

**Sarine Technologies Ltd**  
(Incorporated in Israel)  
(Israel Registration No. 51 1332207)

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**RESPONSES TO THE QUERIES FROM SINGAPORE EXCHANGE  
SECURITIES TRADING LIMITED ON ANNUAL REPORT FOR THE  
FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Sarine Technologies Ltd (the “Company”) wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 15 April 2020, with reference to the Company’s annual report for the financial year ended 31 December 2020 (the “Annual Report”), as follows:

**SGX's Query:**

Guideline 8.2 of the 2018 Code of Corporate Governance (the “Code”) states that “the company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.”

Please disclose whether and how the recommendations of Guideline 8.2 have been complied with.

**Company's response:**

There are no employees who are substantial shareholders of the company or relatives thereof who receive remuneration from the Company.

**SGX's Query:**

Listing Rule 1207(19) states that the annual report must contain enough information for a proper understanding of the performance and financial conditions of the issuer and its principal subsidiaries, including a statement whether and how the issuer has complied with the following best practices on dealings in securities:—

- (a) A listed issuer should devise and adopt its own internal compliance code to provide guidance to its officers with regard to dealing by the listed issuer and its officer in its securities;
- (b) An officer should not deal in his company's securities on short-term considerations; and
- (c) A listed issuer and its officers should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if the issuer announces its quarterly financial statements, whether required by the Exchange or

otherwise), or one month before the announcement of the company's half year and full year financial statements (if the issuer does not announce its quarterly financial statements).

Please disclose whether and how Listing Rule 1207(19) has been complied with.

**Company's response:**

Such disclosure was erroneously omitted from the Company's annual report.

The Company has complied with the following best practices on dealings in securities:

- (a) The Company has adopted its own internal compliance code to provide guidance to its officers with regard to dealing by the Company and its officers in its securities;
- (b) According to such code an officer of the Company should not deal in the Company's securities on short-term considerations; and
- (c) According to such code the Company and its officers and employees do not deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements.

**SGX's Query:**

Guideline 9.2 of the Code states that “the Board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.”

Please disclose whether and how the recommendations of Guideline 9.2 have been complied with.

**Company's response:**

In addition to the Company's statements in pages 29 (under the “Management's Business, Operation & Financial Review” chapter) the Board of Directors of the Company hereby confirms that it has received assurance from:

- (a) the CEO and the Chief Financial Officer (“CFO”) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.”

**SGX's Query:**

Guideline 2.4 of the Code states that “the Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company’s annual report.”

Please disclose whether and how the recommendations of Guideline 2.4 have been complied with.

**Company's response:**

As noted in Appendix 1 of the “Notice of Annual General Meeting”:

"The Nominating Committee of the Board of Directors, in its meeting of 5 January 2020 opined that the following general criteria should be applied to the Board of Directors composition:

- The Board should comprise 7 to 9 directors. The current structure (7 directors) is sufficient and effective. The Board may consider adding additional directors, on a case by case basis, giving proper weight to the potential contribution of the additional member/s vis-à-vis the effects on the effectiveness of the Board.
- The majority of the Board should be comprised of Independent Directors.
- The Board should be comprised of directors having appropriate expertise and experience in areas related to the operations of the Group. Specifically, if 7 directors, preferably three from the diamond industry, preferably from the various segments thereof (upstream production (mining), midstream polishing and wholesale trade, and downstream retail trade), preferably two with relevant technological background, at least one with accounting / financial review and reporting expertise and at least one with corporate governance expertise. If 9 directors, an additional one from the diamond industry and an additional one with relevant technological background.
- The Board should be gender diversified."

By order of the Board

Amir Zolty

Company Secretary