CIRCULAR DATED 16 MARCH 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of The Trendlines Group Ltd. ("**Company**") represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Special General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms. Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.

This Circular has been made available on SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website and may be accessed at https://www.trendlines.com/investors/investors-news/. A printed copy of this Circular will NOT be despatched to shareholders. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to physically attend the Special General Meeting ("**SGM**"). Instead, alternative arrangements have been put in place to allow shareholders to participate at the SGM by (a) observing and/or listening to the SGM proceedings by "live" audio/video conference call; (b) submitting questions in advance of the SGM; and/or (c) appointing the Chairman of the SGM as proxy to attend, speak and vote on their behalf at the SGM.

Please refer to the Notice of SGM set out on pages N-1 to N-3 of the Circular for further information, including the steps to be taken by shareholders to participate at the SGM.

THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration Number: 513970947)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(1) THE APPROVAL OF THE CEO MBO PLAN (AS DEFINED HEREIN) FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021; AND

(2) THE PROPOSED ADOPTION OF THE AMENDED COMPENSATION POLICY.

IMPORTANT DATES AND TIMES:

Last Date and Time for Lodgement of Proxy Forms	:	20 April 2021 at 1:30 p.m. (Singapore time)
Date and Time of Special General Meeting	:	22 April 2021 at 1:30 p.m. (Singapore time) (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 1:00 p.m. (Singapore time) on the same day and at the same "live" audio/video conference call)
Place of Special General Meeting	:	The SGM will be held by electronic means through a "live" audio/video conference call

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

"**2021 MBO Plan**"	:	Has the meaning ascribed to it in Section 1.1(a) of this Circular
"**2020 MBO Plan**"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"**Audit Committee**"	:	The audit committee of the Company for the time being
"**AGM**"	:	An annual general meeting of the Company, as the context requires
"**Annual Bonus**"	:	Has the meaning ascribed to it in Section 2.2 of this Circular
"**Annual Bonus Cap**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"**Annual Bonus Threshold**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"**Articles**"	:	The articles of association of the Company, as amended, modified or supplemented from time to time
"**Associate**"	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Board**" or the "**Board of Directors**"	:	The board of Directors of the Company
"**Catalist**"	:	The Catalist Board of the SGX-ST

DEFINITIONS

"**Catalist Rules**"	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**CEOs**"	:	The Company's Chief Executive Officers as at the date of this Circular, namely Messrs. David Todd Dollinger and Stephen Louis Rhodes
"**CEO MBO Plan**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"**CEO MBO Target**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"**Circular**"	:	This circular to Shareholders dated 16 March 2021
"**Code**"	:	The Code of Corporate Governance dated 6 August 2018 issued by the Monetary Authority of Singapore.
"**Companies Law**"	:	The Israeli Companies Law 5759-1999, as amended, modified or supplemented from time to time
"**Company**"	:	The Trendlines Group Ltd.
"**Compensation Policy**"	:	A compensation policy with respect to the terms of office and employment of the Executives and Directors, adopted by the Shareholders on 2 August 2016 and amended on 13 February 2019
"**Controlling Shareholder**"	:	As defined in the Catalist Rules, a person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over the Company, or may, where the context so requires, have the meaning as defined in the Companies Law, being a Shareholder with the ability to direct the activities of the Company, other than by virtue of being a director or holding any other position with the Company. A Shareholder is presumed to be a Controlling Shareholder if he holds 50.0% or more of the "means of control" in the Company. The term "means of control" is defined under the Israeli Securities Law as voting rights in the Company's general meeting or the right to appoint the directors of the Company or its general manager. With respect to certain matters, a controlling shareholder is deemed to include a shareholder that holds 25.0% or more of the voting

		rights in a public company if no other shareholder holds more than 50.0% of the voting rights in such company
"**Directors**"	:	The directors of the Company for the time being
"**Disinterested Majority**"	:	A simple majority of votes of the Shareholders which satisfies one of the following conditions: (i) at least a majority of the Shares held by all Shareholders who are not Controlling Shareholders (as defined in the Companies Law) and who do not have a personal interest in such resolution, present and voting at such meeting (and without including any abstaining votes) or (ii) the total number of Shares of non-Controlling Shareholders (as defined in the Companies Law) and Shareholders who do not have a personal interest in such resolution voting against the resolution does not exceed 2.0% of the aggregate voting rights in the Company
"**Executives**"	:	Office Holders, excluding Non-Executive Directors
"**Exit Event**"	:	The occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events with respect to a portfolio company: (i) a sale or other conveyance of all or substantially all of the assets of the portfolio company (including the grant of an exclusive license covering all or substantially all of the intellectual property rights of the portfolio company not in the ordinary course of business); (ii) a sale or other disposition of at least fifty percent (50%) of the outstanding securities of the portfolio company; (iii) a merger, consolidation or similar transaction following which the portfolio company is not the surviving corporation
"**Exit Bonus**"	:	Has the meaning ascribed to it in Section 2.2 of this Circular
"**FY**"	:	Financial year ended or, as the case may be, ending 31 December
"**Group**"	:	The Company and its subsidiaries
"Key Management Personnel"	:	The CEO, Executives and other persons having authority and responsibility for planning, directing and controlling the activities of the Company
"**LH**"	:	Librae Holdings Limited
"**MBO**"	:	Management by Objectives, which is a management model that aims to improve performance of an organization by clearly defining objectives for a specific period of time

"**Measurable Objectives**"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"Non-Executive Director"	:	A Director of the Company not holding office in an executive capacity in the Company at the date of this Circular
"**Office Holder**"	:	Executive Director, Chief Executive Officer, Key Management Personnel, and any senior executive directly subordinate to the Chief Executive Officer
"**Proposals**"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"**Proxy Form**"	:	The proxy form in respect of the SGM as attached to this Circular
"**Remuneration Committee**"	:	The remuneration committee of the Company for the time being
"**Remuneration Regulations"**	:	As promulgated under the Companies Law
"**SFA**"	:	Securities and Futures Act (Cap. 289) of Singapore, as amended, modified or supplemented from time to time
"**SGM**"	:	The special general meeting of the Company, notice of which is set out in this Circular
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Registrar**"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"**Shareholders**"	:	Registered holders of Shares except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the Depositors whose securities accounts are credited with Shares
"**Shares**"	:	Ordinary shares in the capital of the Company
"**Substantial Shareholder**"	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued share capital of the Company

Currencies, units and others

"**NIS**" and "**cents**"	:	New Israel Shekel and cents, respectively
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively
"**US$**"	:	United States dollars
"**%**"	:	Per centum or percentage

The expression "**subsidiaries**" shall have the meaning ascribed to it in the Companies Law.

The terms "**Depositor**", "**Depository**", "**Depository Agent**", "**Depository Register**" and "**Sub-Account Holder**" shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the SFA, the Code or the Catalist Rules, or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the SFA, the Code or the Catalist Rules, or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Any reference in this Circular to "**we**", "**our**", "**us**" or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

Any reference to a website or any website directly or indirectly linked to such websites in this Circular is not incorporated by reference into this Circular and should not be relied upon.

THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration Number: 513970947)

Directors:

David Todd Dollinger (Chair, and Chief Executive Officer)
Stephen Louis Rhodes (Chair, and Chief Executive Officer
Zeev Bronfeld (Non-Independent Non-Executive Director)
Elka Nir (Lead Independent Director)
Stephen Philip Haslett (Independent Director)
Hang Chang Chieh (Independent Director)
Sin Boon Ann (Independent Director)

Registered Office:

17 T'chelet Street
Misgav Industrial Park
2017400
Israel

16 March 2021

To: The Shareholders of The Trendlines Group Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 SGM

The Directors are convening the SGM to be held by electronic means to seek Shareholders' approval in relation to the following matters:

(a) the approval of the CEO MBO Plan for FY2021; and

(b) the proposed adoption of the Amended Compensation Policy.

(collectively, the "**Proposals**").

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the ordinary resolutions in relation to the Proposals to be tabled at the SGM to be held by way of electronic means (by "live" audio/video conference call) on Wednesday, 22 April 2021 at 1:30 p.m. (Singapore time) (or immediately after the conclusion or adjournment of the AGM to be held at 1:00 p.m. (Singapore time) on the same day by electronic means.

2. THE APPROVAL OF THE CEO MBO PLAN FOR FY2021

2.1 On 17 February 2021, the Remuneration Committee and Board approved an MBO plan for all Office Holders of the Company, including the Company's CEOs, for FY2021, in accordance with the provisions of the Companies Law and the Compensation Policy ("**2021 MBO Plan**"). The 2021 MBO Plan reflects a management model that aims to improve performance of an organization by clearly defining management objectives for a specific period of time. Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes, the Company's Chairs and CEOs, have abstained from voting on any Board resolution in respect of the 2021 MBO Plan.

It is important to note that even if the conditions of the 2021 MBO Plan are met, payment of any Annual Bonuses (as defined below) to the CEOs will be subject to the approval of the Remuneration Committee and Board, which shall be granted - if at all - only after taking account of, *inter alia*, the Company's financial state at such applicable time. The Remuneration Committee and Board, in their respective meetings held on 17 February 2021, did not approve the payment of Annual Bonuses (as defined below) to the CEOs for FY2020 as targets of the MBO programme for FY2020 (the "**2020 MBO Plan**") were not met.

2.2 Under the 2021 MBO Plan, the Office Holders' annual bonus is comprised of two (2) parts:

(a) an annual bonus, to be determined in accordance with the achievement of predetermined annual Company and personal objectives (the "**Annual Bonus**"); and

(b) an exit bonus, to be granted in the event of an Exit Event and determined as a percentage of the amount of proceeds from such Exit Event (the "**Exit Bonus**").

In accordance with the provisions of the Companies Law and the Compensation Policy, the 2021 MBO Plan is designed to align the interests of the Office Holders with those of the Company's Shareholders, and to correspond to the Company's goals and objectives. Accordingly, the 2021 MBO Plan is designed to further encourage Exit Events, in accordance with the Company's strategy and objectives going forward.

2.3 **Annual Bonus**

Under the 2021 MBO Plan, it is proposed that, in accordance with the Compensation Policy (as may be amended as set out in Section 3 of this Circular), each of the CEOs' annual bonus for FY2021 for achieving 100% of their targets (the "**CEO MBO Target**") shall be equal to two and a half (2.5) monthly salaries of each CEO (the "**CEO MBO Plan**"). Payment of the CEO MBO Plan shall comprise of the following:

(a) **80% of the CEO MBO Plan based on the achievement of the following measurable objectives, in equal proportions:**

(i) A target portfolio value net increase of 7%, including the value of exits and other payments (50%)

For the achievement of a portfolio value net increase of 5%, 7% or 9% or more, the CEOs will have met the 70% (threshold), 100% (target) and 130% (maximum) of their performance objectives, as illustrated in the following table below:

Objective	**Threshold – 70%**	**Target – 100%**	**Maximum – 130%**
Portfolio value net increase	5%	7%	9% or more

(ii) A target of raising 12 follow-on rounds of equity in 12 portfolio companies in which the Group has a board seat (50%)

For the achievement of raising 8, 12 or 15 or more follow-on rounds of equity in portfolio companies in which the Company has a board seat, the CEOs will have met the 70% (threshold), 100% (target) and 130% (maximum) of the their performance objectives, as illustrated in the following table below:

Objective	Threshold – 70%	Target – 100%	Maximum – 130%
Raise follow-on rounds	8	12	15 or more

(Sections 2.3(a)(i) and (ii) collectively, the "**Measurable Objectives**").

Following the end of the calendar year, the actual achievements of the Company for that calendar year shall be measured against the Measurable Objectives, and the total score of the results shall set the bonus as follows:

(1) achievement of 100% of the Measurable Objectives will entitle the CEOs to 100% payment for the Annual Bonus relating to the Measurable Objectives;

(2) achievement above 100% of any of the Measurable Objectives will increase the Annual Bonus for such Measurable Objectives in accordance with its applicable mechanism pre-determined by the Remuneration Committee and Board (provided that in no event shall the Annual Bonus payment to either CEO exceed the Annual Bonus Cap as defined below); and

(3) achievement below 100% of any of the Measurable Objectives (but above the Operational Bonus Threshold as defined below) will decrease the Annual Bonus for such Measurable Objectives in accordance with its applicable mechanism as shall be pre-determined by the Remuneration Committee and Board; and

(b) **20% of the CEO MBO Plan based on the RC and Board discretion.**

In accordance with the Compensation Policy, the Board determines a payment threshold for payment of Annual Bonuses to the Office Holders, including the CEOs, for each year. Under such threshold determined in the 2021 MBO Plan, in the event that achievement of the CEO MBO Target results in an accumulated score of less than seventy percent (70%) of the CEO MBO Target (the "**Annual Bonus Threshold**"), no Annual Bonuses shall be paid to the Company's CEOs. In addition, in accordance with the Compensation Policy which stipulates that the Annual Bonus shall be capped as determined by the Board, but shall in no event exceed one hundred and fifty percent (150%) of the CEO MBO Target of each CEO, the Board has determined that the Annual Bonus paid to each of the CEOs under the 2021 MBO Plan shall not exceed one hundred and thirty percent (130%) of the CEO MBO Target of each CEO (the "**Annual Bonus Cap**").

2.4 **Exit Bonus**

Under the Compensation Policy, the Remuneration Committee and Board shall be authorised, in addition to any Annual Bonus, to grant, in connection with an Exit Event in one of the Group's portfolio companies, a cash payment to all of the Office Holders together, of which payment will be determined to each Office Holder based on the Remuneration Committee and Board's sole discretion, of:

(a) up to 5.0% of the proceeds received by the Group as a result of any Exit Event if such proceeds are up to US$7,000,000; and

(b) up to 7.5% of the proceeds received by the Group as a result of any Exit Event for any excess amount above US$7,000,000.

In accordance with the Compensation Policy, the Remuneration Committee and Board have determined that the Exit Bonus to each of the CEOs (under the aggregate Exit Bonus for all Office Holders of the Company as set forth under the 2021 MBO Plan in accordance with the aggregate Exit Bonus cap under the Company's Compensation Policy) shall be as follows:

(i) approximately 0.7% of the accumulated annual proceeds received by the Group as a result of any Exit Event consummated during FY2021 if such proceeds are up to US$10,000,000; and

(ii) approximately 1.0% of the accumulated annual proceeds received by the Group as a result of any Exit Event if such amount exceeds US$10,000,000, provided that such payment to each of the CEOs shall in no event exceed the lower of (i) 1.8% of the accumulated annual proceeds received by the Group as a result of any Exit Event; or (ii) 100% of such CEO's annual base salary.

Without derogating from the foregoing, the payment of any Annual Bonus and/or Exit Bonus to the Company's CEOs under the CEO MBO Plan shall in each case be subject to applicable provisions under the Company's Compensation Policy and the CEO MBO Plan which regulate the circumstances under which such bonuses may be approved – including thresholds under which such bonuses shall not be granted and other provisions for the cancellation or reduction of bonuses, as may be decided by the Remuneration Committee, and shall, in addition to the foregoing, be subject to the approval of the Remuneration Committee and Board, which shall be granted – if at all – only after taking account, *inter alia*, the Company's financial state at such applicable time.

2.5 **Summary of key differences between the CEO MBO Plan under the 2021 MBO Plan and the 2020 MBO Plan**

A summary of the key differences between the CEO MBO Plan under the 2021 MBO Plan and 2020 MBO Plan is set out below:

(1) **2020 MBO Plan** - Admission of 7 new portfolio companies into incubators, including Singapore incubator(s): 20%

2021 MBO Plan - This component has been cancelled.

(2) **2020 MBO Plan** - Portfolio value net increase of at least 7%, including value of exits and other payments: 35%.

2021 MBO Plan - This percentage threshold has been increased to 50%.

(3) **2020 MBO Plan** - 12 companies raising follow-on rounds: 35%.

2021 MBO Plan - This percentage threshold has been increased to 50%.

(4) **2020 MBO Plan** - Increase of assets under management – Additional Assets Under Management (including activity in Singapore) of US$20 million in investment funds: 10%

2021 MBO Plan - This component has been cancelled.

3. THE PROPOSED ADOPTION OF THE AMENDED COMPENSATION POLICY

3.1 Background

Pursuant to the Companies Law, companies incorporated under the laws of Israel, whose shares are listed for trade on a stock exchange or have been offered to the public in or outside of Israel, such as the Company, are required to adopt a policy governing the compensation of "Office Holders".

The Compensation Policy was approved by Shareholders on 2 August 2016 and was subsequently renewed and amended on 13 February 2019. The amended Compensation Policy will be valid for a period of three (3) years from the date of passing of this resolution.

In general, according to the Companies Law, the Compensation Policy is required to be recommended for approval by the Remuneration Committee, followed by the approval of the Board and finally by the Shareholders of the Company (by a Disinterested Majority), in order to set the principles and thresholds under which the Remuneration Committee and the Board will be able to determine the appropriate remuneration to an Office Holder. To date, the actual total compensation granted to the Company's Office Holders is significantly lower than the thresholds set in the Compensation Policy. The Compensation Policy must be reviewed from time to time by the Remuneration Committee and the Board, in order to consider its adequacy, and must be reapproved in accordance with the above-mentioned approval process at least once every three years.

Pursuant to the Companies Law, as amended, the Compensation Policy must comply with specified criteria and guidelines and, in general, be based on, after considering, among others, the following factors: (i) promoting the Company's objectives, business plans and long-term policy; (ii) creating appropriate incentives for the Executives and Directors, considering, among others, the Company's risk management policy; and (iii) the Company's size and nature of operations.

Following review by the Remuneration Committee and by the Board of the Compensation Policy, and following consideration of the framework required for appropriately incentivizing the Executives, and after taking into consideration the state of the Company and its business plan, the Remuneration Committee and Board have determined that the provisions of the Compensation Policy should be revised to reflect certain amendments, as detailed in Section 3.2 below.

3.2 Proposed Amendments

3.2.1 Maximum Base Salary (Section 2.5 of the Amended Compensation Policy): For the purposes enhancing disclosure, the Company proposes to adopt a Maximum Base Salary Policy for Executives and other officers in the Company, pursuant to which the Maximum Base Salary of each Executive or officer is determined and specified, in accordance with the table below:

Position	Maximum Base Salary (in US$)
CEO	42,000
Executive Director	42,000
Other Office Holders	32,000

Note: Base salary only includes the gross monthly salary.

3.2.2 Annual MBO Bonus (Section 2.7 of the Amended Compensation Policy): For the purposes of enhancing disclosure, the Company proposes to clarify its Annual MBO Bonus Policy in order for stakeholders to better understand the remuneration to the Executives and other officers in the Company. In this regard, the Company proposes to adopt a Maximum Annual MBO Bonus Policy, pursuant to which the Maximum Annual MBO Bonus of each officer shall not exceed the lower of (i)150% of such Executive's Target MBO, or (ii) the sums in the table below:

Position	Maximum Annual MBO Bonus
CEO	A multiple of six (6) on the monthly base salary of such position.
Executive Director	A multiple of six (6) on the monthly base salary of such position.
Other Office Holders	A multiple of five (5) on the monthly base salary of such position.

In addition, it was determined that the measurable objectives for a CEO shall include one or more financial objectives, constituting at least 50% of the measurable objectives.

3.2.3 Equity Based Compensation (Sections 3 and 2.8 of the Amended Compensation Policy): In order to attract new directors and as well as for retention purposes, the Company proposes to amend its Equity Based Compensation by introducing higher caps on such compensation to be granted.

With respect to options exercisable to ordinary shares of the Company and unless determined otherwise by the Board (i) the exercise price for such

options shall be the "Fair Market Value" meaning that as long as the Company's shares are listed on the SGX-ST, a price equal to the average of the last traded prices for the Company shares on the SGX-ST over the thirty consecutive trading days immediately preceding such options grant date; and (ii) the vesting period shall be over a 3-year period, exercisable from the date upon which it becomes vested until the lapse of 10 years from the option grant date.

3.2.4 Directors & Officers ("**D&O**") Insurance (Section 4 of the Amended Compensation Policy): The D&O liability insurance market has changed dramatically over the past two years due to the COVID-19 pandemic, with many insurers suffering heavy losses over the same period.

In view of the dramatic rise in premiums and the deductibles in D&O liability insurance policies, the Company proposes to amend the current Compensation Policy to allow the Company to purchase insurance policies with adequate insurance coverage under present market conditions. Accordingly, the Remuneration Committee will be authorised to determine the premium and deductible amounts in the policies purchased by the Company, according to market conditions as prevailing at the time of the purchase of the D&O insurance policy.

Certain other miscellaneous amendments were also made to the Compensation Policy, mainly in order to align with Israeli laws and regulations.

A copy of the marked amended Compensation Policy is set out at Appendix A to this Circular ("**Amended Compensation Policy**"). If the Amended Compensation Policy is renewed and adopted by the Shareholders at the SGM, it shall be in force and effect for a period of three (3) years commencing as of the date of its approval at the SGM. If the Amended Compensation Policy is not approved by Shareholders at the SGM, the current Compensation Policy shall continue to be in full force and effect for the duration of a three (3) year period commencing from 13 February 2019 (i.e. the date in which the current Compensation Policy was approved by the Shareholders).

4. SPECIAL GENERAL MEETING

The SGM, the notice of which is set out on pages N-1 to N-3 of this Circular, will be held by electronic means (by "live" audio/video conference call) on Thursday, 22 April 2021 at 1:30 p.m. (Singapore time) (or immediately after the conclusion or adjournment of the AGM to be held at 1:00 p.m. (Singapore time) on the same day by electronic means) for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the Notice of SGM.

In line with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of this Circular (including the Notice of SGM and the Proxy Form) will be despatched to Shareholders. A copy of this Circular (including the Notice of SGM and the Proxy Form) have been uploaded on SGXNet at https://www.sgx.com/securities/company-announcements and may also be accessed at the Company's website at https://www.trendlines.com/investors/investors-news/.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

5.1 No physical attendance at the SGM

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to physically attend the SGM.

5.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the SGM by (a) observing and/or listening to the SGM proceedings by "live" audio/video conference call; (b) submitting questions in advance of the SGM; and/or (c) appointing the Chair of the SGM as proxy to attend, speak and vote on their behalf at the SGM. For more information, please refer to the Notice of SGM set out on pages N-1 to N-3 of the Circular.

5.3 Abstention from voting

Indication of personal interest

Each Shareholder voting on the ordinary resolutions relating to the Proposals to be proposed at the SGM is required to indicate whether or not he is a Controlling Shareholder (as defined in the Companies Law) or has a personal interest in the proposed ordinary resolutions 1 and 2.

Under the Companies Law, in general, a person will be deemed to be a Controlling Shareholder if that person has the power to direct the activities of the Company, otherwise than by reason of being a director or other office holder of the Company, and a person is deemed to have a personal interest if any member of the Shareholder's immediate family, or the immediate family of a Shareholder's spouse, has a personal interest in the adoption of the proposal. In addition, you are deemed to have a personal interest if a company that is affiliated with you, other than the Company, has a personal interest in the adoption of the proposal. Such company is a company in which you or a member of your immediate family serves as a director or chief executive officer, has the right to appoint a director or the chief executive officer, or owns 5% or more of the outstanding shares. However, you are not deemed to have a personal interest in the adoption of the proposal if your interest in such proposal arises solely from your ownership of our Shares, or from a matter that is not related to a relationship with a Controlling Shareholder (as defined under the Companies Law).

Please note that as of the date hereof, while LH is a controlling shareholder as defined under the Catalist Rules, to the best of the knowledge of the Company, it is not deemed to be a Controlling Shareholder as defined under the Companies Law.

According to an Israeli court ruling, a Shareholder must positively inform the Company whether or not such Shareholder has a personal interest in a proposal which is subject to approval by a Disinterested Majority, as in the case of proposed ordinary resolutions. Your failure to check the box on the proxy form indicating that you have no personal interest or that you are not a Controlling Shareholder (as defined under the Companies Law) will require the Company to assume that you have a personal interest in the proposed ordinary resolutions 1 and 2.

The Company cannot assume that a Shareholder who signs and returns a Proxy Form without a specific indication as to the lack of personal interest of such shareholder has no personal interest with respect to the proposed ordinary resolutions 1 and 2. If you believe that you, or a related party of yours, is a Controlling Shareholder or possesses a personal interest with respect to the proposed ordinary resolutions 1 and 2 and you wish to participate in the vote on the proposed ordinary resolutions 1 and 2, you should not indicate in the appropriate box that there exists no personal interest on the enclosed Proxy Form. If you hold your Shares through a bank, broker or Controlling Shareholder or other nominee and believe that you possess a personal interest and you wish to participate in the vote on the proposed ordinary resolutions 1 and 2, you should not indicate in the appropriate box that there exists no personal interest on the enclosed Proxy Form.

If you hold your Shares through a bank, broker or other nominee and believe that you possess a personal interest in the approval of the proposed ordinary resolutions 1 and 2, you may also contact the representative managing your account, who could then contact us on your behalf.

5.4 **When a Depositor is not regarded as a Shareholder**

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the SGM unless his name appears on the Depository Register as at **16 April 2021**, being the record date for determining those Shareholders eligible to vote at the SGM.

6. DIRECTORS' RECOMMENDATIONS

The Board (save for Mr. David Todd Dollinger and Mr. Stephen Louis Rhodes, who have abstained from making any recommendation in respect of ordinary resolution 1) believes that (a) ordinary resolution 1 in relation to the approval of the CEO MBO Plan for FY2021; and (b) ordinary resolution 2 in relation to the proposed adoption of the Amended Compensation Policy, are in the best interests of the Company and its Shareholders as a whole and, accordingly, recommends that the Shareholders vote in favor of the aforementioned resolutions at the SGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposals, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

8. INSPECTION OF DOCUMENTS

In line with the provisions under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of this Circular, the Notice of SGM and Proxy Form will be despatched to Shareholders.

As such:

(a) Copies of this Circular, the Notice of SGM, Proxy Form and Annual Report for FY2020 have been uploaded on SGXNet and are also available on the Company's website at the URL https://www.trendlines.com/investors/investors-news/;

(b) Shareholders may request an electronic copy of the Articles and the Compensation Policy for inspection, from the date of this Circular up to and including the date of the SGM, by email to shira@trendlines.com.

Yours faithfully

For and on behalf of
the Board of Directors of
The Trendlines Group Ltd.

David Todd Dollinger and Stephen Louis Rhodes
Chairmen and Chief Executive Officers
16 March 2021

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)
(Company Registration Number: 513970947)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the "**SGM**") of The Trendlines Group Ltd. (the "**Company"**)will be convened and held in a virtual-only meeting format via "live" audio/video conference call on **Thursday, 22 April 2021 at 1:30 p.m. (Singapore time)** or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 1:00 p.m. (Singapore time) on the same day by virtual-only meeting format, for the purpose of considering and, if thought fit, approving the following matters:

AS ORDINARY RESOLUTION

1. To consider and approve the proposed CEO MBO Plan for FY2021.

   Please refer to the Circular of the Company dated 16 March 2021 for further information regarding the proposed resolution.

2. To consider and approve the proposed adoption of the Amended Compensation Policy.

   Please refer to the Circular of the Company dated 16 March 2021 for further information regarding the proposed resolution.

BY ORDER OF
THE BOARD OF
THE TRENDLINES GROUP LTD.

Rachel Ooi
Haim Brosh
Joint Company Secretaries
16 March 2021

Notes:

1. The SGM is being convened, and will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 released on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued on 13 April 2020.

   Printed copies of this Notice of SGM will not be sent to shareholders, instead, this Notice of SGM will be sent to shareholders by way of electronic means via publication on the SGXNet at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.trendlines.com/investors/investors-news.

Alternative arrangements have been put in place to allow shareholders to participate at the SGM by (a) observing and/or listening to the SGM proceedings by "live" audio/video conference call; (b) submitting questions in advance of the SGM; and/or (c) appointing the Chairman of the SGM as proxy to attend, speak and vote on their behalf at the SGM. For more information, please refer to the Company's announcement entitled "*Participation in the Special General Meeting*" published on SGXNet and the Company's website, which has been released together with the Notice of SGM on the same day.

2. For the purposes of efficiency and transparency, shareholders are encouraged to submit questions by e-mail to Mr. Haim Brosh, Joint Company Secretary, at haim@trendlines.com or in hard copy by post to the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 regarding the resolutions on the agenda no later than seven (7) working days in advance of the SGM (i.e. **by 1:30 p.m. on 13 April 2021**) and the Company will endeavour to address the substantial and relevant questions on the SGXNet and its website at https://www.trendlines.com/ no later than three (3) days prior to the SGM. The responses to other questions from shareholders, together with the minutes of the SGM, will be posted on the SGXNet and the Company's website within one (1) month after the date of the SGM.

   In view of the evolving COVID-19 situation, the Company reserves the right to take such further precautionary measures as may be appropriate up to the date of the SGM, including any precautionary measures required or recommended by the government or any regulatory bodies, in order to curb the spread of COVID-19. Shareholders should continually check for announcements by the Company for updates on the SGM.

3. Shareholders will not be able to attend the SGM in person. A shareholder (whether individual or corporate) shall appoint the Chairman of the SGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the SGM, if such shareholder wishes to exercise his/her/its rights at the SGM. Where a shareholder (whether individual or corporate) appoints the Chairman of the SGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of the Chairman of the SGM as proxy for that resolution will be treated as invalid.

4. The form of an instrument appointing a proxy, which may be used to vote at the SGM can be found at the end of this document.

5. Shareholders will not be able to submit their votes online during the "live" audio/video conference call. Shareholders who wish to vote at the SGM must submit a Proxy Form attached to this Circular to appoint the Chairman of the SGM to cast votes on their behalf. Shareholders are requested to complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at T'chelet Street 17, Misgav Industrial Park, 2017400 Israel, or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or by e-mail to Mr. Haim Brosh, Joint Company Secretary, at CompanySecretary@trendlines.com, not less than forty eight (48) hours before the time appointed for the SGM (i.e. **by 1:30 p.m. on 20 April 2021**). Notwithstanding the above, the Chairman of the SGM shall have the right to waive the time

requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the SGM. A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit the completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the SGM (i.e. **by 1:30 p.m. on 13 April 2021**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the SGM to vote on their behalf by the cut-off date.

Please note that shareholders will not be able to vote through the "live" audio/video conference call and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

Personal Data Privacy

By submitting an instrument appointing the Chairman of the SGM as proxy to attend, speak and vote at the SGM and/or any adjournment thereof, a shareholder of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the shareholder or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)
(Company Registration Number: 513970947)

PROXY FORM

I/We _____ (NRIC / Passport No./ Company Registration No.) _____

of _____ (Address)

being a shareholder/shareholders of The Trendlines Group Ltd. ("**Company**"), hereby appoint the Chairman of the Special General Meeting ("**SGM**") as my/our proxy to attend, speak and to vote for me/us on my/our behalf at the SGM of the Company to be held in a virtual-only meeting format via "live" audio/video conference on 22 April 2021 at 1:30 p.m. (Singapore time) (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 1:00 p.m. (Singapore time) on the same day by virtual-only meeting format).

I/We direct my/our proxy to vote for or against or abstain from the ordinary resolution to be proposed at the SGM as indicated hereunder. If no specific direction as to voting is given, the appointment of the Chairman of the Meeting as my/our proxy for that resolution will be treated as invalid.

No.	Resolution	For*	Against*	Abstain*	I am a Controlling Shareholder or have a personal interest in the proposed resolution	
					Yes**	No**
1.	To approve the proposed CEO MBO Plan for FY2021					
2.	To approve the proposed adoption of the Amended Compensation Policy					

*If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.

** If a "✓" is not marked in either column or a "✓" is marked in both columns, the vote shall be disqualified.

Dated this _____ day of _____ 2021.

Total No. of Shares Held

_____

Signature(s) of shareholder(s)/Common Seal of corporate shareholder

IMPORTANT
PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register, you should insert that number. If you have Shares registered in your name in the Shareholders Register of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and shares registered in your name in the Shareholders Register, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the SGM in person. A shareholder (whether individual or corporate) shall appoint the Chairman of the SGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the SGM, if such shareholder wishes to exercise his/her/its rights at the SGM.

3. This proxy form may be accessed at the SGXNet. Where a shareholder (whether individual or corporate) appoints the Chairman of the SGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the appointment of the Chairman of the SGM as proxy for that resolution will be treated as invalid.

4. Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), including CPF or SRS investors who wish to appoint the Chairman of the SGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the SGM (i.e. by 1:30 pm on 13 April 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the SGM to vote on their behalf by the cut-off date.

5. The Chairman of the Meeting, as a proxy, need not be a shareholder of the Company.

6. The instrument of proxy shall be duly signed by the appointer or his duly authorised attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorised signatory(ies), agent(s) or attorney(s). The Board may demand that the Company be provided with written confirmation, to its satisfaction, that the signatory(ies), agent(s) or attorney(s) have the authority to bind the corporate body of the appointing Shareholder.

7. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the Shareholder, being the appointer, is not shown to have Shares entered against his/her name in the Depository Register as at **16 April 2021, the record date for determining those shareholders eligible to vote at the SGM**, as certified by the CDP.

8. The Companies Law requires that each Shareholder voting on the proposed ordinary resolutions 1 and 2 to indicate whether or not he/she is a Controlling Shareholder or has a personal interest in such proposed resolutions. For a complete discussion regarding control and personal interest, and how to indicate whether you are a Controlling Shareholder or have personal interest in these proposed resolutions, please refer to Section 5.3 of the Circular, entitled "Indication of personal interest".

9. Shareholders will not be able to submit their votes online during the "live" audio/video conference call. Shareholders who wish to vote at the SGM must submit a Proxy Form attached to this Circular to appoint the Chairman of the SGM to cast votes on their behalf. Shareholders are requested to complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 17 T'chelet Street, Misgav Industrial Park, 2017400 Israel or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or by e-mail to Mr. Haim Brosh, Joint Company Secretary, at CompanySecretary@trendlines.com. not less than forty eight (48) hours before the time appointed for the SGM (i.e. by 1:30 p.m. on 20 April 2021). Notwithstanding the above, the Chairman of the SGM shall have the right to waive the time requirement provided above with respect to all instruments of proxies and to accept any and all instruments of proxy until the beginning of the SGM.

   A shareholder who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit the completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email

Personal Data Privacy

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the SGM and/or any adjournment thereof, a shareholder of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the shareholder or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Executives & Directors Compensation Policy

1. Overview

1.1. Definitions

Company	The Trendlines Group Ltd.
Law	The Israeli Companies Law 5759-1999 and any regulations promulgated under it, as amended from time to time.
Remuneration Committee	A committee appointed in accordance with the Law.
CEO	Chief Executive Officer(s) of the Company.
Office Holder	Director, CEO, Key Management Personnel, and any senior executive directly subordinate to the CEO all as defined in Section 1 of the Law.
Executive	Office Holder, excluding non-executive directors.
Executive Director	Director who is also an executive of the Company.
Key Management Personnel	The CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company.
Non-Executive Director	Director who is not an executive of the Company.
Terms of Office and Employment	Terms of office or employment of an Executive or a Director, including the grant of an exculpation, an undertaking to indemnify, indemnification or insurance, Separation Package, and any other benefit, payment or undertaking to provide such payment, granted in light of such office or employment, all as defined in section 1 of the Law.
Total Cash Compensation	The total annual cash compensation of an Executive, which shall include the total amount of: the annual base salary and the annual cash target incentive (i.e., the Target MBO as defined below).
Equity Value	The value of the total annual Equity Based Components, valued using the same methodology utilized in the Company's financial statements.
Controlling Shareholder Under the Israeli Companies Law	A Shareholder with the ability to direct the activities of the Company, other than by virtue of being a director or holding any other position with the Company. A shareholder is presumed to be a Controlling Shareholder if he holds 50.0% or more of the "means of control" in the Company. The term "means of control" is defined under the Israeli Securities Law as voting rights in the Company's general meeting or the right to appoint the Directors of the Company or its general manager. With respect to certain matters, a Controlling Shareholder is deemed to include a shareholder that holds 25.0% or more of the voting rights in a public company if no other shareholder holds more than 50.0% of the voting rights in such company.

1.2. Global Strategy Guidelines

1.2.1. Our Company creates, develops, and/or invests in medical and agrifood

technologies and companies with a view towards building value.

1.2.2. Our vision and business strategy of creating and developing companies to improve the human condition is directed towards growth, value creation, sustainability, profitability, and innovation, all with a long-term perspective.

1.2.3. We strongly believe that our business success is highly reliant on the excellence of our human resources at all levels. In particular, we believe that the Company's ability to achieve its goals requires us to recruit, motivate and retain high quality and experienced leadership, including directors.

1.2.4. Therefore, we believe in creating a comprehensive, customized compensation policy for our Office Holders (the "**Policy**"), which shall enable us to attract and retain highly qualified senior leaders. Moreover, the Policy shall motivate our senior leaders to perform to the full extent of their abilities and to achieve ongoing targeted results in addition to a high level of business performance aligned with our business strategy while ensuring our Office Holders are not incentivized to take excessive risks which may be detrimental to long-term shareholder value.

1.2.5. The Policy sets forth our philosophy regarding the Terms of Office and Employment of our Office Holders and is designed to allow us to be responsive to marketplace changes with respect to compensation levels and pay practices.

1.2.6. The Policy is tailored to ensure compensation which balances performance targets and time horizons through rewarding business results, long-term performance, and strategic decisions.

1.2.7. The policy provides our Remuneration Committee and our Board of Directors with adequate measures and the flexibility to tailor each of our Executive's compensation packages, based among other factors on responsibilities, geography, business tasks, role, seniority, and skills.

1.2.8. The Policy shall provide the Board of Directors with guidelines as to exercising its discretion under the Company's equity plans.

1.2.9. The Policy is guided by the principles set forth by the Law and takes into consideration the provisions of the Singapore Code of corporate Governance 2018, as amended from time to time.

1.3. **Princlples of the Policy**

1.3.1. The Policy shall guide the Company's management, Remuneration Committee, and Board of Directors with regard to Office Holders' compensation.

1.3.2. The CEOs are entitled to make changes to the compensation terms of Office Holders who are executives directly subordinate to them, provided however, that such changes are not material and within the boundaries set forth in this Compensation Policy. For the purposes of this Section 1.3.2, a change will be deemed to be non-material with respect to a certain calendar year if it does not exceed 10% of the aggregate value of the Total Cash Compensation and Equity Value for such calendar year. If an Office Holder is either a Controlling Shareholder or a relative of a Controlling Shareholder under the Israeli Companies Law, additional approvals may be required by law.

1.3.3. The Policy shall be reviewed from time to time by the Remuneration Committee and the Board of Directors, to ensure its compliance with applicable laws and

regulations as well as market practices, and its conformity with the Company's targets and strategy. As part of this review, the Board of Directors will analyze the appropriateness of the Policy in advancing achievement of its goals, considering the implementation of the Policy by the Company during previous years.

1.3.4. Any proposed amendment to the Policy shall be brought up for the approval of the Shareholders of the Company and the Policy as a whole shall be re-approved by the Shareholders of the Company as required by Law.

1.3.5. Our Policy shall be global, but its implementation shall be aligned with local practices and legal requirements and with our intention to treat our Executives fairly and consistently on a global basis.

1.3.6. The approval procedures of Terms of Office and Employment as well as back-up data shall be documented in detail and such documentation shall be kept in the Company's offices for at least seven years following approval.

1.3.7. The compensation of each Office Holder shall be taxed and subject to mandatory or customary deductions and withholdings, in accordance with the applicable local laws.

1.4. **Remuneration Committee Independence**

Our Remuneration Committee will be comprised of at least three members of our Board of Directors. Each member of our Remuneration Committee must meet any required independence requirements established under applicable law.

2. Executive Compensation

2.1. When examining and approving Terms of Office and Employment, the Remuneration Committee and Board members shall review the following factors and shall include them in their considerations and reasoning:

2.1.1. Executive's education, skills, expertise, professional experience and specific achievements.

2.1.2. Executive's role, scope of responsibilities, and location.

2.1.3. Executive's previous compensation.

2.1.4. The Company's performance and general market conditions.

2.1.5. The ratio between the cost of an Executive's compensation, including all components of the Executive's Terms of Office and Employment, and the cost of salary of the Company's employees in particular with regard to the average and median ratios, and the effect of such ratio on work relations inside the Company as defined by the Law.

2.1.6. Comparative information, as applicable, as to former Executives in the same position or similar positions, as to other positions with similar scopes of responsibilities inside the Company, and as to Executives in peer companies globally spread. The peer group shall include not less than 8 companies similar, to the extent possible, in parameters that include, among others, total revenues, market cap, industry and number of employees. The comparative information, as applicable, shall address the base salary, target cash incentives and equity and may rely also on comparative information provided by external compensation

consultants.

2.2. The compensation of each Executive shall be composed of some or all of the following components:

2.2.1. Fixed components, which shall include, among others: base salary and benefits;

2.2.2. Variable components, which may include: cash incentives and equity based compensation;

2.2.3. A separation package;

2.2.4. Directors & Officers (D&O) Insurance, exculpation, indemnification; and

2.2.5. Other components, which may include among others: change in control payment, special bonus, signing or retention bonus, exit bonus, relocation benefits, study opportunities, leave of absence, etc.

2.3. The plan for Executives' compensation mix shall be comprised of some or all, of the following components:

Compensation Component	Purpose	Compensation Objective Achieved
Annual base salary	Provide annual cash income based on the level of responsibility, individual qualities, past performance inside the Company, and past experience inside and outside the Company.	• Individual role, scope and capability based compensation; and • Market competitiveness.
Performance-based cash incentive compensation	Motivate and incentivize the individual towards reaching Company, unit and individual's periodical and long-term goals and targets.	• Reward periodical accomplishments; • Align Executive's objectives with Company, unit and individual's objectives; and • Market competitiveness.
Long-term equity-based Compensation	Align the interests of the individual with the Shareholders of the Company, by creating a correlation between the Company's success and the value of the individual's holdings	• Company performance based compensation; • Reward long-term objectives; • Align individual's objectives with shareholders' objectives; and • Market Competitiveness.

2.4. The compensation package shall be reviewed with respect to each Executive once a year, or as may be required from time to time

2.5. **Fixed Compensation**

2.5.1. **Base Salary:**

2.5.1.1. Our Remuneration Committee and Board of Directors shall determine, from time to time, the target percentile, and/or range of precentiles, that our Executives' base salary shall meet, with respect to peer group companies as aforesaid.

2.5.1.2. The base salary is intended to provide annual cash income based on the level of responsibility, individual qualities, past performance inside the Company, and past experience inside and outside the Company.

2.5.1.3. The monthly base salary for each Executive shall be determined by our Remuneration Committee and Board of Directors in accordance with the aforementioned parameters and subject to the following agregate limits:

Position	Maximum Base Salary (in US$)
CEO	42,000
Executive Director	42,000
Other Office Holder	32,000

For this table, the term "base salary" only includes the gross monthly salary. All other components are excluded, including any variable or accompanying salary components (if applicable); for example, various bonuses, company car usage or allowance, company telephone usage or allowance, reimbursement of expenses, etc., social security rights, and accompanying salary benefits (including Company contributions towards, officers' insurance policies, pension funds, study funds, vacation days, convalescence pay, sick days, etc.).

2.5.2. **Benefits**

2.5.2.1. Benefits granted to Executives shall include any mandatory benefit under applicable law, as well as:

- Pension plan/ Executive insurance as customary in each territory.
- Additional benefits may be offered as part of the general employee benefits package ((Private medical insurance disability and life insurance, transportation (including Company car and reimbursement of all related expenses or, alternatively, reimbursement of expenses for a private vehicle, which shall not exceed the cost of the Company vehicle and all related costs), communication & media, loss of working capacity insurance, Israeli education fund, mandatory allocations such as recuperation pay (Dmei Havra'a), etc.)) all in accordance with the local practice of the Company. Executives who serve outside of Israel may be entitled to benefits in accordance with customs and practices applicable in such country of service for Executives of similar rank.

2.5.2.2. An Executive will be entitled to sick days and special vacation days (such as recreation days), as required under local standards and practices.

2.5.2.3. An Executive will be entitled to vacation days (or redemption thereof), in correlation with the Executive's seniority and position in the Company (generally up to 30 days annually), subject to the minimum vacation days requirements per country of employment as well as the local national holidays.

2.5.2.4. Additional benefits, with an aggregate value that shall not exceed 10% of an Executive's annual base salary (such limitation upon the

additional benefits not relating to any relocation).

2.6. **Variable Components**

2.6.1. When determining the variable components as part of an Executive's compensation package, the contribution of the Executive to the achievement of the Company's goals, revenues, profitability and other key performance indicators ("**KPI**s") shall be considered, taking into account, among others, the Company's long-term perspective and the Executive's position.

2.6.2. Variable compensation components shall be comprised of cash components which shall be mostly based on measurable criteria and on equity components, all taking into consideration a long-term perspective.

2.6.3. Our Board of Directors shall be authorized to reduce or cancel any cash incentive under circumstances which the Board of Directors deems, at its absolute discresion, to be exceptional.

2.7. **Cash Incentives**

2.7.1. **Management by Objectives ("MBO") Plan**

2.7.1.1. MBOs are incentive cash payments to the Executives that vary and may be based on the Company's and unit's performance and on such Executive's individual performance and contribution to the Company.

2.7.1.2. For each calendar year, our Remuneration Committee and Board of Directors shall adopt an MBO plan, which will set forth, for each Executive, objectives, a corresponding target MBO payment (which shall be referred to as the "**Target MBO**"), and the rules or formula for calculation of the MBO payment once actual achievement of the objectives is known. If an Office Holder is either a Controlling Shareholder or a relative of a Controlling Shareholder under the Israeli Companies Law, additional approvals may be required by law.

2.7.1.3. The Remuneration Committee and Board of Directors may include in the MBO plan predetermined thresholds, caps, multipliers, accelerators and deccelerators to corelate an Executive's MBO payments with actual achievements.

2.7.1.4. The MBO Target of each Executive shall be calculated as a percentage of such Executive's annual base salary, which shall not exceed 6 months base salary for each Executive.

2.7.1.5. The annual MBO payment for each Executive in a given year shall be capped as determined by our Board of Directors, but in no event shall exceed the lower of (i)150% of such Executive's Target MBO, or (ii) the sums in the following chart:

Position	Maximum Annual MBO Bonus
CEO(s)	A multiple of six (6) on the monthly base salary of such position.
Executive Director	A multiple of six (6) on the monthly base salary of such position.

Other Office Holder	A multiple of five (5) on the monthly base salary of such position.

2.7.1.6. At least 50% of the objectives shall be measurable. Such objectives may include, among others, one or more of the following, with respect to the Executive:

- Company's / unit's Revenues;
- Company's / unit's Operating Income;
- Pre-tax profits above previous fiscal year;
- Fundraising goals;
- Budget coherence and cost savings;
- KPIs;
- EPS;
- The achievement of predefined targets;
- KPIs relating to portfolio companies;
- Admission of new portfolio companies; and
- Joint ventures and other strategic partnerships

With respect to our CEOs – only a non-substantial portion of up to 20% of the objectives or up to 3 monthly base salaries may be based on non-measurable criteria.

Such non-measurable criteria may be determined with respect to each Executive other than the CEOs and Executive Directors – by our CEOs with the approval of our Remuneration Committee and our Board of Directors, and with respect to our CEOs and Executive Directors – by our Remuneration Committee and our Board of Directors without the presence of the CEOs or Executive Director. If an Office Holder is either a Controlling Shareholder or a relative of a Controlling Shareholder under the Israeli Companies Law, additional approvals may be required by law.

2.7.1.7. The objectives, as well as their weight, shall be determined in accordance with the Executive's position, the Executive's individual roles, and the Company's and unit's long-term and short-term objectives. The measurable objectives for a CEO shall include one or more financial objectives, constituting at least 50% of the measurable objectives.

2.7.1.8. In the event that the Company's targets are amended by the Board of Directors during a particular year, the Board of Directors shall have the authorization to determine whether, and in which manner, such amendment shall apply to the MBO plan.

2.7.1.9. The Board of Directors shall annually determine a threshold with respect to the Company's objective targets under which no MBO payments shall be distributed.

2.7.1.10. Adjustment to Company and/or unit and or Executives' objective targets

may be made, when applicable, following major acquisitions, divesture, organizational changes, material change in the business environment, or for other reasons.

2.7.1.11. In the event that with respect to a certain year, the Board deems that it is required under the circumstances to do so, the Board may decide not to make any MBO payments or to reduce the MBO payments, even if the MBO targets were achieved.

2.7.2. **Exit Event Bonus**

Our Remuneration Committee and Board of Directors shall be authorized, in addition to any annual MBO payment, to grant, in connection with an Exit Event in one of the Company's portfolio companies, a cash payment to all of our Executives together, of: (1) up to 5% of the proceeds actually received by the Company as a result of each individual Exit Event if such proceeds are up to US$7,000,000; and (2) up to 7.5% of the proceeds actually received as a result of each Exit Event for any amount above US$7,000,000 (the "**Exit Bonus Pool**"), provided that such payment shall not exceed, with respect to each individual Executive, the lower of: (i) 1.8% of the **Exit Bonus Pool**; or (ii) 100% of such Executive's annual base salary. In the event that any of the proceeds payable to the Company as a result of an Exit Event consist of contingent payments, installments, earn outs, royalties, or proceeds placed in escrow, such proceeds shall also be included for the purpose of determining the entitlement for the Exit Event bonus, provided that such amounts shall only entitle a bonus thereon upon such amounts being actually received by the Company. If an Office Holder is either a Controlling Shareholder or a relative of a Controlling Shareholder under the Israeli Companies Law, additional approvals may be required by law.

"**Exit Event**" – means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events with respect to a portfolio company: (i) a sale or other conveyance of all or substantially all of the assets of the portfolio company (including the grant of an exclusive license covering all or substantially all of the intellectual property rights of the portfolio company not in the ordinary course of business); (ii) a sale or other disposition of at least fifty percent (50%) of the outstanding securities of the portfolio company; (iii) a merger, consolidation or similar transaction following which the portfolio company is not the surviving corporation.

2.8. **Equity Based Compensation**

2.8.1. The Company shall grant its Executives, from time to time, equity based compensation, which shall consist of options to purchase shares of the Company ("**Equity Based Components**"), under any existing or future equity plan (as may be adopted by the Company), and subject to any applicable law. The Company believes that it is not in its best interest to limit the exercise value of Equity Based Components.

2.8.2. Equity Based Components provide incentives in a long-term perspective and shall be granted under the most recent equity plan of the Company that defines

the terms of these grants to all of the Company's employees. Our equity based components shall be in accordance with and subject to the terms of our existing or future equity plan and shall vest gradually in installments, throughout a period which shall not be shorter than 3 years with at least a 1 year cliff.

2.8.3. In determining the Equity Based Components granted to each Executive, our Remuneration Committee and our Board shall consider the factors specified in section 2.2 hereinabove, and in any event its Equity Value at the time of grant shall not exceed: (i) with respect to each of the CEOs – 150% of each of their annual base salaries; and (ii) with respect to each of the other Executives – 100% of each such Executive's annual base salary.

2.8.4. In the event of a Merger Transaction (as such terms are defined in the Company's most recent equity plan, currently The Trendlines Group Ltd. 2015 Global Share Option Plan (the "**Option Plan**")), unvested equity-based compensation may be accelerated as determined by the Board of Directors.

2.8.5. With respect to options exercisable to ordinary shares of the Company:

2.8.5.1. The Exercise Price for each Office Holder, unless determined otherwise by the Board of Directors, shall be the "Fair Market Value" meaning that as long as the Company's shares are listed on the SGX-ST, a price equal to the average of the last traded prices for the Company shares on the SGX-ST over the thirty consecutive trading days immediately preceding such options grant date.

2.8.5.2. Vesting Period: Unless determined otherwise by the Board of Directors, the options will vest over a period of at least 3 years.

2.8.5.3. Expiration Period: Unless determined otherwise by the Board of Directors, each option shall be exercisable from the date upon which it becomes vested until the lapse of ten (10) years from the option grant date.

2.9. **Separation Package**

2.9.1. Executives may be entitled to an advance notice period in accordance with existing agreements and in the absence of provisions in the agreements, as determined by the law. In any event, the advance notice period shall not exceed 6 months; during said notice period, Executives may be required to continue to fulfill their duties, unless the Company decides to release them from this obligation.

2.9.2. The following criteria shall be taken into consideration by our Remuneration Committee and our Board of Directors when determining an Executive's Separation Package: the duration of employment of the Executive, the terms of employment, the Company's performance during such term, the Executive's contribution to achieving the Company's goals and revenues and the circumstances of the separation.

2.9.3. Other than payments required under any applicable law, local practices, vesting of outstanding options, transfer or release of pension funds, managers' insurance policies, etc. – the maximum Separation Package of each Executive shall not exceed the value of 100% of his annual Total Cash Compensation. Separation Package shall include any payment and/or benefit paid to an Executive in connection with such Executive's separation, as defined in Section

1 of the Law.

2.10. **Others**

2.10.1. **Relocation** – additional compensation per local practices and law may be granted to an Executive under relocation circumstances. Such benefits may include reimbursement for out of pocket one-time payments and other ongoing expenses, such as housing allowance home leave visit, etc., in accordance with the Company's relocation practices, approved by the Remuneration Committee and Board of Directors.

2.10.2. **Leave of absence** – an Executive shall be treated in accordance with pay practices in the relevant country, which may also have an effect on base salary and MBO payments, and vesting of equity in accordance with the Company's Equity plans.

2.10.3. Our Remuneration Committee and our Board of Directors may approve, from time to time, with respect to any Executive, if they deem appropriate under special circumstances, or in case of a special contribution to, or achievement for the Company, including in cases of retention or attraction of an Executive, M&A events, major financing events and other major company achievements, the grant of a onetime cash or equity incentive, of up to 50% of the Executive's annual base salary.

2.11. **Clawback Policy**

2.11.1. In the event of a restatement of the Company's financial results, we shall seek from our Office Holders reimbursement of any payment made due to erroneous restated data, with regards to each Office Holder's Terms of Office and Employment that would not otherwise have been paid or in exceptional circumstances of misconduct resulting in financial loss to the Company. The reimbursement shall be limited to such payments made during the 3-year period preceding the date of restatement. The above shall not apply in case of restatements that reflect the adoption of new accounting standards, transactions that require retroactive restatement (e.g., discontinued operations), reclassifications of prior year financial information to conform with the current year presentation, or discretionary accounting changes.

2.11.2. Our Remuneration Committee and Board of Directors shall be authorized not to seek recovery to the extent that (i) to do so would be unreasonable or impracticable or; (ii) there is low likelihood of success under governing law versus the cost and effort involved;

3. Director Remuneration:

3.1. Executive Directors shall not be entitled to any remuneration with respect to their service as directors of the Company, and shall only be entitled to the compensation provided to them in their capacity as Executives.

3.2. The compensation of our external directors shall be determined, approved and capped in accordance with the Law.

3.3. The compensation of our non-executive directors who are not external directors with

respect to their service as directors of the Company and/or its private subsidiary(ies), shall be approved by the Compensation Committee, the Board and if required by Law, by our shareholders.

3.4. In setting the compensation of our external directors and non-executive directors, the Remuneration Committee shall consider, among others, parameters it deems necessary in order to attract and retain highly skilled and experienced Directors.

3.5. Any equity based compensation that may be granted to our external directors and our non-executive directors shall be granted under the existing or future equity plan of the Company. The Equity Value of the equity based compensation granted to each of our external directors and non-executive directors shall not exceed US$75,000.

3.6. The Company may repay Director's reasonable travel, hotel and other expenses expended by them in attending board meetings and performing their functions as directors of the Company.

4. Indemnification, Exculpation and Insurance

4.1. The Office Holders shall be entitled to the same directors and officer's indemnification of up to the maximum amount permitted by law, to an exculpation, in accordance with the terms and conditions approved by the Company, and to directors and officers liability insurance as shall be approved by the Remuneration Committee, Board of Directors and our shareholders, all in accordance with any applicable law and the Company's articles of association.

4.2. We shall be authorized to provide our directors and officers with liability insurance policies with an aggregare coverage of up to $50,000,000, plus 20% additional coverage for claims-related costs. Our liability insurance policies may include coverage extensions with respect to the implementation of ADR (American Depository Receipts) plans and/or issuances of shares or ADRs or other securities to be traded at the SGXNET or at any other securities exchange. The policy premium and the deductible will be in accordance with the applicable market conditions at the time the insurance policy is drawn up. The Company will be assisted by its external insurance consultants to identify and establish such market conditions.

4.3. The policy shall cover the directors and officers liability with respect to claims filed in Israel and abroad, in accordance with international law and jurisdictions. The policy shall also cover civil actions against the Company (in distinction from only covering claims against the directors and officers themselves) with respect to the purchase or sale of the Company's securities traded at the SGXNET, any other securities exchange, and/or at the OTC markets (Entity Coverage). The terms of the policy shall be identical with respect to all directors and officers.

4.4. Our Remuneration Committee shall be authorized, with respect to a specific material transaction or a series of related transactions, constituting together a material transaction, to the extent such insurance coverage is required in the opinion of our Remuneration Committee in order to provide adequate coverage for our directors and officers with respect to such a transaction – to purchase coverage in amounts of up to 3 times the then existing limit of coverage, without additional shareholders' approval, if and to the extent permitted under the Law. The premium and the deductible will be in accordance with applicable market conditions at the time the insurance policy is drawn up. The Company will be assisted by its external insurance consultants to

identify and establish such market conditions.

5. General

5.1. The Remuneration Committee and our Board of Directors shall be authorized to approve a deviation of up to 15% from any limits, caps or standards detailed in this Policy, and such deviation shall be deemed to be in alignment with this policy.

5.2. This Policy is set as guidance for the Company's relevant organs with respect to matters involving the compensation of its Office Holders, and is not intended to, and shall not, confer upon any of the Office Holders, any rights with respect to the Company.

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