
 - 3.4 Reduction of the exercise price of the non-tradable warrants that were awarded to Company office holders.
 - 3.4.1 Summary of the proposed resolution: it is suggested to approve the reduction of the exercise price of 231,840 warrants that were awarded to Mr. Shahar Daniel, who serves as the Company’s CEO and as a Company director, to a total of NIS 4.5 per warrant.

3.4.2 Summary of the proposed resolution: it is suggested to approve the reduction of the exercise price of 28,240 warrants that were awarded to Mr. Yuval Illuz, who serves as a Company director, to a total of NIS 4.5 per warrant.

3.5 Payment of an annual bonus to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director.

Summary of the proposed resolution: it is suggested to approve the payment of a discretionary bonus of NIS 45.7 thousand in respect of the year 2017 to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director, in accordance with the Company's remuneration policy.

3.6 Payment of an annual bonus to Mr. Amir Mizhar, who serves as active Chairman of the Board of Directors.

Summary of the proposed resolution: it is suggested to approve the payment of a discretionary bonus of NIS 62.8 thousand in respect of the year 2017 to Mr. Amir Mizhar, who serves as active Chairman of the Board of Directors, in accordance with the Company's remuneration policy.

4. Time and place for reading the full text of the proposed resolutions

The shareholders who are entitled to take part in the Meeting may read the documents relating to the issues on the agenda of the Meeting at the Company's Offices at 8 Abba Even St., Herzliya, Entrance A, Floor 1, by prior arrangement with Mr. Shai Avnit, the Company's Chief Financial Officer at: 09-8666110 prior to the date of convening of the Meeting.

5. Requisite majority for resolutions on issues on the agenda of the Meeting

5.1 The requisite majority for the approval of the resolutions on the agenda as set out in sections 3.1-3.2 above is the majority of all votes cast by shareholders who are entitled to participate in the Meeting and who take part in the vote.

5.2 The requisite majority for the approval of the resolution on the agenda as set out in sections 3.3 above is the majority required pursuant to the provisions of Section 35FF(c) to the Securities Law, i.e., the majority of all votes cast by shareholders, who are entitled to participate in the Meeting and who take part in the vote, excluding the Company's controlling shareholders.

5.3 The requisite majority for the approval of the resolutions on the agenda as set out in sections 3.4.2 and 3.6 above is the majority required pursuant to the provisions of Section 273(A) to the Companies Law, 1999 (hereafter – "**the Companies Law**"), i.e., the majority of all votes cast by shareholders who are entitled to participate in the Meeting and who take part in the vote.

5.4 The requisite majority for the approval of the resolutions on the agenda as set out in sections 3.4.1 and 3.5 above is the majority required pursuant to the provisions of Section 272(C1)(1) to the Companies Law, i.e., a simple majority of all votes cast by shareholders who participate and vote in the Meeting, provided that one of the following is met: (a) A majority of votes cast at the Meeting will include a majority of votes of the shareholders who are not the controlling shareholders of the Company or have a personal interest in the approval of the remuneration policy; in counting all of the votes of the aforesaid shareholders, abstentions will not be taken into account; parties with a personal interest will be subject to the provisions of Section 276 of the Companies Law, *mutatis mutandis*; (b) the total of opposing votes among the shareholders described in section (a) above, will not exceed a rate of two percent (2%) of all of the voting rights in the Company.

5.5 It should be noted that pursuant to the provisions of Section 272(c)(3) of the Companies Law, even if the general meeting that is convened pursuant to this report shall object to the approval of the issues on the agenda as set out in sections 3.4.1 and 3.5 above, the Remuneration Committee and subsequently the Board of Directors may approve such transactions, provided that the Remuneration Committee and the Board of Directors decided to do so based on detailed reasons, after they discussed those transactions again and considered during such discussions, among other things, the objection of the general meeting.

6. **Disclosing whether shareholders have or do not have an interest in a resolution**

Each of the issues set out in sections 3.3, 3.4.1 and 3.5 above is an issue that requires the shareholders who participate in the vote pursuant to this voting ballot to disclose whether they have or do not have an interest or another characteristic thereof as required pursuant to the provisions of the Companies Law, the Securities Law and the regulations promulgated thereunder. Part two of this voting ballot includes a designated space in which shareholders are to note whether they have or do not have an interest or any other characteristic thereof, as required pursuant to the provisions of the Companies Law and the regulations promulgated thereunder, and to provide details of such interest, if any, regarding the issues set out in sections 3.3, 3.4.1 and 3.5 above. It should be noted that if a shareholder shall not note whether he has an interest or any other characteristic thereof or shall not provide details as described above, his vote shall not be taken into account in counting the votes.

7. **The validity of the voting ballot**

7.1 The voting ballot shall only be valid if an ownership confirmation of the unregistered shareholder was attached thereto, i.e., confirmation of ownership of the person, in whose favor the shares are registered with a Member of the Stock Exchange and those shares are registered in the Company's shareholders register in the name of the nominee company; or if a photocopy of an identity card, passport or certificate of incorporation is attached thereto, where the shareholder is registered as the owner of the share in the Company's shareholders register (hereafter together – **"the attached documents"**).

7.2 This voting ballot together with the attached documents as described above, should be delivered to the Company no later than 4 hours prior to the time of vote (i.e. – Sunday, August 12, 2018, at 15:00 o'clock). For that purpose, the time of delivery is the time on which the voting ballot and the attached documents arrived to the Company's Offices, at the address set out above.

8. **Voting by means the electronic voting ballot**

An unregistered shareholder may vote with respect to all of the resolutions on the agenda of the Meeting as set out in section 2 of the convening report by means of a ballot that will be sent through the electronic voting system, as defined in the voting regulations (hereafter – **"the Electronic Ballot"**).

The Electronic Ballot is opened for voting at the end of the record date. Voting through the Electronic Voting System will end 6 hours before the time of the Meeting (i.e., - Sunday, August 12, at 09:00 o'clock, at which point, the Electronic Voting System is locked.

The electronic vote can be changed or cancelled until the time on which the electronic system is locked and it will not be possible to change it through the electronic voting system after that time. If the shareholder voted in more than one way, his latest vote shall count. In that regard, the shareholder's vote in person or through a proxy shall be considered as a vote that was cast later than a vote through the Electronic Ballot.

9. **Address for delivery of voting ballots and position papers:**

The Company's Offices as described in section 4 above.

10. **The deadline for submission of position papers to the Company:**

No later than 10 days prior to the date of the Meeting, i.e. August 2, 2018 (hereafter – **“the deadline for submission of position papers by the shareholders”**).

11. **The deadline for submission of the Board of Directors' response to the position papers:**

No later than 5 days prior to the date of the Meeting, i.e., August 7, 2018.

12. **The address of distribution website of the Israel Securities Authority, the website of the Tel-Aviv Stock Exchange Ltd. and the website of the Company, on which the voting ballots and position papers will be available:**

12.1 The distribution website of the Israeli Securities Authority (hereafter – **“the Distribution Website”**): <http://www.magna.isa.gov.il/>

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

12.3 The Company's website: [/https://www.safe-t.com](https://www.safe-t.com)

13. **Ownership confirmations**

A shareholder is entitled to receive the ownership confirmation at a branch of the member of the Stock Exchange or delivered by post at his request, as long as the request in this matter is submitted in advance to a specific securities account.

14. **Receipt of voting ballots and position papers**

An unregistered shareholder is entitled to receive by electronic mail and free of charge, a link to the texts of the voting ballot and the position papers at the Distribution Website from the member of the stock exchange through whom he holds his shares, unless he has informed that member of the stock exchange that he does not wish to receive such a link, or if he has notified that he wishes to receive the voting ballots by post (for postage fees). Such notice regarding the voting ballots shall also apply to receipt of position papers. Furthermore, an unregistered shareholder may instruct that his ownership confirmation be delivered to the Company through the electronic voting system.

15. **Perusal of the voting ballots**

One or more shareholders holding shares constituting five percent or more of the total voting rights in the Company and anyone holding such a percentage of total voting rights not held by the Company's controlling shareholder as defined in Section 268 of the Companies Law (hereafter – **“the Controlling Shareholder”**), is entitled to peruse the voting ballots by himself or by proxy after the convening of the Meeting, as described in regulation 10 to the Regulations, at the Company's Offices during normal business hours.

15.1 The number of shares constituting 5% of the total voting rights in the Company is 1,421,441 ordinary shares of the Company (taking into account dormant shares that do not confer voting rights).

15.2 The number of shares constituting 5% of the total voting rights in the Company that are not held by the Controlling Shareholder is 1,421,441 ordinary shares of the Company.

16. Changes in the agenda

After publication of the voting ballot, there may be changes to the Meeting's agenda, including the addition of an item to the agenda, and position papers may be published. The up-to-date agenda and position papers that were published, may be viewed among the Company's reports on the Distribution Website.

17. Deadline for delivery of amended voting ballot:

If the Company published an amended notice as described in Regulation 5b to the Companies Regulations (Notice and Date of a General Meeting and Class Meeting in a Public Company and the Addition of Issue to the Agenda), 2000, the Company shall issue an amended version of the voting ballot pursuant to this regulation on the date of publication of the amended notice and in any event no later than July 22, 2018.

18. Manner of voting:

A shareholder shall note his vote on the issue on the agenda in part two of this voting ballot.

Voting Ballot - Part Two

Name of the Company: **Safe-T Group Ltd.**

Company's address (for delivery and sending of voting ballots): 8 Abba Even St., Herzliya, Entrance A, Floor 1.

Company's number: 511418477

Date of Meeting: August 12, 2018.

Type of meeting: general, annual and special meeting

The record date: July 15, 2018.

Details of the shareholder

Name of shareholder: _____

I.D Number: _____

If the shareholder does not hold an Israeli identity card -

Passport number: _____

Country of issue: _____

Valid through: _____

If the shareholder is a corporation -

Corporation number: _____

Country of incorporation: _____

Is the shareholder included in one of the following types of shareholders¹:

- | | |
|--|---------------|
| 1. Interested party ² – | Yes/No |
| 2. Senior office holder ³ - | Yes/No |
| 3. Institutional investor ⁴ - | Yes/No |

¹ Please circle the suitable option in each of the sections.

² As defined in Section 1 to the Securities Law.

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

⁴ As defined in Regulation 1 of the Supervision of Financial Services (Provident Funds) (Participation of Management Company in A General Meeting) Regulations, 2009 and manager of a joint investment trust fund as defined in the Joint Investment Trust Law, 1994.

Manner of voting

The issue on the agenda	Manner of voting ⁵			With regard to the resolutions set out in sections 3.4.1 and 3.5 above, (approval of transactions pursuant to Section 272 to the Companies Law, the majority for approval thereof is not a simple majority) – do you have a personal interest in the resolutions; are you a senior office holder or an institutional investor ⁶ ?	
	For	Against	Abstain	Yes*	No
Issue no. 3.1 above: to approve the extension of the term of office of Kesselman & Kesselman CPAs as the Company’s independent auditor through the end of the next annual general meeting of the Company and to authorize the Company’s Board of Directors to determine the auditor’s fees.					
Issue no. 3.2 above: to re-appoint Mr. Amir Mizhar (who serves as active Chairman of the Board of Directors) for an additional term of service as a Company director as from the date of approval of re-appointment thereof by the Meeting through the date of the next annual general meeting, pursuant to the Company’s articles of association					
Issue no. 3.2 above: to re-appoint Mr. Shahar Daniel (who also serves as the Company’s CEO) for an additional term of service as a Company director as from the date of approval of re-appointment thereof by the Meeting through the date of the next annual general meeting, pursuant to the Company’s articles of association					
Issue no. 3.2 above: to re-appoint Mr. Yuval Illuz for an additional term of service as a Company director as from the date of approval of re-appointment thereof by the Meeting through the date of the next annual general meeting, pursuant to the Company’s articles of association					
Issue no. 3.2 above: to re-appoint Mr. Lior Vider for an additional term of service as a Company director as from the date of approval of re-appointment thereof by the Meeting through the date of the next annual					

* Provide details

⁵ Failure to note your vote on the voting ballot will be regarded as an abstention on that issue.

⁶ The vote of a shareholder who will fail to fill out this column or who will note YES but will fail to provide details shall not be counted.

general meeting, pursuant to the Company's articles of association					
Issue no. 3.2 above: to re-appoint Mr. Eylon Jeda for an additional term of service as a Company director as from the date of approval of re-appointment thereof by the Meeting through the date of the next annual general meeting, pursuant to the Company's articles of association					
Issue no. 3.3 above: to approve, subject to and upon the completion of the listing of the Company's shares on the NASDAQ through ADSs, the transition from Company's reporting pursuant to Chapter F to the Securities Law, 1968, to reporting pursuant to Chapter E3 of the Securities Law and the regulations promulgated thereunder.					
Issue no. 3.4.1 above: to approve the reduction of the exercise price of 231,840 warrants that were awarded to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director, to a total of NIS 4.5 per warrant.					
Issue no. 3.4.2 above: to approve the reduction of the exercise price of 28,240 warrants that were awarded to Mr. Yuval Illuz, who serves as a Company director, to a total of NIS 4.5 per warrant.					
Issue no. 3.5 above: to approve the payment of a discretionary bonus of NIS 45.7 thousand in respect of the year 2017 to Mr. Shahar Daniel, who serves as the Company's CEO and as a Company director, in accordance with the Company's remuneration policy.					
Issue no. 3.6 above: to approve the payment of a discretionary bonus of NIS 62.8 thousand in respect of the year 2017 to Mr. Amir Mizhar, who serves as active Chairman of the Board of Directors, in accordance with the Company's remuneration policy.					

Details:

*** Please provide details if you noted that you have a personal interest in the resolutions set out in sections 3.4.1 and 3.5 above, you are a controlling shareholder or an institutional investor:**

Date

Signature

For shareholders who hold shares through a Stock Exchange member pursuant to Section 177(1) to the Companies Law –this voting ballot is valid only with the attachment of an ownership confirmation, except for cases where voting is carried out through the electronic voting system.

For shareholders who are registered in the shareholders register of the Company – the voting ballot is valid only with the attachment of a photocopy of the shareholders' identity card/passport/certificate of incorporation.