

CIRCULAR DATED 10 NOVEMBER 2023

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 SGM and the accompanying Proxy Form for the SGM 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 Thursday, 7 December 2023.**

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



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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

APPROVAL OF THE CEO REMUNERATION PACKAGE

IMPORTANT DATES AND TIMES:

Last Date and Time for Submission of Questions in Advance for the Special General Meeting	:	30 November 2023 at 3:00 p.m. (Singapore time)
Last Date and Time for Lodgement of Proxy Forms	:	13 December 2023 at 3:00 p.m. (Singapore time)
Date and Time of Special General Meeting	:	15 December 2023 at 3:00 p.m. (Singapore time)
Place of Special General Meeting	:	73B Ayer Rajah Crescent @ JTC Launchpad, Singapore 139966

CONTENTS

DEFINITIONS	3
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
2. THE APPROVAL OF THE CEO REMUNERATION PACKAGE	6
3. DIRECTORS' RECOMMENDATIONS	8
4. SPECIAL GENERAL MEETING	8
5. ACTION TO BE TAKEN BY SHAREHOLDERS	8
6. ABSTENTION FROM VOTING	8
7. DIRECTORS' RESPONSIBILITY STATEMENT	9
8. INSPECTION OF DOCUMENTS	9
NOTICE OF SPECIAL GENERAL MEETING	N-1
PROXY FORM	P-1

DEFINITIONS

DEFINITIONS

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

- “Audit Committee” or AC** : The audit committee of the Company for the time being
- “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, namely Mr. Haim Brosh
- “Circular”** : This circular to Shareholders dated 10 November 2023
- “Companies Law”** : The Israeli Companies Law 5759-1999, as amended, modified or supplemented from time to time
- “Company”** : The Trendlines Group Ltd.
- “Company's contribution”** : Company's contribution is calculated based on the Gross Salary, as set out in the General Order and Confirmation Regarding Payments of Employers to Pension Funds and Insurance Funds instead of Severance Pay” pursuant to Section 14 of the Severance Pay Law - 1963 and according to the Employment Agreement.
- “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 20 April 2021
- “Controlling Shareholder”** : As defined in the Catalist Rules, a person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST); or
 - (b) in fact exercises control over the Company,

or may, where the context so requires, have the meaning as defined in the Companies Law, being a Shareholder with the ability to direct the activities of the Company, other than by virtue of being a director or holding any other position with the Company. A Shareholder is presumed to be a Controlling Shareholder if he holds 50.0% or more of the “means of control” in the Company. The term “means of control” is defined under the Israeli Securities Law as voting rights in the Company's general meeting or the right to appoint the directors of the Company or its general manager.

With respect to certain matters, a controlling shareholder is deemed to include a shareholder that holds 25.0% or more of the voting rights in a public company if no other shareholder holds more than 50.0% of the voting rights in such company. 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.

DEFINITIONS

“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
“Employment Agreement”	:	That certain employment agreement dated 1 November 2023 between the Company and Mr. Haim Brosh to serve as CEO of the Company.
“Executives”	:	Office Holders, excluding Non-Executive Directors
“External Director(s)”	:	External director(s) as defined under the Companies Law
“Gross Salary”	:	Total wage that an employee earns before any deductions or taxes are subtracted
“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”	:	3 November 2023, being the latest practicable date prior to the date of this Circular
“LH”	:	Librae Holdings Limited, the Controlling Shareholder of the Company
“Nominating Committee” or “NC”	:	The nominating committee of the Company for the time being
“Non-Executive Director”	:	A Director of the Company not holding office in an executive capacity in the Company at the date of this Circular
“Office Holder”	:	Executive Director, Chief Executive Officer, Key Management Personnel, and any senior executive directly subordinate to the Chief Executive Officer
“Proposal”	:	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 15 December 2023 at 3:00 p.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

DEFINITIONS

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.

Currencies, units and others

“**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.

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 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 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 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.

LETTER TO SHAREHOLDERS

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

Directors:

David Todd Dollinger (Chair)
Stephen Louis Rhodes (Chair)
Elka Nir (External and Lead Independent Director)
Sin Boon Ann (Independent Director)
Nehama Ronen (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

10 November 2023

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 15 December 2023 to seek Shareholders' approval in relation to the approval of the CEO remuneration package for Mr. Haim Brosh ("**Mr. Brosh**"), following his appointment as the CEO of the Company with effect from 1 November 2023 (the "**Proposal**").

1.2. Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposal 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. APPROVAL OF THE CEO REMUNERATION PACKAGE

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.

Following the recommendations of the NC and the approval of the Board, Mr. Brosh was appointed as CEO of the Company to replace Messrs. David Todd Dollinger and Stephen Louis Rhodes in their position as CEOs, in addition to his continued role as the Company's Interim Chief Financial Officer ("**CFO**") for a temporary period which is expected to be for 6 months. The Company will start the process of finding a new CFO candidate soon. It should be noted that Mr. Brosh has served as a financial controller of the Company since 2014 and as the CFO of the Company since 2018.

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.

LETTER TO SHAREHOLDERS

The RC and the Board in their meetings on 30 October 2023 have decided to approve the remuneration package for Mr. Brosh as CEO, with no additional remuneration payable in connection with his role as interim CFO during the temporary period as specified above. The RC and Board believe that such update to the CEO remuneration package will create a long-term 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.

In order to evaluate the compensation terms for the CEO, the RC and Board reviewed benchmark information relating to the compensation of chief executive officers of peer group companies that is based on surveys conducted by an independent international professional services firm, targeting peer companies (the "**Benchmark Information**"). The proposed CEO remuneration package as set out below is in line with the compensation presented in the Benchmark Information and the Compensation Policy of the Company.

Under the terms of the respective Employment Agreement Mr. Brosh as CEO is entitled to a monthly Gross Salary of NIS 85,500 (being approximately S\$ 29,000)² ("**Salary**") (which includes an amount equal to 10.0% of the Salary as special consideration paid for non-competition undertaking), as well as an annual bonus in accordance with the provisions of the Compensation Policy. All expenses and disbursements incurred by the CEO in carrying out his duties under his Employment Agreement, in accordance with the Company's policies and procedures, as shall be in effect from time to time, and against the submission of receipts therefor, shall be reimbursed by the Company. In addition, the salient terms set out in the CEO's Employment Agreement includes the following:

- I. Leased car: the use of a leased car under the monthly budget of up to NIS 10,000 (being approximately S\$ 3,400), in addition to a gross-up by the Company for any tax liability associated therewith.
- II. Pension and Severance Pay: 8.33% Company's Contribution to Severance, 6.5% Company's Contribution to Pension and Life Insurance, CEO's contribution to Pension and Life Insurance being 6% of the Gross Salary.
- III. Recreation Pay: 10 days
- IV. Prior Notice Period: 6 months
- V. Study Fund: Company's payment to Study Fund being 7.5% of the Gross Salary.
- VI. Termination Adjustment Payment: Upon termination of the CEO employment by the Company other than in circumstances of "Termination for Cause"³ or upon the CEO resignation for "Good Reason"⁴, the CEO shall be entitled (in addition to the prior notice and any statutory payments) to receive from the Company a termination adjustment payment equal to an amount representing the CEO's then current monthly Salary multiplied by 6 (the "**Termination Adjustment Payment**"); The Termination Adjustment Payment shall be paid as a one lump sum upon the lapse of the prior notice period (or termination of the employment relationship if the notice period is redeemed).

Other than as stated in this Circular, the CEO's terms of office are the same as the former CEOs Messrs. David Todd Dollinger and Stephen Louis Rhodes as detailed in pages 271-275 of the Offer Document.

As such, the Company is now seeking Shareholders' approval for the CEO remuneration package for Mr. Brosh.

² The amount was computed based on the exchange rate of S\$1 = NIS 2.94

³ Company may terminate the employment of the CEO immediately, without prior notice or the redemption thereof, in the event that the CEO commits any of the following: (a) Embezzlement, (b) theft, (c) criminal offence, (d) act involving moral turpitude, (e) breach of any of the CEO's undertaking to maintain confidentiality, to assign intellectual property rights, to refrain from competing with and/or soliciting from, the Company, inter alia, according to the undertaking set out in the CEO employment agreement or any other fundamental breach of the CEO employment agreement, (f) breach of fiduciary duties, (g) lack of cooperation on the part of the CEO during the prior notice period or any part thereof; (h) any other act or omission which under applicable law enable(s) entire or partial denial of severance payments or prior notice or redemption thereof.

⁴ (a) substantial reduction of scope of the CEO's reporting responsibilities or change of the person to whom the CEO reports (other than change in directors of the Board from time to time), change of the CEO's title as the Chief Executive Officer, or reduction or diminution of the CEO's duties, authorities, responsibilities or offices; (b) reduction of the CEO's compensation and benefits (other than the annual bonus resulting from the compensation policy) as in effect immediately prior to such reduction; (c) the CEO's disability entirely incapacitating the CEO from performing his position or the CEO's death; (d) the Company's commitment of any act or omission which entitle the CEO under the provisions of the Israeli Severance Pay Law 5723 – 1963 to resign and receive severance payments.

LETTER TO SHAREHOLDERS

3. DIRECTORS' RECOMMENDATIONS

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

4. SPECIAL GENERAL MEETING

The SGM, the notice of which is set out on pages N-1 to N-3 of this Circular, will be held at 73B Ayer Rajah Crescent @ JTC Launchpad, Singapore 139966 on 15 December 2023 at 3:00 p.m. (Singapore Time) for the purpose of considering and, if thought fit, passing the ordinary resolution set out in the Notice of SGM.

5. 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 **7 December 2023**, being the record date for determining those Shareholders eligible to vote at the SGM.

6. ABSTENTION FROM VOTING

Indication of personal interest

Each Shareholder voting on the ordinary resolution relating to the Proposal to be proposed at the SGM is required to indicate whether or not he is a Controlling Shareholder (as defined in the Companies Law) or has a personal interest in the proposed Ordinary Resolution.

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

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

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 resolution, 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

LETTER TO SHAREHOLDERS

Shareholder as defined under the Companies Law, other than for IPT transactions. As the Ordinary Resolution is 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.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

8. INSPECTION OF DOCUMENTS

Copies of the following documents 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:

- (a) the Articles of Association; and
- (b) the FY2022 Annual Report of the Company.

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 FY2022 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.

David Todd Dollinger and Stephen Louis Rhodes
Chairs

10 November 2023