



**Invitation to the
Ordinary General Meeting of Shareholders
of LifeWatch Ltd., Neuhausen am Rheinfall,
on May 28, 2014 at 10:00 A.M. (doors open at 9.30 A.M.)
at TECHNOPARK Zurich, Technoparkstrasse 1, CH-8005 Zurich**

Agenda and Motions of the Board of Directors

1. Approval of the Annual Report, Statutory Annual Financial Statements and Consolidated Financial Statements for 2013

Motion of the Board of Directors:

Approval of the Annual Report, Statutory Annual Financial Statements and Consolidated Financial Statements for 2013

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 2012	CHF	15,205,362.00
Loss for the year 2013	CHF	(7,527,702.00)
Balance available for the General Meeting of Shareholders	CHF	7,677,660.00
Dividend to be distributed	CHF	0.00
Balance to be carried forward	CHF	7,677,660.00

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

Comments:

As previously announced, the Board of Directors newly elected at the last Ordinary General Meeting on January 30, 2014 has conducted an in-depth analysis of the Company. Further information on this and LifeWatch's strategy and prospects will be provided – as was also previously announced – at a media conference before the Ordinary General Meeting. In connection with this analysis, facts relating to the 2013 financial year and the period leading up to the last General Meeting were brought to light which prompted the Board of Directors to submit a motion to the General Meeting that the members of the Board of Directors, to whom already no discharge was granted at the last Ordinary General Meeting for their activities in the financial year 2012, again should not be granted discharge for their activities in the financial year 2013. Not granting discharge to the responsible parties is the only way of ensuring that the Company will be able to assert any compensation or liability claims against these former Board members in the future if the above-mentioned facts are confirmed.

Motion of the Board of Directors:

- 3.1. Mr. Kenneth Melani should not be granted discharge for his activities in the financial year 2013.
 - 3.2. Mr. Urs Wettstein should not be granted discharge for his activities in the financial year 2013.
-

- 3.3. Mr. Yacov Geva should not be granted discharge for his activities in the financial year 2013.
- 3.4. Mr. Abraham Sartani should not be granted discharge for his activities in the financial year 2013.
- 3.5. Mr. Jürg Stahl should not be granted discharge for his activities in the financial year 2013.
- 3.6. Mr. Gregory Volkart should not be granted discharge for his activities in the financial year 2013.
- 3.7. Mr. Patrick Schildknecht should be granted discharge for his activities in the financial year 2013.
- 3.8. Mr. Thomas Rühle should be granted discharge for his activities in the financial year 2013.
- 3.9. Mr. Kobi Efraim should be granted discharge for his activities in financial year 2013.

4. Election of the members of the Board of Directors

Comments:

After the last General Meeting, 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. Firstly, the strategic process currently under way is influencing the requirements profile for potential candidates and secondly, the identification and evaluation of suitable candidates is a complex and time-consuming process. For these two reasons, the Board of Directors is not yet able to put forward new candidates for election at this General Meeting. In accordance with the principles governing the separation of the Board of Directors and the Executive Board, Dr. Stephan Rietiker, previously delegate of the Board of Directors, is not standing for re-election any more. This will enable him to take up the role of Chief Executive Officer with effect from June 1, 2014.

Motion 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 2015.
- 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 2015.
- 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 2015.

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 2015.

6. Election of the Members of the Executive and Compensation Committee

Motion of the Board of Directors:

- 6.1. Election of Mr. Thomas Rühle as a member of the Executive and Compensation Committee for a term of one year until the end of the next Ordinary General Meeting in 2015.
- 6.2. Election of Mr. Antoine Hubert as a member of the Executive and Compensation Committee for a term of one year until the end of the next Ordinary General Meeting in 2015.

7. Amendment 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 will be brought together.

Part of the compensation LifeWatch pays to the members of its Board of Directors and Executive Board 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 3^{bis}). 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 188,931 shares with a total nominal value of CHF 245,610.30. 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) 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 3^{bis} 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 comprises a fixed function-specific basic fee in the form of shares in LifeWatch Ltd. that are blocked for five years and individual committee fees paid in cash.

The vote on the Board of Directors' total compensation for the financial year 2014 was deferred on January 30, 2014. Taking into account the planned composition of the Board of Directors after this Ordinary General Meeting of three members, the total maximum compensation proposed for the 2014 financial year is CHF 500,000. A small portion of this maximum amount is made up of cash components, other expenses (including social security contributions) and unforeseen expenses; the majority comprises shares that are blocked for five years. The market value of these shares used to determine the maximum total compensation is based on the average share price over the twenty trading days between March 27 and April 25, 2014. The shares will be allocated on the first day after this Ordinary General Meeting, with the transfer of ownership taking place retroactively in tranches calculated on a pro-rata basis according to the individual's period of office. The actual compensation paid will be disclosed along with a breakdown into these non-binding components in the 2014 Compensation Report.

Taking into account the planned composition of the Board of Directors of five members, the total maximum compensation proposed for the 2015 financial year is CHF 730,000. A small portion of this maximum amount is made up of cash components, other expenses (including social security contributions) and unforeseen expenses; the majority comprises shares that are blocked for five years. The market value of these shares used to determine the maximum total compensation is based on the average share price over the twenty trading days between March 27 and April 25, 2014. The shares will be allocated on the first day after this Ordinary General Meeting, with the transfer of ownership taking place retroactively in tranches calculated on a pro-rata basis according to the individual's period of office. The actual compensation paid will be disclosed along with a breakdown into these non-binding components in the 2015 Compensation Report.

Motion of the Board of Directors:

- 8.1. Approval of the total compensation to be paid to the Board of Directors for the financial year 2014 in the maximum amount of CHF 500,000.
- 8.2. Approval of the total compensation to be paid to the Board of Directors for the financial year 2015 in the maximum amount of CHF 730,000.

9. Approval of the total compensation to be paid to the Executive Board

Comments:

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

A maximum amount of CHF 1,850,000 is proposed as fixed Executive Board compensation for the financial year 2014 for prospective approval at this year's Ordinary General Meeting (deferred on January 30, 2014). In contrast with the previous arrangement, the Executive Board now comprises a total of six individuals (previously two individuals). 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 will be disclosed in the 2014 Compensation Report.

A maximum amount of CHF 2,100,000 is proposed as fixed Executive Board compensation for the financial year 2015 for prospective approval at this year's 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 will be disclosed in the 2015 Compensation Report.

The variable performance-related compensation will be determined retrospectively for the financial year 2014 and submitted to the General Meeting for approval for the first time in 2015.

Motion of the Board of Directors:

- 9.1. Approval of the fixed compensation for the Executive Board for the financial year 2014 in the maximum amount of CHF 1,850,000.
- 9.2. Approval of the fixed compensation for the Executive Board for the financial year 2015 in the maximum amount of CHF 2,100,000.

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 2014 until the end of the Ordinary General Meeting in 2015.



11. Election of the statutory auditors

Motion of the Board of Directors:

Election of PricewaterhouseCoopers AG, Zurich, as statutory auditors for the financial year 2014.

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 January 30, 2014, will be available from May 5, 2014, 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.

Admission Cards

Shareholders entered in the shareholders' register before May 26, 2014, 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. 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 May 26, 2014, up to and including May 28, 2014.

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. The relevant information on setting up a shareholder's account can be found on the attached 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 at TECHNOPARK Zurich, Technoparkstrasse 1, CH-8005 Zurich. TECHNOPARK Zurich is easy to get to on public transportation (take tram 4 and get off at Technopark or take the S-Bahn to Hardbrücke).

We are pleased to invite participating shareholders to a drinks reception following the Ordinary General Meeting.

Neuhausen am Rheinfall, May 2, 2014

For the Board of Directors
Patrick Schildknecht, Chairman