

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at the Wangz Business Centre, The Penthouse #44-01, Suntec Tower One, 7 Temasek Blvd., Singapore 038987 on the 20th day of April 2020 at 3:00 PM Singapore time (10:00 AM Israel time) to transact the following business enumerated below.

1. To receive and consider the audited accounts for the year ended 31 December 2019 and the reports of the directors and auditors thereon.
2. To declare a final dividend of US cent 0.5 (gross) per share less tax (as applicable) for the year ended 31 December 2019.
3. To re-appoint Somekh Chaikin Certified Public Accountants (Isr.), Member firm of KPMG International and Chaikin, Cohen, Rubin and Co., Certified Public Accountants (Isr.) as external auditors and to authorise the Board of Directors to fix their remuneration.
4. To elect the following two new nominees as Independent Directors under Singapore law and as External Directors under Israeli law – see Appendix 1 for the relevant disclosures as per Listing Rule 704 (7)(a):
 - a. Neta Zruya HASHAI
 - b. SIN Boon Ann
5. To elect the following two Independent Directors, one of who, Mr. Lim, being a new nominee and one, Ms. Shine, being a retiring Independent Director of the Company - see Explanatory Note (a) and Appendix 1 for the relevant disclosures as per Listing Rule 704 (7)(a):
 - a. LIM Yong Sheng
 - b. Varda SHINE
6. To elect THREE of the following four Non-Independent Director nominees, three of who, Messrs. Eshed, Glinert and Levami being retiring Non-Independent Directors of the Company and one, Ms. Stark, being a new nominee - see Explanatory Note (a) and Appendix 1 for the relevant disclosures as per Listing Rule 704 (7)(a):
 - a. Avraham ESHED
 - b. Daniel Benjamin GLINERT
 - c. Uzi LEVAMI
 - d. Talia STARK-RONEN
7. To appoint Ms. Varda Shine, if re-elected as an Independent Director, as Lead Independent Director [see Explanatory Note (b)].
8. To approve the extension of the exercise period of the 1,050,000 options granted on April 28, 2017 at an exercise price of \$ 1.878, 350,000 each to Yehezkel Pinhas Blum, Chan Kam Loon and Valerie Ong Choo Lin, the retiring Independent Directors, so that they not expire 90 days after cessation of the Directors terms of service, as stipulated in the Sarine 2015 Option Plan (the “2015 Plan”), but be exercisable for their full six-year life, up until April 28, 2023.
9. To approve the grant of 1,400,000 options to the Independent Directors, under the 2015 Plan [See Explanatory Note (c)].
10. To approve the Independent Directors’ remuneration and participation fees [see Explanatory Notes (d) and (e)].
11. To approve the Non-Executive Director’s participation fees (i.e., excluding Executive Chairman of the Board, Mr. Daniel Benjamin Glinert, if re-elected; Mr. Glinert’s remuneration will continue as approved by the Annual General Meeting of 30 April 2019) [see Explanatory Notes (d) and (f)].

Special Business

12. To consider and, if thought fit, to pass the following shareholders’ resolutions with or without amendments:-
 - 12.1 Authority to issue shares [see Explanatory Note (g)]

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

 - (i) the aggregate number of shares to be issued pursuant to such authority shall not exceed 30% of the issued shares in the capital of the Company (as calculated in accordance with paragraph (ii) below), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must not be more than 10% of the total issued shares in the capital of the Company;
 - (ii) subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under paragraph (i) above, the total number of issued shares shall be based on the number of issued shares in the capital of the Company at the time this resolution is passed after adjusting for new shares arising from the conversion or exercise of convertible securities or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company’s shares;
 - (iii) unless revoked or varied by the Company in a general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
 - 12.2 Authority to offer and grant options and issue shares pursuant to the 2015 Plan and to issue shares upon the exercise of options, which were previously granted under the Sarin Technologies Ltd 2005 Share Option Plan. [See Explanatory Note (h)]

That the directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the 2015 Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the 2015 Plan and/ or under the Sarin Technologies Ltd 2005 Share Option Plan (the “2005 Plan”), provided always that the aggregate number of such shares to be issued pursuant to the 2015 Plan and the 2005 Plan and any other share option schemes of the Company for the time being in force shall not exceed 15% of the issued shares in the capital of the Company (excluding treasury shares) from time to time.
 13. To transact any other business, which may properly be transacted at an Annual General Meeting.
- BY ORDER OF THE BOARD
AMIR JACOB ZOLTY
Company Secretary
Israel,
3 April 2020

Proxies:-

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

An instrument appointing a proxy must be deposited at the office of the Company’s main offices at 4 Ha’Harash St., Hod Hasharon 4524075, Israel or at the Singapore Share Transfer Agent at 112 Robinson Road #05-01 The Corporate Office Singapore 068902 not less than 24 hours before the time fixed for the meeting.

Explanatory notes:-

- (a) Article 37(c) of the Company’s Articles of Association provides that:

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

All of the Company’s Directors were appointed by the Annual General Meeting held on 25 April, 2017 and, as such have completed their three-year tenure and are retiring. It is proposed to re-appoint certain of the current Directors of the Company. The proposed Directors’ CVs, new nominees as well as directors proposed for re-appointment, and other requisite information, including the Board’s rationale for their election / re-election may be found in Appendix 1 to this Notice.
- (b) According to Provision 3.3 of the 2018 Code of Corporate Governance:

“The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.”

As Mr. Daniel Benjamin Glinert, the Executive Chairman of the Board of the Company, if re-elected, is part of the management team and is not an Independent Director, it is proposed to appoint Ms. Varda Shine, an Independent Director (once re-elected, as aforesaid), as the lead Independent Director.
- (c) The Company’s Remuneration Committee and Board of Directors have resolved, subject to the AGM’s approval, to grant 1,400,000 options, under the 2015 Plan to the Independent Directors of the Company, as follows:

350,000 options to purchase Ordinary Shares under the 2015 Plan to each of Messrs. Neta Zruya Hashai, Lim Yong Sheng, Varda Shine and Sin Boon Ann. It was further resolved that the exercise price of these options shall be the Market Price (as such term is defined in the 2015 Plan) and that the aforementioned options shall vest over a three-year period - 100,000 options upon the lapse of one year and 125,000 options upon the lapse of each of the second and third years from the date of grant. Under the Companies Law, the grant of options to Directors requires the approval of the Company’s General Meeting.
- (d) A shareholders’ resolution shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon. Notwithstanding the aforesaid, according to the Israeli Companies Law, the approval of the appointment of Mr. Sin and Ms. Hashai (resolution No. 4) and the approval of the Non-Executive Directors’ participation fees (resolution No. 11), on the agenda of this Annual General Meeting, require a majority of the shareholders attending and voting (abstaining votes notwithstanding), provided that: (i) such majority shall consist of the majority of the participating and voting shareholders who are not the controlling shareholders of the company, or otherwise having a personal interest in such resolution; or (ii) the non-interested shareholders who voted against such resolution hold not more than 2% of the company’s share capital. According to the Israeli Companies Law, a “personal interest” is: “a personal interest of any person in an act or transaction of a company, including a personal interest of his relative or of a corporate body in which such person or a relative of such person has a personal interest, but excluding a personal interest stemming from the fact of a shareholding in the company, including a personal interest of the person voting according to a proxy given to him by another person, even if the appointer does not have a personal interest, and including a personal interest of the appointer, even if the appointee does not have a personal interest, all whether or not the appointee is granted any discretion with regard to the subject matter of the voting”.

Please Note: 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 majority vote of disinterested shareholders, as in the case of resolutions 4 and 11. Your failure to check the box on the proxy form indicating that you have no personal interest will therefore require the Company to assume that you have a personal interest in Resolutions 4 and 11 and disqualify your vote on such proposals.

We may no longer 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 resolutions 4 and 11. If you believe that you, or a related party of yours, is a controlling shareholder or possesses a personal interest and you wish to participate in the vote on resolutions 4 and 11, 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 either resolution, you may also contact the representative managing your account, who could then contact us on your behalf.

- (e) It is proposed that, further to the approval of the Company’s Remuneration Committee and the Board, subject to the AGM’s approval, as applicable, Ms. Neta Zruya Hashai and Messrs. Sin Boon Ann and Lim Yong Sheng be remunerated as External and/or Independent Directors, respectively, with an annual fixed fee of US\$ 33,000. The Company’s Remuneration Committee and Board of Directors have further resolved, subject to the AGM’s approval, as applicable, to set participation fees payable to External and/or Independent Directors to US\$ 1,100 per participation in a day of meetings in person, US\$ 660 per participation over audio/video conference means and US\$ 550 per a written resolution. It is proposed that, further to the approval of the Company’s Remuneration Committee and the Board, subject to the AGM’s approval, Ms. Shine be remunerated as an Independent Director with an annual fixed fee of US\$ 50,000. The Remuneration Committee and the Board are of the opinion, that given Ms. Shine’s qualifications, expertise, experience, and standing in the diamond industry, the proposed remuneration is more than justified.
- (f) The Company’s Remuneration Committee and Board of Directors have resolved, subject to the AGM’s approval, to set participation fees payable to Non-Executive Directors to US\$ 1,100 per participation in a day of meetings in person, US\$ 660 per participation over audio/video conference means and US\$ 550 per a written resolution.
- (g) The shareholders’ resolution set out in item 12.1 above, if passed, will empower the Directors from the date of the above meeting until the date of the next Annual General Meeting, to issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum set out in this resolution.
- (h) The shareholders’ resolution set out in item 12.2 above, if passed, will empower the Directors to offer and grant options and to allot and issue shares in the capital of the Company pursuant to the exercise of the options granted under the 2005 Plan and the 2015 Plan.