

CIRCULAR DATED 13 MARCH 2024

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

If you are in any doubt as to the contents of this Circular or as to any 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 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. (the “**Sponsor**”). This Circular 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

This Circular has been made available on SGXNet and the Company’s website at URL <https://www.trendlines.com/>.

Printed copy of this Circular will NOT be despatched to shareholders. Instead, printed copies of the Notice of Special General Meeting and the accompanying Proxy Form will be mailed to shareholders.

To receive a physical copy of this Circular, please submit your request to the Company via email to CompanySecretary@trendlines.com with your full name, contact number and delivery address **no later than Tuesday, 9 April 2024.**

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 Special General Meeting.



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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) **THE APPROVAL OF THE CEO EXIT EVENT BONUS PLAN (AS DEFINED HEREIN) FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024.**
- (2) **THE APPROVAL OF GRANT OF OPTIONS TO THE COMPANY’S CEO.**
- (3) **THE PROPOSED ADOPTION OF THE AMENDED COMPENSATION POLICY.**

IMPORTANT DATES AND TIMES:

Last Date and Time for Submission of Questions in Advance for the Special General Meeting	:	1 April 2024 at 10:30 a.m. (Singapore time)
Last Date and Time for Lodgement of Proxy Forms	:	16 April 2024 at 10:30 a.m. (Singapore time)
Date and Time of Special General Meeting	:	18 April 2024 at 10:30 a.m. (Singapore time) <i>[or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10:00 a.m. (Singapore time) on the same day]</i>
Place of Special General Meeting	:	190 Clemenceau Ave, #06-01, Singapore Shopping Centre, The Dining Hall @ Work Central, Singapore 239924

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DEFINITIONS

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

“Board” or the “Board of Directors”	:	The board of Directors of the Company
“Catalist”	:	The Catalist Board of the SGX-ST
“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
“CEO”	:	The Company’s Chief Executive Officer as at the date of this Circular is Mr. Haim Brosh, who was appointed as CEO on 1 November 2023.
“Circular”	:	This circular to Shareholders dated 13 March 2024
“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, last adopted by the Shareholders on 22 April 2021
“Controlling Shareholder”	:	As defined in the Catalist Rules, a person who: <ul style="list-style-type: none"> (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

DEFINITIONS

		<p>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.</p> <p>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. With respect to holding, two or more persons who hold voting rights in the company and each of whom has a personal interest in the approval of the same transaction that is up for approval by the company shall be treated as one holder.</p>
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Disinterested Majority”	:	A simple majority of votes of the Shareholders which satisfies one of the following conditions: (a) 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 2.1 Error! Reference source not found. of this Circular
“External Director(s)”		External director(s) as defined under the Companies Law

DEFINITIONS

“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
“Latest Practicable Date”	:	12 March 2024, being the latest practicable date prior to the date of this Circular
“LH”	:	Librae Holdings Limited, the Controlling Shareholder of the Company
“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(s)”	:	Executive Director, Chief Executive Officer, Key Management Personnel, and any senior executive directly subordinate to the Chief Executive Officer
“Proposed Resolutions”	:	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” or “RC”	:	The remuneration committee of the Company for the time being
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGM”	:	The special general meeting of the Company to be held on 18 April 2024 at 10:30 a.m. (Singapore time), 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
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.

DEFINITIONS

“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued share capital of the Company
<u>Currencies, units and others</u>		
“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:

Nehama Ronen (Interim Chair and Independent Director)
Elka Nir (External and Lead Independent Director)
Sin Boon Ann (Independent Director)
Professor Low Teck Seng (Independent Director)
Sarit Zeevi (External and Independent Director)

Registered Office:

17 T'chelet Street
Misgav Industrial Park
2017400
Israel

13 March 2024

LETTER TO SHAREHOLDERS

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 on 18 April 2024 to seek Shareholders' approval in relation to the following matters:

- (a) the approval of the CEO Exit Event Bonus Plan (as defined herein) for the financial year ending 31 December 2024 (“**FY2024**”);
- (b) the approval of grant of options to the Company's CEO; and
- (c) the proposed adoption of the amended Compensation Policy.

(collectively, the “**Proposed Resolutions**”).

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Resolutions and to seek the approval of Shareholders in relation thereto at the forthcoming SGM. The Notice of SGM is set out on pages N-1 to N-3 of this Circular. This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) nor for any other purpose.

2. THE APPROVAL OF THE CEO EXIT EVENT BONUS PLAN FOR FY2024

On 21 February 2024, the Remuneration Committee and Board approved an Exit Event Bonus Plan for all Office Holders of the Company, including the Company's CEO, for FY2024, in accordance with the provisions of the Companies Law and the Compensation Policy (“**2024 Exit Event Bonus Plan**”).

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- 2.1 Under the 2024 Exit Event Bonus Plan, the exit bonus, to be granted in the event of an Exit Event will be 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 2024 Exit Event Bonus 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 2024 Exit Event Bonus Plan is designed to further encourage Exit Events, in accordance with the Company’s strategy and objectives going forward.

2.2 **Exit Bonus**

Under the Compensation Policy, the Remuneration Committee and Board shall be authorised 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, ((a) and (b) 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 accordance with the Compensation Policy, the Remuneration Committee and Board have determined that the Exit Bonus to the CEO (under the aggregate Exit Bonus for all Office Holders of the Company as set forth under the 2024 Exit Event Bonus Plan in accordance with the aggregate Exit Bonus cap under the Company’s Compensation Policy) shall be as follows:

- (i) approximately 1.5% of the accumulated annual proceeds received by the Group as a result of any Exit Event consummated during FY2024 if such proceeds are up to US\$7,000,000; and
- (ii) approximately 1.8% of the accumulated annual proceeds received by the Group as a result of any Exit Event if such amount exceeds US\$7,000,000, provided that such payment to the CEO 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 annual base salary.

Without derogating from the foregoing, the payment of any Exit Bonus to the Company’s CEO under the CEO 2024 Exit Event Bonus Plan shall in each case be subject to applicable provisions under the Company’s Compensation Policy and 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.

3. THE APPROVAL OF GRANT OF OPTIONS TO THE COMPANY'S CEO

Pursuant to the Companies Law, the terms of office and employment of the CEO are required to be approved in turn by the RC, Board and Shareholders by a Disinterested Majority¹.

The RC and Board have decided to provide the CEO with an equity grant, which provides a strong retention effect, strongly incentivizing the CEO to link his future with the Company, while motivating him to continue pushing the Company to benefit its Shareholders. This reward is a non-recurring award which is separate from the CEO ongoing annual compensation package.

In making its recommendation regarding the approval of Options grant to the CEO, the RC and the Board each have also considered, inter alia: (i) the factors included in the Compensation Policy, including, the position, tenure, responsibilities, background and experience of the CEO; (ii) that the Options grants reflect a fair and reasonable value for the CEO's services; and (iii) the number of options to purchase ordinary Shares of the Company held by the CEO prior to this proposed Options grant. The proposed grant is consistent with the Company's Compensation Policy.

The RC and Board have approved, and resolved to recommend to the Shareholders to approve, the grant of 18,000,000 options exercisable into 18,000,000 ordinary Shares of the Company to the CEO pursuant to the Trendlines 2015 Share Option Plan (the "**Options**"). The RC and Board believe that such number of Options is in the best interest of the Company and its Shareholders as it would help to align the interest of the CEO with Shareholders. Further, the cost of grant is in line with the existing market practice, having considered the anticipated services to be provided by the CEO. The aggregate amount of options equals approximately 1.87% of the Company's outstanding share capital and 1.72% of the Company's share capital on a fully diluted basis as of the date of this Circular.

Details regarding the Options to be granted to the CEO are set out below:

- (a) Date of Grant of the Options: 3 days following the SGM approval ("**Date of Grant**").
- (b) Exercise Price of each Option granted: The market price of the Company's Shares based on the average of the last dealt prices for the Company's Shares on the Catalist of the SGX-ST over the thirty (30) consecutive trading days immediately preceding the Date of Grant.
- (c) Number of Options granted: 18,000,000 Options exercisable into 18,000,000 ordinary Shares in the Company.
- (d) Validity period of the Options: 10 years from the Date of Grant.
- (e) Exercise Period: The Options are exercisable only after 12 months from the Date of Grant (i.e. exercisable only after 21 April 2025). One third (1/3) of the Options will vest and become exercisable after 12 months from the Date of Grant and the

¹ However, if the compensation arrangement is not approved by the Shareholders, the RC and Board may override the Shareholders' decision and nonetheless approve the arrangement, following further discussion of the matter and for detailed reasons in accordance with the Companies Law.

rest of the Options will vest and become exercisable in equal monthly instalments over a period of 24 months thereafter.

For further information regarding the equity interests of the CEO prior to the issuance of the Options, please refer to the Directors' Report in the Company's Annual Report for FY2023.

4. THE PROPOSED ADOPTION OF THE AMENDED COMPENSATION POLICY

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 first approved by Shareholders on 2 August 2016 and was subsequently renewed and amended on 13 February 2019 and on 22 April 2021. 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 (the latest one approved on 22 April 2021) should remain the same except for a technical change referring to a reference to the CEO, replacing the previous mention of two CEOs with a single CEO.

A copy of the 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 19 April 2024 being the date following its approval

at the SGM.

5. 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 at 190 Clemenceau Ave, #06-01, Singapore Shopping Centre, The Dining Hall @ Work Central, Singapore 239924 on 18 April 2024 at 10:30 a.m. (Singapore time) (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10:00 a.m. (Singapore time) on the same day) for the purpose of considering and, if thought fit, passing the ordinary resolutions set out in the Notice of SGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

When a Depositor is not regarded as a Shareholder

A Depositor shall not be regarded as a Shareholder of the Company that is entitled to attend the SGM unless his name appears on the Depository Register as at close of business on 11 April 2024, being the record date for determining those Shareholders eligible to vote at the SGM.

7. ABSTENTION FROM VOTING

Indication of personal interest

Each Shareholder voting on the ordinary resolutions relating to the Proposed Resolutions 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 Resolutions.

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 Proposed Resolutions. 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 Proposed Resolutions. 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 Proposed Resolutions if your interest in such Proposed Resolutions 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).

According to an Israeli court ruling, a Shareholder must positively inform the Company whether or not such Shareholder has a personal interest in a Proposed Resolutions which is subject to approval by a Disinterested Majority, as in the case of the proposed ordinary resolution. 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.

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 resolution. 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 resolution and you wish to participate in the vote on the proposed ordinary resolution, 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, you should not indicate in the appropriate box that there exists no personal interest on the enclosed Proxy Form.

Please note that as of the Latest Practicable Date, 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, other than for IPT transactions. As the Ordinary Resolutions are considered to be an IPT transaction, LH is regarded as a Controlling Shareholder.

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 resolution, you may also contact the representative managing your account, who could then contact us on your behalf.

8. DIRECTORS' RECOMMENDATIONS

The Board, having reviewed and considered, inter alia, the rationale for the Proposed Resolutions, is of the view that the Proposed Resolutions are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favor of the resolutions relating to the Proposed Resolutions at the SGM.

9. 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 Proposed Resolutions, 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.

10. INSPECTION OF DOCUMENTS

Copies of the Company's FY2023 Annual Report and Articles of Association are available for inspection at the registered office of the Company at The Trendlines Building, Misgav Industrial Park, 17 T'chelet Street, M.P. Misgav 2017400, Israel, or the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 from the date of this Circular up to and including the date of the SGM.

Alternatively, shareholders may request an electronic copy of the above documents for inspection, from the date of this Circular up to and including the date of the SGM, by email to shira@trendlines.com.

A copy of the Company's FY2023 Annual Report is also available for inspection at the Company's website at URL <https://www.trendlines.com/>.

Yours faithfully

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

Nehama Ronen
Interim Chair
13 March 2024

NOTICE OF SPECIAL GENERAL MEETING

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 (“**SGM**”) of The Trendlines Group Ltd. (the “**Company**”) will be held at 190 Clemenceau Ave, #06-01, Singapore Shopping Centre, The Dining Hall @ Work Central, Singapore 239924 on **Thursday, 18 April 2024 at 10:30 a.m. (Singapore time)** (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10:00 a.m. (Singapore time) on the same day), for the purpose of considering and, if thought fit, approving, without modification, the following resolutions (*capitalised terms not otherwise defined herein shall bear the same meaning ascribed to them in the SGM Circular dated 13 March 2024 issued to the shareholders of the Company (the “Circular”)*):

ORDINARY RESOLUTIONS:

1. To approve the CEO Exit Event Bonus Plan (as defined in the Circular) for the financial year ending 31 December 2024.
2. To approve the of grant of options to the Company's CEO.
3. To approve the proposed adoption of the Amended Compensation Policy for the Company's Office Holders.

Please refer to the SGM Circular of the Company dated 13 March 2024 for further information regarding the proposed resolutions.

BY ORDER OF THE BOARD
OF THE TRENDLINES GROUP LTD.

Sahar Farah
Eunice Hooi Lai Fann
Joint Company Secretaries

13 March 2024

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. The SGM is being convened, and will be held physically. All shareholders are cordially invited to attend the SGM in person. **There will be no option for shareholders to participate virtually.**

Printed copies of this Notice of SGM and the accompanying Proxy Form will be mailed to shareholders.

Printed copy of the Company's SGM Circular dated 13 March 2024 **will not** be mailed to shareholders, instead will be made available to shareholders on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at URL <https://www.trendlines.com/>.

Shareholders who wish to request for a printed copy of the Company's SGM Circular dated 13 March 2024 may do so by submitting your request to the Company via email to CompanySecretary@trendlines.com with your full name, contact number and delivery address **no later than Tuesday, 9 April 2024.**

2. A shareholder entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote in the shareholder's stead.
3. A proxy need not be a shareholder of the Company.
4. Any shareholder who holds more than one share shall be entitled to appoint a proxy with respect to all or some of its shares or appoint more than one proxy, provided that the instrument appointing a proxy shall include the number of shares with respect to which it was issued and only one proxy shall be appointed with respect to any one share.
6. The Proxy Form must be signed by the appointor or his/her attorney duly authorised in writing.
7. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. If the appointor is a corporation, the Proxy Form must be executed either under its common seal or under the hand of its duly authorised officer or attorney. A copy of the power of attorney or such other authority must be submitted together with the instrument appointing a proxy.
8. Ordinary Resolutions, shall be deemed adopted if approved by a simple majority of votes of the shareholders which satisfies one of the following conditions: (a) 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. **Only shareholders of record at the close of business on 11 April 2024, being the record date for determining those shareholders eligible to vote at the SGM, are entitled to notice of and to vote at the SGM and any postponements or adjournments thereof.**
9. Shareholders who wish to vote at the SGM via a proxy(ies) must submit the accompanying Proxy Form to appoint the proxy(ies) or the Chairman of the SGM as their proxy to cast votes on their behalf.

Shareholders are requested to complete, sign and return the Proxy Form appointing proxy(ies) or corporate representative(s) 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 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by e-mail to Mrs Sahar Farah, Joint Company Secretary, at CompanySecretary@trendlines.com, not less than forty eight (48) hours before the time appointed for the SGM (i.e. **by 10:30 a.m. on Tuesday, 16 April 2024.**).

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.

10. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors 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 10:30 a.m. on Monday, 8 April 2024**) in order to allow sufficient time for their respective relevant

NOTICE OF SPECIAL GENERAL MEETING

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.

Submission of Questions In Advance of the SGM

Shareholders may submit substantial and relevant questions related to the resolutions to be tabled for approval at the SGM to the Company in advance of the SGM. Such questions must be submitted **by 10:30 a.m. on Monday, 1 April 2024** via e-mail to Mrs Sahar Farah, Joint Company Secretary, at CompanySecretary@trendlines.com or by post to the Company's Singapore Share Registrar and Share Transfer Office, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Shareholders who submit questions via email or by post to the Company must provide the following information:

- (i) the Shareholder's full name;
- (ii) the Shareholder's address; and
- (iii) the manner in which the Shareholder holds shares in the Company (e.g. via CDP, CPF or SRS).

The Company will upload its response to the substantial and relevant questions from shareholders on the SGXNet and the Company's website **before 10:30 a.m. on 14 April 2024**, being at least 48 hours prior to the proxy form submission deadline for the SGM.

The Company endeavours to address (i) subsequent clarifications sought (ii) follow-up questions or (iii) substantial and relevant questions which are received from shareholders after its response on 14 April 2024, at the SGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company's responses to all subsequent questions addressed at the SGM 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.

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend 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 or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of proxy(ies) or representative(s) 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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the shareholder or a Depositor discloses the personal data of the shareholder or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder or Depositor's breach of warranty.

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. (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or***

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing him/her/they, or the Chairman of the Special General Meeting ("SGM")*** as my/our proxy to attend and to vote for me/us on my/our behalf at the SGM of the Company to be held at 190 Clemenceau Ave, #06-01, Singapore Shopping Centre, The Dining Hall @ Work Central, Singapore 239924 on **Thursday, 18 April 2024 at 10:30 a.m. (Singapore time)** (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10:00 a.m. (Singapore time) on the same day), **and at any adjournment thereof.**

I/We direct my/our proxy/proxies to vote for or against the ordinary resolution to be proposed at the SGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any matter arising at the SGM and at any adjournment thereof.

No.	Ordinary Resolutions	For*	Against*	Abstain*	I am a Controlling Shareholder or have a personal interest in the proposed resolution	
					Yes**	No**
1.	To approve the CEO Exit Event Bonus Plan for the financial year ending 31 December 2024.					
2.	To approve the of grant of options to the Company's CEO.					
3.	To approve the proposed adoption of the Amended Compensation Policy for the Company's Officer Holders.					

* 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.

*** Delete as appropriate.

Dated this _____ day of _____ 2024.

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

Total No. of Shares Held

IMPORTANT
PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

1. Printed copy of this Proxy Form **will be** mailed to shareholders. This Proxy Form is also made available to shareholders on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at URL <https://www.trendlines.com/>.
2. 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. Where you appoint more than one proxy, the appointments shall be invalid unless you specify the shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. A shareholder who wishes to submit an instrument of proxy must complete, sign the proxy form and return it 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 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by e-mail to Mrs Sahar Farah, Joint Company Secretary, at CompanySecretary@trendlines.com not less than forty eight (48) hours before the time appointed for the SGM (i.e. **by 10:30 a.m. on 16 April 2024**).

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.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

4. 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.
5. Shareholders who holds more than one share shall be entitled to appoint a proxy with respect to all or some of its Shares or appoint more than one proxy, provided that the instrument appointing a proxy shall include the number of Shares with respect to which it was issued and only one proxy shall be appointed with respect to any one share.
6. Persons who hold Shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including CPF or SRS investors 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 10:00 a.m. on Monday, 8 April 2024**) 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.
7. A proxy need not be a shareholder of the Company.
8. The instrument of proxy shall be duly signed by the appointer or his duly authorized attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorized 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.
9. 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 the close of business on 11 April 2024, being the record date for determining those shareholders eligible to vote at the SGM**, as certified by the CDP.
10. Completion and return of the Proxy Form shall not preclude a shareholder from attending and voting at the SGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a shareholder attends the SGM, and in such event, the Share Registrar reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the SGM.
11. The Companies Law requires that each Shareholder voting on the proposed ordinary resolution to indicate whether or not he/she is a controlling shareholder or has a personal interest in such proposed resolution. 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 7 of the SGM Circular, entitled "Indication of personal interest".

Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend 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 or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of proxy(ies) or representative(s) 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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrants that where the shareholder or a Depositor discloses the personal data of the shareholder or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the shareholder or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder or Depositor's breach of warranty.

APPENDIX A - AMENDED COMPENSATION POLICY

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 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.

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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. **Principles 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 CEO is entitled to make changes to the compensation terms of Office Holders who are executives directly subordinate to him, 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

APPENDIX A - AMENDED COMPENSATION POLICY

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.

APPENDIX A - AMENDED COMPENSATION POLICY

- 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.	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Company performance based compensation; • Reward long-term objectives;

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- 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 percentiles, 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 aggregate 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,

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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 ("KPIs") 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 discretion, to be exceptional.

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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 decelerators to correlate 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	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;

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- 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 CEO – 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 CEO and Executive Directors – by our CEO with the approval of our Remuneration Committee and our Board of Directors, and with respect to our CEO and Executive Directors – by our Remuneration Committee and our Board of Directors without the presence of the CEO 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

APPENDIX A - AMENDED COMPENSATION POLICY

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, divestiture, 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

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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 CEO – 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.

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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

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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.

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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 aggregate 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.
