

**Sarine Technologies Ltd**  
(Incorporated in Israel)  
(Israel Registration No. 51 1332207)

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**RESPONSES TO THE QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Sarine Technologies Ltd (the “Company”) wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 20 April 2018, with reference to the Company’s annual report for the financial year ended 31 December 2017 (the “Annual Report”), as follows:

**SGX's Query:**

Guideline 9.3 of the Code of Corporate Governance (“Code”) recommends that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent. In this regard, please disclose whether and how the recommendations of Guideline 9.3 have been complied with, or otherwise disclose and explain for the deviation from the Code, as required by Listing Rule 710.

**Company's response:**

As noted in the Annual Report, three of the Company's independent directors (Messrs. Chan Kam Loon (Lead Independent Director), Yehezkel Pinhas Blum and Ms. Valerie Ong Choo Lin) have served on the Board beyond nine years from the date of their first appointment. Two of those directors, namely Ms. Valerie Ong Choo Lin and Mr. Yehezkel Pinhas Blum, are also designated as External Directors under the Israeli Companies Law, 5799-1999 (the "**Israeli Companies Law**"). The Israeli Companies Law provides that External Directors are to be elected for three-year terms, and that the Company may not terminate them during such three-year term except where, according to information made available to the company, such External Directors no longer qualify to serve as External Directors (e.g. if they or their relatives become employees, service providers or business partners of the controlling shareholder/s of the Company or if there is a conflict of interest between their position as directors and any other position that they may hold, etc.) and/or where it is suspected that they have breached their duty of trust towards the Company, or where a competent court has so ordered.

All three Independent Directors were elected on April 25, 2017 for a three-year term and the Company's Nominating Committee and the Board conducted a rigorous review of their Independence prior to their re-election.

As noted in the Company's annual report for the financial year ended 31 December 2016:

"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."

The shareholders voted on and approved the re-election of these three Independent Directors given this information at said Annual General Meeting of April 25, 2017.

Since said Annual General Meeting held on April 25, 2017, the Company has not become aware of any information which may reflect on the qualifications and/or independence of the abovementioned Independent Directors. Moreover, the Company acknowledges the continuing impartial and invaluable contribution of such Independent Directors.

It should also be noted that at the Company's Annual General Meeting held on April 25, 2017, as part of the "progressive refreshing of the Board", three non-independent directors (one third of the Board at such time) resigned from the Board and a new Independent Director (Ms. Varda Shine) was elected, establishing a majority of Independent Directors.

By order of the Board

Amir Zolty

Company Secretary