

Invitation to the
Ordinary General Meeting of Shareholders of
LifeWatch Ltd., Neuhausen am Rheinfall
on April 29, 2015 at 14.30 (doors open at 14.00)
at WIDDER HOTEL, Rennweg 7, CH-8001 Zurich
(Side entrance Augustinergasse 24)

Agenda and Motions of the Board of Directors

1. Approval of the Annual Report, Statutory Annual Financial Statements and Consolidated Financial Statements for 2014

Motion of the Board of Directors:

Approval of the Annual Report, Statutory Annual Financial Statements and Consolidated Financial Statements for 2014.

2. Decision on the allocation of the balance sheet result

Motion of the Board of Directors:

The Board of Directors proposes the following use of the balance sheet result:

Balance carried forward from 2013	CHF	7,677,660.00
Loss for the year 2014	CHF	(5,075,467.00)
Balance available for the General Meeting of Shareholders	CHF	2,602,193.00
Dividend to be distributed	CHF	0.00
Balance to be carried forward	CHF	2,602,193.00

3. Discharge of the Board of Directors and the Executive Management Team

Comments:

The former CFO and the former President Global Patient Services had to be dismissed for cause in 2014 and should therefore not be granted discharge for their activities in the financial year 2014.

Motions of the Board of Directors:

- 3.1. Mr. Kenneth Melani should be granted discharge for his activities in the financial year 2014.
- 3.2. Mr. Urs Wettstein should be granted discharge for his activities in the financial year 2014.
- 3.3. Mr. Yacov Geva should be granted discharge for his activities in the financial year 2014.
- 3.4. Mr. Patrick Schildknecht should be granted discharge for his activities in the financial year 2014.
- 3.5. Mr. Thomas Rühle should be granted discharge for his activities in the financial year 2014.
- 3.6. Mr. Antoine Hubert should be granted discharge for his activities in the financial year 2014.
- 3.7. Mr. Kobi Efraim should not be granted discharge for his activities in financial year 2014.
- 3.8. Dr. Stephan Rietiker should be granted discharge for his activities in the financial year 2014.
- 3.9. Mr. Mike Turchi should be granted discharge for his activities in financial year 2014.
- 3.10. Ms. Stephanie Kravetz should be granted discharge for her activities in financial year 2014.
- 3.11. Dr. Dominik Aronsky should be granted discharge for his activities in financial year 2014.
- 3.12. Mr. Roger Richardson should not be granted discharge for his activities in financial year 2014.
- 3.13. Mr. Yair Tal should be granted discharge for his activities in financial year 2014.

4. Election of the members of the Board of Directors

Comments:

After the 2012 Annual General Meeting (held in January 2014), the Board of Directors announced that it was looking for additional independent candidates for the Board of Directors in order, if possible, to submit a motion for their election at this Ordinary General Meeting.

As already partially publicized in the press, there have been until recently, widely differing interests amongst shareholders, which first needed to be resolved before the Board of Directors could initiate a search process. At the beginning of February this year, Mr. Geva disposed of his block of shares and all open points resulting from this ownership could be resolved. Thus a big step was taken, also on the part of shareholders, to put the past behind them and provide the company with a stable shareholder base. Such a step is a pre-condition for fully focusing resources on the operative challenges as well as recruiting qualified persons as members of the Board of Directors. The Board of Directors will initiate a structured search process for two additional candidates. The company will inform accordingly once candidates have been identified.

Motions of the Board of Directors:

- 4.1. Election of Mr. Patrick Schildknecht to the Board of Directors for a term of one year until the end of the next Ordinary General Meeting in 2016.
- 4.2. Election of Mr. Thomas Rühle to the Board of Directors for a term of one year until the end of the next Ordinary General Meeting in 2016.
- 4.3. Election of Mr. Antoine Hubert to the Board of Directors for a term of one year until the end of the next Ordinary General Meeting in 2016.

5. Election of the Chairman of the Board of Directors

Motion of the Board of Directors:

Election of Mr. Patrick Schildknecht as Chairman of the Board of Directors for a term of one year until the end of the next Ordinary General Meeting in 2016.

6. Election of the Members of the Compensation Committee

Motions of the Board of Directors:

- 6.1. Election of Mr. Thomas Rühle as a member of the Compensation Committee for a term of one year until the end of the next Ordinary General Meeting in 2016.
- 6.2. Election of Mr. Antoine Hubert as a member of the Compensation Committee for a term of one year until the end of the next Ordinary General Meeting in 2016.

7. Amendments to the Articles of Incorporation

Comments:

The Company's Swiss registered office is traditionally located in the canton of Schaffhausen, since 2005 in Neuhausen am Rheinfall. The Board of Directors proposes that the Company's statutory registered office be moved to Zug, where the operational headquarters of the entire LifeWatch Group shall be brought together.

Part of the compensation the Company pays to the members of its Board of Directors and Executive Management Team and other groups of employees takes the form of share-based instruments (shares, prospective entitlements and options to purchase shares in the Company). To do this, conditional capital has to be defined in the Articles of Incorporation (Article 3bis). The previous pool of conditional capital has been reduced by the allocation and exercise of such options over recent years (up to the end of March 2014) to just 67,991 shares with a total nominal value of CHF 88,388.30. As the Board of Directors would like to continue using a compensation model that involves stock options, it proposes that the Company increase this conditional capital, and consequently the option of payment through the allocation of stock options/prospective entitlements, to a maximum of 660,000 shares with a total nominal value of a maximum of CHF 858,000.00. This is equivalent to just less than 5.0% of the Company's current outstanding share capital.

Motions of the Board of Directors:

- 7.1. Amendment of Article 1 (Company Name, Registered Office, Duration) of the Articles of Incorporation as follows:

Under the name
LifeWatch AG
(LifeWatch SA)
(LifeWatch Ltd.),

a joint-stock company ("the Company") has been established in accordance with Article 620 ff. of the Swiss Code of Obligations ("CO"), with its registered office in Zug, for an unlimited period of time.

- 7.2. Amendment of Article 3bis para. 1 (Conditional Capital) of the Articles of Incorporation as follows:

The share capital may be increased by a maximum of CHF 858,000.00 through the issuance of a maximum of 660,000 fully paid-up registered shares with a par value of CHF 1.30 each, through exercising conversion rights, options or other rights related to equity securities (hereinafter referred to jointly as "option rights") which are granted to employees, members of the Board of Directors, management, advisors and the Board of Advisors of the Company or its Group Companies, subject to Article 26b of the Articles of Incorporation.

8. Approval of the total compensation to be paid to the Board of Directors

Comments:

The compensation of the members of the Board of Directors, approved at the last Ordinary General Meeting, comprises a function-specific basic fee in the form of a yearly fixed number of shares in LifeWatch Ltd. that are blocked for five years and individual committee fees paid in cash. This model was chosen in order to unite, as much as possible, the interests of the shareholders, the company and the Board of Directors. On the one hand, the Board of Directors wished to protect the relatively modest liquidity of the company, whilst on the other hand linking the compensation to the long-term development of the company. No change is proposed to this system.

The last Ordinary General Meeting approved a total maximum compensation for the 2014 financial year of CHF 500,000 (based on the assumption of three members of the Board of Directors and a share price of CHF 10) and for the 2015 financial year of CHF 730,000 (based on the assumption of an increase to five members of the Board of Directors and a constant share price).

It is still the intention of the Board of Directors to find two suitably qualified additional independent members of Board of Directors. However, such additional members of Board of Directors will be elected by the shareholders at a shareholders meeting, whereby at such shareholders meeting, the shareholders will also be asked to approve the additional compensation to be paid to such additional members of Board of Directors.

As regards the compensation for the three members of the Board of Directors, which shall be elected at this Ordinary General Meeting, the total maximum compensation proposed for the 2016 financial year is CHF 600,000. This compensation is based on a share price of CHF 13 per share. Should the share price rise further, then the compensation would have to be adjusted and presented to shareholders for approval. However, should the share price fall, the sum will be reduced accordingly.

A small portion of the maximum amount is made up of a cash component, other expenses (including social security contributions) and unforeseen expenses; the majority comprises shares that are blocked for five years. The market value of the shares used to determine the maximum total compensation will be based on the share price on the day following the Ordinary General Meeting 2016. The shares will be allocated on the first day after the Ordinary General Meeting 2016, with the transfer of ownership taking place in two tranches, one during and one following the period of office. The compensation for each member of the Board of Directors is calculated on a pro-rata basis according to the individual's period of office. The actual compensation paid for 2016 will be disclosed along with a breakdown of all components in the 2016 Compensation Report.

Motion of the Board of Directors:

8.1. Approval of the total compensation for the Board of Directors for the financial year 2016 in the maximum amount of CHF 600,000.

9. Approval of the fixed and variable compensation to be paid to the Executive Management Team

Comments:

The compensation paid to the members of the Executive Management Team consists of a fixed component and a variable performance-related component.

The variable performance related component will be paid 50% in cash with the other 50% being allocated to performance plan units. Performance plan units consist of shares in the Company, with the number of shares being determined by using the share price at the beginning of the year, or the date of the Executive Management Team members' appointment, if later. These performance plan units then vest over 3 years and eventual payments under the plan can vary from 0% and 200% depending on future EBITDA results. In case of a change of control all performance plan units will immediately vest.

The last Ordinary General Meeting approved a maximum amount of CHF 1,850,000 as fixed Executive Management Team compensation for the financial year 2014 and CHF 2,100,000 for the financial year 2015. The Executive Management Team consisted of five individuals (varied between two and six) for most of 2014 and it is the intention that it contains six individuals during 2015 and 2016.

A maximum amount of CHF 2,100,000 is proposed as fixed Executive Management Team compensation for the financial year 2016 for prospective approval at this Ordinary General Meeting. In addition to the base salaries, this maximum amount also includes other expenses (including social security and pension fund contributions) and unforeseen expenses. The actual compensation paid for 2016 will be disclosed in the 2016 Compensation Report.

The variable performance-related compensation for the members of the Executive Management Team proposed retrospectively for 2014 is CHF 450,000. This amount is relatively low because most members of Executive Management Team were only appointed to their positions on June 1, 2014.

The variable performance-related compensation for the financial year 2015 will be determined retrospectively and submitted to the General Meeting for approval in 2016.

Motion of the Board of Directors:

9.1. Approval of the fixed compensation for the Executive Management Team for the financial year 2016 in the maximum amount of CHF 2,100,000.

9.2. Approval of the variable compensation for the Executive Management Team for the financial year 2014 in the maximum amount of CHF 450,000.

10. Election of the independent proxy

Motion of the Board of Directors:

Election of the previous independent proxy Mr. Yves Endrass lic. iur., attorney at Stiffler & Partner, Rechtsanwälte, Dufourstrasse 101, P.O. Box 1072, CH-8034 Zurich as the Company's independent proxy for the financial year 2015 until the end of the Ordinary General Meeting in 2016.

11. Election of the statutory auditors

Motion of the Board of Directors:

Election of PricewaterhouseCoopers AG, Zurich, as statutory auditors for the financial year 2015.

General Information

Annual Report

The Annual Report, Statutory Annual Financial Statements and Consolidated Financial Statements, the Report of the Auditors and the minutes of the Ordinary General Meeting of May 28, 2014, will be available from March 31, 2015 onwards, at our Company headquarters in Neuhausen am Rheinfall for inspection by shareholders and can also be viewed at <http://www.lifewatch.com>. Copies of these documents can be ordered from our Company from the above date onwards, fax: +41 52 632 00 51.

Eligibility to vote / Admission Cards

Shareholders entered in the shareholders' register before April 27, 2015, which is the first day on which the share register is closed, will receive an invitation along with a reply and proxy form (registration/power of attorney for the Ordinary General Meeting) and an instruction form for the independent proxy (see below for more information on the independent proxy). These shareholders will receive an admission card provided that they request one by using their reply form. Admission cards will be sent starting April 15, 2015. Shareholders may also obtain their admission cards after the doors open before the General Meeting by presenting their reply form. No entries will be made in the share register from April 27, 2015, up to and including April 29, 2015.

Granting Power of Attorney

Shareholders who are unable to attend the General Meeting in person may appoint a third party or the independent proxy to represent them. Mr. Yves Endrass lic. iur., attorney at Stiffler & Partner, Rechtsanwälte, Dufourstrasse 101, P.O. Box 1072, CH-8034 Zurich, e-mail unab.lifewatch@sharecomm.ch, was elected as the independent proxy as defined in Article 689c CO and Article 8 of the Ordinance Against Excessive Compensation in Listed Stock Companies (VegüV) at the last Ordinary General Meeting.

When granting powers of attorney to third parties, the admission cards must be signed and forwarded to the proxy.

When granting power of attorney to the independent proxy, it is not necessary to order an admission card; instead, shareholders must send the filled-out and signed power of attorney along with their instructions directly to the independent proxy at the above address. Powers of attorney and instructions may also be issued to the independent proxy electronically until the deadline on April 27, 2015, at 14:30. The relevant information on setting up a shareholder's account can be found on the reply form. If no instructions are given, the independent proxy will abstain from voting.

Organizational information

The Ordinary General Meeting of LifeWatch Ltd. will be held in the Widder Saal at the WIDDER HOTEL, Rennweg 7, CH-8001 Zurich (please note that the Widder Saal has a separate entrance at Augustinergasse 24). The WIDDER Hotel is easy to get to in 5 minutes on foot from Zurich's main station (HB) or on public transportation (take tram 6, 7, 11, 13 or 17 from the main station, HB to the tram stop Rennweg).

We are pleased to invite participating shareholders to refreshments following the Ordinary General Meeting.

Neuhausen am Rheinfall, April 2, 2015

For the Board of Directors
Patrick Schildknecht, Chairman