

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at the Maxwell Chambers, 32 Maxwell Road, Level 3 (Stamford Room), #03-01, Singapore 069115 [See Explanatory Note (a)] on the 25th day of April 2017 at 3:00 PM Singapore time (10:00 AM Israel time) to transact the following business:

### Ordinary Business

1. To receive and consider the audited accounts for the year ended 31 December 2016 and the reports of the Directors and Auditors thereon.
2. To declare a final dividend of US cents 2.50 (gross) per share less tax (as applicable) for the year ended 31 December 2016.
3. To re-elect the following retiring Directors of the Company [see Explanatory Note (b)]:
  - a. Avraham Eshed
  - b. Daniel Benjamin Glinert
  - c. Uzi Levami
  - d. Yehezkel Pinhas Blum [see Explanatory Note (c)]
  - e. Valerie Ong Choo Lin [see Explanatory Note (c)]
  - f. Chan Kam Loon [see Explanatory Note (c)]
4.
  - a. To appoint Ms. Varda Shine as a Director of the Company; and
  - b. To approve Ms. Varda Shine's remuneration [see Explanatory Note (d)].
5. To appoint Mr. Chan Kam Loon, an Independent Director, as Lead Independent Director. [see Explanatory Note (e)].
6. To approve the grant of up to 1,050,000 options to Independent Directors, under the Company's 2015 Share Option Plan. [See Explanatory Note (f)].
7. To approve Directors' participation fees [see Explanatory Note (g)].
8. To approve the new CEO's, Mr. David Sydney Block, remuneration [see Explanatory Note (h)].
9. To approve the remuneration of Mr. Uzi Levami, the retiring CEO, in his capacity as an Executive Director of the Company [see Explanatory Note (i)].
10. To approve the appointment and remuneration of Mr. Eyal Mashiah, a retiring Executive Director, as a consultant to the Company [see Explanatory Note (j)].
11. To approve the engagement of Messrs. Ilan Weisman and Aharon (Rony) Shapira in the Allegro™ Project and to approve their remuneration [see Explanatory Note (k)].
12. To re-appoint Somekh Chaikin Certified Public Accountants (Isr.), member firm of KPMG International and Chaikin, Cohen & Rubin & Co., Certified Public Accountants (Isr.) as external auditors and to authorise the Directors to fix their remuneration.

### Special Business

13. To consider and, if thought fit, to pass the following shareholders' resolutions with or without amendments [see Explanatory Note (l)]:
  - 13.1 Authority to issue shares
 

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

the aggregate number of shares to be issued pursuant to such authority shall not exceed 50% of the issued shares in the capital of the Company (as calculated in accordance with paragraph (ii) below), of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must not be more than 20% of the total issued shares in the capital of the Company; (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;

unless revoked or varied by the Company in a general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (m)]
  - 13.2 Authority to offer and grant options and issue shares pursuant to the Sarine Technologies Ltd 2015 Share Option Plan (the "Plan")
 

That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Plan, provided always that the aggregate number of such shares to be issued pursuant to the Plan and any other share option schemes of the Company for the time being in force shall not exceed 15% of the issued shares in the capital of the Company from time to time; and offer and grant options with exercise price (as defined in the Plan) set at a discount to the market price (as defined in the Plan) provided that such discount shall not exceed the maximum discount allowed under the Plan. [See Explanatory Note (n)]
14. 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,

6 April 2017

### 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 Haharash St., Hod Hasharon, Israel (third floor) 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) Please note that the Maxwell Chambers building has a business attire dress code policy - no slippers, sandals, shorts and bermudas are allowed within the premises. Israeli shareholders who wish to take part in the Annual General Meeting from Israel may do so by attending at the Company's main offices in the Diamond meeting room (level 3), 4 Haharash St., Hod Hasharon 4524075, Israel at 10:00 AM, Israel time on said day (25 April 2017). The persons attending the said audio/video conference will be able to pose questions to the Company and to comment on the Company's reports. It should be noted, however, that only persons who shall actually attend the Annual General Meeting in Singapore (whether in person or via proxy) may vote in the Annual General Meeting.
- (b) Article 37(c) of the Company's Articles of Association provides that:
 

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

All of the Company's Directors were appointed by the Annual General Meeting held on 29 April, 2014. It is proposed to re-appoint some of the current Directors of the Company. The proposed (current) Directors' CVs may be found in the Company's Annual Report.
- (c) Mr. Chan Kam Loon, if re-elected, will remain as Chairperson of the Audit Committee and member of the Nominating Committee and the Remuneration Committee and will be regarded as an Independent Director. Ms Valerie Ong Choo Lin, if re-elected, will remain as Chairperson of the Nominating Committee and member of the Audit Committee and the Remuneration Committee and Mr. Yehezkel Pinhas Blum, if re-elected, will remain as Chairperson of the Remuneration Committee and member of the Audit Committee and the Nominating Committee. All three Directors will be considered as Independent Directors. Ms. Ong and Mr. Blum are also considered as "External Directors" under the Israeli Companies Law, 1999 (the "Companies Law").
 

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

More particularly:

Mr. Yehezkel Pinhas Blum brings with him a unique mixture of business skills and business experience, along with prolonged and deep involvement in the diamond industry. Specifically, Mr. Blum's senior positions in the various institutions of the Israel Diamond Exchange in Ramat Gan, and his resulting interaction with international correspondents, grant him unique in-depth understanding of the diamond industry, industry trends and opinion leaders, in general, and as these pertain to the trading of polished diamonds, in particular. Therefore, Mr. Blum's services, inputs and insights are highly appreciated by the Board, given the Company's strategic expansion to the polished diamond trade. The Board is further of the opinion that Mr. Blum has always expressed his independent and impartial opinions at the Board meetings and has successfully maintained his independence.

Mr. Chan Kam Loon holds a degree in Accountancy from the London School of Economics and is a qualified Chartered Accountant with the Institute of Chartered Accountants in England and Wales. Thanks to his formal education married with extensive experience in the fields of investment banking and private equity funding, and especially given his past position in the Singapore Exchange, Mr. Chan has been able to contribute greatly to the Board, in all aspects related to auditing of the financials, strategic decision-making and prioritizing, investors' relations and general ongoing business development. Throughout his years of service, Mr. Chan has maintained his independent position in the Company and has voiced independent opinions.

Ms. Valerie Ong Choo Lin's senior position at Dentons International, as well as her extensive practice in the fields of corporate and commercial law, enable her to voice a learned and well-founded opinion at the Board and to share her vast knowledge and insights with the Company on all issues pertaining to being a publicly listed company in Singapore, Listing Manual issues, proper Board functioning, etc.. Throughout her years of service, Ms. Ong has maintained her independent position in the Company, has voiced independent opinions and has always been able to provide added value to Board discussions.
- (d) Ms. Varda Shine is a CEOs mentor and Diamond Industry & Business Advisor, with a career spanning over 30 years in the diamond industry at De Beers, culminating with her serving as the CEO of De Beers' Diamond Trading Company, the arm of De Beers which is responsible for the sale of the majority of its rough diamonds (US\$ 6 billion) through the sightholder paradigm. She currently serves as a non-executive Director at Lonmin PLC; as a Board member of the Mineral Development Company of the Government of Botswana and of the Diamond Empowerment Fund; as a Trustee of the Teenage Cancer Trust; as an executive mentor at Merryc & Co. and Duke CE; and as CEO of her own company, Sky Ink, which helps take businesses from concept development through to execution and commercialisation.
 

The Board is of the opinion that, given Ms. Shine's invaluable experience and expertise in the diamond industry, as well as her international standing, she will greatly contribute to the Board and to the Company. It is therefore proposed that Ms. Shine be elected as an Independent Director, and (further to the approval of the Company's Remuneration Committee and the Board) that her remuneration shall be as follows:

  - An annual fixed fee of US\$ 50,000;
  - Participation fees per meeting (US\$ 1,000 for attendance in person, US\$ 600 for attendance via video/audio conference, US\$ 500 for written resolutions);
  - Grant of 350,000 options to purchase ordinary shares of the Company of no par value ("Ordinary Shares"), under the Company's 2015 Share Option Plan (the "Plan"), with an exercise price which is equal to the Market Price (as such term is defined in the Plan), vested over three years (100,000 options shall vest upon the first anniversary of the date of grant and 125,000 additional options shall vest upon the second and third anniversary of the date of grant (respectively)).

It should be noted that the annual fixed fee proposed with regard to Ms. Shine exceeds the amount specified in the Company's Remuneration Policy (as approved by the shareholders meeting held on 19 April 2016) - US\$ 33,000. However, the Companies Law allows, under special circumstances and subject to a "Special Majority" (as such term is defined below), the approval of remuneration which exceeds the criteria set by the Company's Remuneration Policy. 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.
- (e) According to Guideline 3.3 of the 2012 Code of Corporate Governance:
 

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

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

As the Chairman of the Company is part of the management team and is not an Independent Director, it is proposed to appoint Mr. Chan Kam Loon, an Independent Director (once re-elected, as aforesaid), as the lead Independent Director.
  - (f) The Company's Remuneration Committee and Board of Directors have resolved, subject to the AGM's approval, to grant options, under the Plan to certain Directors of the Company, as follows:
 

350,000 options to purchase Ordinary Shares under the Plan to each of Messrs. Yehezkel Pinhas Blum, Chan Kam Loon, and Ms. Valerie Ong Choo Lin.

It was further resolved that the exercise price of these options shall be the Market Price (as such term is defined in the Plan) and that the aforementioned options shall vest over a three-year period: 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.
  - (g) The Company's Remuneration Committee and Board of Directors have resolved, subject to the AGM's approval, to increase the participation fees payable to Non-Executive Directors to US\$ 1,000 per participation in person, US\$ 600 per participation over a video conference or teleconference and US\$ 500 per a written resolution (from US\$ 800, US\$ 480 and US\$ 400, respectively).
  - (h) As announced by the Company on 24 January 2017, Mr. David Sydney Block will assume the position of the Company's CEO effective 1 May 2017. The Remuneration Committee and the Board recommend that:
    - a. Mr. Block's monthly salary shall be NIS 55,000 (~ US\$ 15,150, according to the currency conversion rate as of 1 March 2017) effective 1 January 2017.
    - b. Mr. Block shall be granted 400,000 options to purchase Ordinary Shares under the Plan, with an exercise price equal to Market Price (as such term is defined in the Plan), vested over a two-year period (200,000 options shall vest upon the lapse of each year).
  - (i) As announced by the Company on 24 January 2017, Mr. Uzi Levami will retire as the Company's CEO effective 1 May 2017 and shall, once re-elected, as aforesaid, remain an Executive Director of the Company for a period of 8 months (until 31 December 2017) to facilitate his succession following such period Mr. Levami will continue as a Non-Executive Director for the duration of his elected tenure, as detailed in Explanatory Note (b) above. The Remuneration Committee and the Board recommend that Mr. Levami shall be paid a monthly compensation of US\$ 9,000 for his services as an Executive Director, commencing as of 1 May 2017 (which amount is equal to the monthly payment which was payable to Mr. Eyal Mashiah, when he also served as an Executive Director of the Company; see Explanatory Note (j) below).
  - (j) Mr. Eyal Mashiah is retiring as an Executive Director. Given Mr. Mashiah's wealth of experience in the diamond industry and having served as an Executive Director since 2009, it is the Board's opinion that his continued contribution to the Company's Executive Committee as a consultant, based on the current scope of his activities in the Company, is highly desirable (especially with regard to the Company's Trade-related services). As such it was approved by the Audit Committee and the Board and it is now proposed that he be appointed a consultant and be granted a monthly remuneration of US\$ 9,000, which amount is equal to the monthly sum which was payable to him, when he served as an Executive Director of the Company. Such amount shall be payable for a 12-month period commencing as of 1 May 2017 (which period may be extended by an additional 12-month period - subject to the Audit Committee and Board approval).
  - (k) Messrs. Ilan Weisman and Aharon Shapira, both engineers and shareholders of the Company, parties to the shareholders' agreement executed by certain shareholders of the Company in 2005 (as further detailed in the Company's prospectus; this agreement stands terminated as of 1 April 2017) and parties to the shareholders' agreements executed by certain shareholders of the Company on 15 March 2017 (as further detailed in the Company's announcement of 16 March 2017), have been involved in the development of the first generation of the Group's Allegro™ machine (the Robogem™ machine). The Company would like to retain project management and technical services from Messrs. Weisman and Shapira in connection with the current Allegro™ project. The Audit Committee and the Board have approved a budget of up to US\$ 40,000 for each of Messrs. Weisman and Shapira (based on the actual scope of the services which shall be rendered by them) and the Board recommends that the shareholders approve such terms of engagement.
  - (l) 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 re-election of the External Directors (Ms. Valerie Ong Choo Lin and Mr. Yehezkel Pinhas Blum (resolution No. 3, items (d) and (e)), the approval of resolution No. 4 b. (approval of Ms. Varda Shine's remuneration, notwithstanding the guidelines set by the Company's Remuneration Policy), resolution No. 7 (approval of Non-Executive Directors' participation fees), resolution No. 8 (approval of CEO remuneration), resolution No. 9 (approval of Uzi Levami's compensation in his capacity as an Executive Director), resolution no. 10 (approval of Mr. Eyal Mashiah's fees as a consultant) and resolution No. 11 (approval of the remuneration of Messrs. Ilan Weisman and Aharon Shapira, in connection with their involvement in the Allegro™ project) on the agenda of this Annual General Meeting requires 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 appointment; or (ii) the non-interested shareholders who voted against such appointment hold not more than 2% of the company's share capital (a "Special Majority"). 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 the recent 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 3 d, 3 e. 4 b., 7, 8, 9, 10 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 3 d., 3e., 4b, 7, 8, 9, 10 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 3 d., 3 e. 4 b., 7, 8, 9, 10 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 3 d., 3 e. 4 b., 7, 8, 9, 10 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.

(m) The shareholders' resolution set out in item 13.1 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.

(n) The shareholders' resolution set out in item 13.2 above, if passed, will empower the Directors to offer and grant options and to allot and issue shares in the capital of the Company pursuant to the exercise of the options under the Plan.