

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Singapore Samsung Hub, 3 Church Street, Level 8, Singapore, 049483, Singapore [see Explanatory Note (a)] on the 29th day of April 2014 at 3.00 PM to transact the following business :-

Ordinary Business

1. To receive and consider the audited accounts for the year ended 31 December 2013 and the reports of the Directors and Auditors thereon.
2. To re-elect the following retiring Directors of the Company [see Explanatory Note (b)]
 - a. Avraham Eshed
 - b. Daniel Benjamin Glinert
 - c. Ehud Harel
 - d. Uzi Levami
 - e. Eyal Mashiah
 - f. Hanoh Stark
 - g. Yehezkel Pinhas Blum [see Explanatory Note (c)]
 - h. Chan Kam Loon [see Explanatory Note (c)]
 - i. Valerie Ong Choo Lin [see Explanatory Note (c)]
3. To appoint Mr. Chan Kam Loon, an Independent Director, as Lead Independent Director. [see Explanatory Note (d)]
4. To declare a final dividend of US cent 2.00 (gross) per share less tax (as applicable) for the year ended 31 December 2013.
5. To approve the grant of up to 1,200,000 options to Independent Directors, under the Company's 2005 Share Option Plan. [See Explanatory Note (e)]
6. To re-appoint Somekh Chaikin Certified Public Accountants (Isr.), Member firm of KPMG International and Chaikin, Cohen & Rubín, Certified Public Accountants (Isr.) as external auditors and to authorise the Directors to fix their remuneration.

Special Business

7. To consider and, if thought fit, to pass the following shareholders' resolutions with or without amendments [see Explanatory Note (f)]:-

7.1 Authority to issue shares

That authority be given to the directors of the Company to issue and allot shares in the Company whether by way of rights, bonus or otherwise (including but not limited to the issue and allotment of shares at any time, whether during the continuance of such authority or thereafter, pursuant to offers, agreements or options made or granted by the Company while this authority remains in force) by the directors, or otherwise disposal of shares (including making and granting offers, agreements and options which would or might require shares to be issued, allotted or otherwise disposed of, whether during the continuance of such authority or thereafter) by the directors of the Company at any time to such persons (whether or not such persons are shareholders), upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT:

- (i) the aggregate number of shares to be issued pursuant to such authority shall not exceed 50% of the issued shares in the capital of the Company (as calculated in accordance with paragraph (ii) below), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must not be more than 20% of the total issued shares in the capital of the Company;
 - (ii) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under paragraph (i) above, the total number of issued shares shall be based on the number of issued shares in the capital of the Company at the time this resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares;
 - (iii) unless revoked or varied by the Company in a general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (g)]
- 7.2 Authority to offer and grant options and issue shares pursuant to the Sarin Technologies Ltd 2005 Share Option Plan (the "Plan")
- That the directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Plan, provided always that the aggregate number of such shares to be issued pursuant to the Plan and any other share option schemes of the Company for the time being in force shall not exceed 15% of the issued shares in the capital of the Company from time to time; and offer and grant options with exercise price (as defined in the Plan) set at a discount to the market price (as defined in the Plan) provided that such discount shall not exceed the maximum discount allowed under the Plan. [See Explanatory Note (h)]
8. To transact any other business which may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

AMIR JACOB ZOLTY

Company Secretary

Israel,

3 April, 2014

Proxies :-

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

An instrument appointing a proxy must be deposited at the office of the Company's main offices in Israel or at the Singapore Share Transfer Agent at 112 Robinson Road #05-01 Singapore 068902 not less than 24 hours before the time fixed for the meeting.

Explanatory Notes:-

- (a) Shareholders who wish to take part in the Annual General Meeting from Israel may do so by attending at the Company's offices, 7 Atir Yeda Street, Third Floor, Kfar Saba, Israel on said day (April 29, 2014) at 10:00 AM (Israel time). The persons attending the said video/audio conference will be able to pose questions to the Company and to comment on the Company's reports. It should be noted, however, that only persons who shall actually attend the Annual General Meeting in Singapore (whether in person or via proxy) may vote in the Annual General Meeting.

- (b) Article 37(c) of the Company's Articles of Association provides that:

"Each Director shall serve, subject to Articles 39 and 40 hereof, and unless the Annual General Meeting appointing him provides otherwise, until the third Annual General Meeting following the Annual General Meeting at which such Director was appointed, or his earlier removal pursuant to this Article 37. A Director who has completed his term of service or has been removed as aforesaid (a "Retiring Director") shall be eligible for re-election."

All of the Company's Directors were appointed by the Annual General Meeting held on 27 April, 2011. Therefore, it is proposed to re-appoint the current Directors of the Company. The current (and proposed) Directors' CVs may be found in the Company's Annual Report. It should be noted, in this regard, that the Company was made aware by Mr. Eyal Mashiah that he was recently questioned by the Israeli tax authorities as part of a broad investigation being conducted since 2011, with regard to the operation of a "private bank" which allegedly operated within the Israel Diamond Exchange in Ramat Gan, and was allegedly used for tax evasion purposes. Mr. Mashiah's questioning was made with regard to a private company (unrelated to the Company) controlled and managed by Mr. Mashiah and his brother and their alleged use of said bank. Mr. Mashiah notified the Company that he was one of hundreds of diamonds traders and manufacturers, who were also questioned in this regard. The questioning was related to a commonplace practice shared by a considerable number of the members of Israel Diamond Exchange in Ramat Gan, which was deemed as legitimate and as having no tax-evasion aspects. In order to settle this issue and resolve any differing points of view between the tax authorities and the Israel Diamond Exchange in Ramat Gan, those two entities have been conducting high-level discussions in order to form a comprehensive settlement which would be applicable to all members of the Israel Diamond Exchange. Mr. Mashiah has assured the Company that the said investigation does not disrupt and/or interfere with his business activities in general, nor with the performance of his duties as a Director of the Company. Upon considering legal advice that the investigation does not disqualify Mr. Mashiah from acting as a director of the Company, and having regard to the circumstances relating to Mr. Mashiah's situation, and taking into account that the Nominating Committee and the Board are of the opinion that Mr. Mashiah has unique professional and personal skills and has made important contributions to the Board, the Board recommends Mr. Mashiah to be re-appointed as a director.

- (c) Mr Chan Kam Loon, if re-elected, will remain as Chairperson of the Audit Committee and member of the Nominating Committee and the Remuneration Committee and will be regarded as an independent director. Ms Valerie Ong Choo Lin, if re-elected, will remain as Chairperson of the Nominating Committee and member of the Audit Committee and the Remuneration Committee and Mr Yehezkel Pinhas Blum, if re-elected, will remain as Chairperson of the Remuneration Committee and member of the Audit Committee and the Nominating Committee. All three directors will be considered as independent directors.

The Audit Committee and the Board have rigorously reviewed the independence and the contribution of the three independent directors (who were first elected in 2005) and resolved that all three independent directors have maintained their independence and that each of them provides to the Company invaluable service and advice. Moreover, given the Company's unique activities on the one hand, and it being a company incorporated and managed in Israel, and listed in Singapore, on the other hand, the specific expertise and understanding expected from and provided by its independent directors are quite unique and are the result of the mixture of the personal capabilities and skills of the directors in question, on the one hand, and their actual experience and expertise, gained through their years of service. Therefore, the Board is of the opinion that the Company and its shareholders shall benefit from the continued service of these directors.

More particularly:

- Mr. Yehezkel Pinhas Blum brings with him a unique mixture of business skills and business experience, as along with prolonged and deep involvement in the diamond industry. Specifically, Mr. Blum's senior positions in the various institutions of the Israel Diamond Exchange in Ramat Gan, and his resulting interaction with international correspondents, grant him unique in-depth understanding of the diamond industry, industry trends and opinion leaders, in general, and as these pertain to the trading of polished diamonds, in particular. Therefore, Mr. Blum's services, inputs and insights are highly appreciated by the Board, given the Company's strategic shift to the polished diamond trade. The Board is further of the opinion that Mr. Blum has always expressed his independent and impartial opinions at the Board meetings and has successfully maintained his independence.
- Mr. Chan Kam Loon holds a degree in Accountancy from the London School of Economics and is a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales. Thanks his formal education married with extensive experience in the fields of investment banking and private equity funding, and especially given his past position in the Singapore Exchange, Mr. Chan has been able to contribute greatly to the Board, in all aspects related to auditing of the financials, strategic decision-making and prioritizing, investors' relations and general ongoing business development. Throughout his years of service, Mr. Chan has maintained his independent position in the Company and has voiced independent opinions.
- Ms. Valerie Ong Choo Lin's senior position at Rodyk & Davidson, as well as her extensive practice in the fields of corporate and commercial law, enable her to voice a learned and well-founded opinion at the Board and to share her vast knowledge and insights with the Company on all issues pertaining to being a publicly listed company in Singapore, Listing Manual issues, proper Board functioning, etc.. Throughout her years of service, Ms. Ong has maintained her independent position in the Company, has voiced independent opinions and has always been able to provide added value to Board discussions.

According to the Israeli Companies Law, 1999, the election of the independent directors for an additional term needs to be approved at the Company's general meeting, by a majority of the shareholders participating in such vote (the "Participating Shareholders"), provided that: (i) in counting the votes of the majority, the Participating Shareholders who are not controlling shareholders of the Company and who have no personal interest in such election (other than personal interest that is not related to their connections with the controlling shareholders) (the "Independent Participating Shareholders") who have voted in favour of such election form the majority of all the votes of the Independent Participating Shareholders; or (ii) the Participating Shareholders who have voted against the such election represent no more than 2% of all voting rights in the Company. Under the Israeli Companies Law, abstentions at a general meeting are not taken into account in counting the total votes.

- (d) According to Guideline 3.3 of the 2012 Code of Corporate Governance:

"Every company should appoint an independent director to be the lead independent director where:

- (a) the Chairman and the CEO is the same person;
- (b) the Chairman and the CEO are immediate family members;
- (c) the Chairman is part of the management team; or
- (d) the Chairman is not an independent director."

As the Chairman of the Company is part of the management team and is not an independent director, it is proposed to appoint Mr. Chan Kam Loon, an independent director (once re-elected, as aforesaid), as the lead independent director.

- (e) The Company's Remuneration Committee and Board of Directors have resolved, subject to the AGM's approval, to grant options, under the Company's 2005 Share Option Plan (the "Plan") to certain Directors of the Company, as follows:
400,000 options to each of Messrs. Yehezkel Pinhas Blum, Chan Kam Loon, and Valerie Ong Choo Lin. It was further resolved that the exercise price of these options shall be the Market Price (as such term is defined in the Plan) and that the aforementioned options shall vest over a three-year period: 200,000 options upon the lapse of one year and 100,000 options upon the lapse of each of the second and third years from the date of grant. Under the applicable Israeli Companies Law, 1999, the grant of options to directors requires the approval of the Company's General Meeting.

- (f) A shareholders' resolution shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon. [See also Explanatory Note (c) above]

- (g) The shareholders' resolution set out in item 7.1 above, if passed, will empower the Directors from the date of the above meeting until the date of the next Annual General Meeting, to issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum set out in this resolution.

- (h) The shareholders' resolution set out in item 7.2 above, if passed, will empower the Directors to offer and grant options and to allot and issue shares in the capital of the Company pursuant to the exercise of the options under the Plan.