
Issuer/Manager THE TRENDLINES GROUP LTD.

Securities THE TRENDLINES GROUP LTD. – IL0011328858 – 42T

Stapled Security No

Announcement Title Extraordinary/Special General Meeting

Date & Time of Broadcast 27 June 2016 07:06:30

Status New

Announcement Reference SG160627XMETYUKK

Submitted By (Co./Ind. Name) Yosef Ron

Designation Joint Company Secretary

Description Please see attached.

Meeting Date and Time 02/08/2016 12:00:00

Response Deadline Date 31/07/2016 12:00:00

Meeting Venue Meeting Room 327, Level 3, Suntec International
Convention & Exhibition Center, 1 Raffles
Boulevard, Suntec City, Singapore, 039593

Attachments

[Trendlines Notice of SGM](#)

[Sponsor Statement](#)

[Trendlines Circular](#)

THE TRENDLINES GROUP LTD.

(Incorporated in Israel)

(Company Registration No. 513970947)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the second special general meeting of The Trendlines Group Ltd. (the "**Company**") for the financial year ending 31 December 2016 (the "**SGM**") will be held at Meeting Room 327, Level 3, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, at 12.00 p.m. (Singapore time) on Tuesday, 2 August 2016 for the purpose of considering and, if thought fit, approving the following matters:

AS ORDINARY RESOLUTIONS

1. To consider and adopt the proposed Compensation Policy for the Company's executives and directors.

[RESOLUTION 1]

2. To consider and approve the proposed MBO plan for the Company's Chief Executive Officers, Messrs. David Todd Dollinger and Stephen Louis Rhodes for FY2016.

[RESOLUTION 2]

3. To consider and approve the proposed grant of a one-time cash bonus to each of the Company's Chief Executive Officers, Messrs. David Todd Dollinger and Stephen Louis Rhodes for FY2015.

[RESOLUTION 3]

4. To consider and approve the proposed amendment to the Company's Articles of Association.

[RESOLUTION 4]

5. To consider and approve the proposed amendment to The Trendlines 2015 Share Option Plan.

[RESOLUTION 5]

Please refer to the Circular of the Company dated 27 June 2016 for further information regarding the proposed resolutions.

By Order of the Board of

THE TRENDLINES GROUP LTD.

Lynn Wan Tiew Leng

Yosef Ron

Joint Company Secretaries

27 June 2016

Notes:

- (1) **Only Shareholders of record at the close of business on 28 July 2016, 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.**
- (2) All Shareholders are cordially invited to attend the SGM in person. 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. A proxy need not be a Shareholder of the Company.
- (3) 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.
- (4) Form of an instrument appointing a proxy, which may be used to vote at the SGM, is enclosed.
- (5) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered, not less than forty eight (48) hours before the time fixed for the SGM, at which the person named in the instrument proposes to vote, to the Company's registered office 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, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or by e-mail to Mr. Yosef Ron, Joint Company Secretary, at Yossi.r@trendlines.com. Notwithstanding the above, the chair 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor's breach of warranty.

Sponsor's Statement

The Trendlines Group Ltd. (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 November 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

CIRCULAR DATED 27 JUNE 2016

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

If you are in any doubt as to the action that you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of The Trendlines Group Ltd. (the "**Company**") represented by physical share certificate(s), you should at once hand this Circular, together with the Notice of Special General Meeting and the enclosed 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 transferee.

The Company was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 26 November 2015. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

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The Trendlines Group Ltd.
(Incorporated in Israel)
(Company Registration No. 513970947)

**CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE**

- 1. ADOPTION OF A COMPENSATION POLICY FOR THE COMPANY'S EXECUTIVES AND DIRECTORS;**
 - 2. APPROVAL OF THE MANAGEMENT BY OBJECTIVES PLAN FOR THE COMPANY'S CHIEF EXECUTIVE OFFICERS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2016;**
 - 3. APPROVAL OF THE PROPOSED GRANT OF A ONE-TIME CASH BONUS TO EACH OF THE COMPANY'S CHIEF EXECUTIVE OFFICERS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015;**
 - 4. PROPOSED AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION; AND**
 - 5. PROPOSED AMENDMENT TO THE TRENDLINES 2015 SHARE OPTION PLAN.**
-

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	: 31 July 2016 at 12.00 p.m. (Singapore time).
Date and time of Special General Meeting	: 2 August 2016 at 12.00 p.m. (Singapore time)
Venue of Special General Meeting	: Meeting Room 327, Level 3, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions have the following meanings:

" Articles of Association " or the " AOA "	The articles of association of the Company (as amended from time-to-time) (attached as Appendix E to the Offer Document)
" Board "	The board of directors of the Company as at the date of this Circular
" Catalist "	The Catalist Board of the SGX-ST
" CEOs "	The Company's Chief Executive Officers, namely Messrs. David Todd Dollinger and Stephen Louis Rhodes
" Circular "	This circular to Shareholders dated 27 June 2016
" Companies Law "	Israel's Companies Law 5759-1999 (as amended 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, a copy of which is attached to this Circular as Exhibit A
" Controlling Shareholder(s) "	As defined under the Companies Law and as further explained in Part VII of this Circular; as of the date hereof, to the best knowledge of the Company, there is no Controlling Shareholder in the Company
" Director(s) "	The director(s) of the Company as at the date of this Circular
" Disinterested Majority "	A majority that includes at least a majority of the shares held by all Shareholders who are not Controlling Shareholders and who do not have a personal interest in such resolution, present and voting at such meeting (and without including any abstaining votes) or the total number of shares of non-Controlling Shareholders 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

DEFINITIONS

"FY2015"	The financial year ended 31 December 2015
"FY2016"	The financial year ending 31 December 2016
"IPO"	The initial public offering by the Company for the admission of the Company's Shares for trading on the Catalist of the SGX-ST.
"Latest Practicable Date"	17 June 2016, being the latest practicable date prior to the printing of this Circular
"Listing Rules"	The SGX-ST Listing Manual Section B: Rules of Catalist
"MBO"	Management By Objectives which is a management model that aims to improve performance of an organization by clearly defining objectives for a specific period of time
"Offer Document"	The Company's Offer Document registered with the SGX-ST on 16 November 2015 in connection with the Company's IPO
"Office Holder"	Executive Director, Chief Executive Officer, Key Management Personnel, and any senior executive directly subordinate to the Chief Executive Officer
"Remuneration Committee"	The remuneration committee of the Company
"SGM"	The second special general meeting of the Company for the financial year ending 31 December 2016 to be held at Meeting Room 327, Level 3, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, at 12.00 p.m. (Singapore time) on Tuesday, 2 August 2016, or any adjournment thereof
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Shares"	The Company's ordinary share(s) in the registered share capital of the Company with a par value of NIS 0.01 per share
"Shareholder(s)"	The holder(s) of the Company's Share(s) in the registered share capital of the Company
"The Trendlines 2015 Share Option Plan" or the "2015 SOP"	The employee share option scheme adopted by the Company on 11 November 2015 including its sub-plan (attached as Appendix I and J to the Offer Document)

The terms "Depositor", "Depository" and "Depository Register" shall have the meanings ascribed

DEFINITIONS

to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

The headings in this Circular are inserted for convenience purposes only and shall be ignored in construing this Circular.

Unless stated otherwise, any reference to a time of day in this Circular shall be a reference to Singapore time.

LETTER TO SHAREHOLDERS

The Trendlines Group Ltd.
(Incorporated in Israel)
(Company Registration No. 513970947)

Board of Directors

David Todd Dollinger	(Chairman and Chief Executive Officer)
Stephen Louis Rhodes	(Chairman and Chief Executive Officer)
Zeev Bronfeld	(Non-Executive Director)
Elka Nir	(Lead Independent Director)
Stephen Philip Haslett	(Independent Director)
Hang Chang Chieh	(Independent Director)

Registered Office:

17 T'chelet Street
Misgav Industrial Park
2017400, Israel

27 June 2016

To: The Shareholders of The Trendlines Group Ltd.

Dear Sir/Madam,

I. INTRODUCTION

The Directors are proposing to convene the SGM to be held on Tuesday, 2 August 2016 to seek Shareholders' approvals in relation to the following matters:

1. Adoption of a Compensation Policy for the Executives and Directors;
2. Approval of the MBO plan for the CEOs for FY2016;
3. Approval of the grant of a one-time cash bonus to each of the CEOs for FY2015;
4. Proposed amendment to the AOA; and
5. Proposed amendment to the 2015 SOP.

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the matters set out above and to seek Shareholders' approval at the SGM as set out in the Notice of SGM on pages 24-25 of this Circular.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

II. ADOPTION OF A COMPENSATION POLICY FOR THE COMPANY'S EXECUTIVES AND DIRECTORS

Under the Companies Law, within nine (9) months following the admission of a company's shares for trading on a stock exchange, a compensation policy providing a general framework and guidelines for decisions regarding the terms of office and employment of executives and directors must be approved by the board of directors of such company after considering the recommendations of its remuneration committee and by a Disinterested Majority of the Company's Shareholders¹. The Company was listed on Catalist of SGX-ST on 26 November 2015. The Board is pleased to inform the Shareholders that on 10 May 2016, in accordance with the provisions of the Companies Law and following the recommendation of the Remuneration Committee, the Board approved a Compensation Policy.

In general, all Executives' and Directors' terms of compensation – including fixed remuneration, bonuses, equity compensation, retirement or termination payments, exculpation, indemnification and liability insurance – must comply with the Compensation Policy which, once adopted, shall serve as the basis for the Remuneration

¹ However, if the Compensation Policy is not approved by the Shareholders of the Company, the Remuneration Committee and Board may override the Shareholders' decision and nonetheless approve the Compensation Policy, following further discussion of the matter and determination on the basis of detailed reasons that the approval of the Compensation Policy despite the shareholders' disapproval is in the Company's best interests.

LETTER TO SHAREHOLDERS

Committee and/or Board's decision making with respect to the terms of office and employment of the Executives and Directors.

Pursuant to the Companies Law, as amended, the Compensation Policy must comply with specified criteria and guidelines and, in general, be based following consideration of, 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.

The Compensation Policy must be reviewed from time-to-time by the Board, and adjusted in the event of a material change in the circumstances prevailing during the adoption of the Compensation Policy or for other reasons, and must be re-approved in accordance with the above-mentioned approval process at least once every (3) three years from the date of adoption or last re-approval.

In approving the Compensation Policy, the Remuneration Committee and Board considered various factors, including, among others, each and every required and suggested element under the Companies Law, the Company's objectives, business plans and its policy with a long-term view; the Company's business risks management; the Company's size and nature of operations; office holder's contribution to achieving our corporate objectives and increasing profits. In determining the various elements of the compensation, the Company has used data and benchmarks provided in February 2016 by Ernst & Young (Israel) Ltd. that targeted peer companies in the Company's industry on a global basis (the "**2016 Benchmark**").

The following is a brief overview of the Compensation Policy and is qualified by reference to the full text thereof:

- *Global Strategy Guidelines:* The Company's business success largely relies on the excellence of its human resources at all levels. In particular, the Company believes that the Company's ability to achieve its goals requires it to recruit, motivate and retain a high quality and experienced leadership team (including Directors). Therefore, the Company believes in creating a comprehensive, customized compensation policy for the Office Holders which shall enable the Company to attract and retain highly qualified senior leaders.
- *Compensation instruments:* Fixed components, which shall include annual base salary and benefits; Variable components, which may include: cash incentives and equity based compensation; Separation package; Directors & Officers (D&O) Insurance, exculpation and indemnification; and 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.
- *Fixed Compensation:* The Compensation Policy provides guidelines and criteria for determining the fixed compensation of the Office Holders, which includes an annual base salary and benefits for Executives.
- *Cash incentives:* The Compensation Policy provides for MBO payments, which are cash payments to the Executives that vary based on the Company's and unit's performance and on each Executive's individual performance and contribution to the Company, in accordance with rules or formulae for calculation of the MBO payment once actual achievement of the objectives is known (as predetermined annually by the Board and Remuneration Committee), and subject to the guidelines and criteria, including caps, set forth in the Compensation Policy. In addition, the Compensation Policy provides for payment of an Exit Bonus (as defined herein) in connection with an Exit Event (as such term is defined in the Compensation Policy) relative to the Company's portfolio companies, as may be approved by the Board and Remuneration Committee and in the amount which shall be calculated based on the proceeds actually received by the Company as a result of such Exit Event as set forth in the Compensation Policy and subject to the terms and caps determined therein for such Exit Bonus.
- *Equity-Based Compensation:* The Compensation Policy provides for the provision of equity-based compensation in the form of options to purchase shares, which may be awarded to Executives and Directors pursuant to the guidelines and criteria, including caps on the equity value of such grants, as set forth in the Compensation Policy.
- *Separation Package:* The Compensation Policy provides guidelines for determining advance notice period and separation packages for Executives, including caps thereon.
- *Others:* The Compensation Policy provides guidelines and criteria for additional compensation components, which includes relocation, leave of absence and one-time cash or equity incentives.
- *Clawback Policy:* The Compensation Policy provides that in the event of an accounting restatement,

LETTER TO SHAREHOLDERS

the Company shall be entitled to seek reimbursement from Executives and Directors of any payment made due to erroneous restated data that would not otherwise have been paid or in exceptional circumstances of misconduct resulting in financial loss to the Company.

- *Director Remuneration*: The Compensation Policy provides guidelines for providing compensation to Directors.
- *Indemnification Exculpation and Insurance*: The Compensation Policy provides guidelines and criteria for providing Executives and Directors with indemnification, exculpation and insurance.

III. APPROVAL OF THE MBO PLAN FOR THE CEOS FOR FY2016

Under the Companies Law, arrangements regarding the compensation of the CEOs, must be approved by the Remuneration Committee and Board, and by a Disinterested Majority of the Shareholders².

At their separate meetings held on 10 May 2016, the Remuneration Committee and Board have approved, in accordance with the provisions of the Companies Law and the Compensation Policy (and subject to the approval thereof), the MBO plan for FY2016 for the Office Holders, including the CEOs (the "**2016 MBO Plan**").

Messrs. Dollinger and Rhodes have abstained from voting on any Board resolution in respect of the 2016 MBO Plan.

The CEOs' terms of employment and office are detailed in pages 271-275 of the Offer Document.

Under the 2016 MBO Plan, the Office Holders' annual bonus is comprised of two parts: (i) an operational annual bonus, to be determined in accordance with the achievement of predetermined annual Company and personal objectives (the "**Operational Bonus**"); and (ii) an exit bonus, to be granted in the event of an exit and determined as a percentage of the amount of such exit (the "**Exit Bonus**"). In accordance with the provisions of the Companies Law and the Compensation Policy, the aforementioned 2016 MBO Plan structure is designed to align the interests of the Office Holders with those of its Shareholders.

Operational Bonus:

Under the 2016 MBO Plan, it is proposed that, in accordance with the Compensation Policy (and subject to the approval thereof), the CEOs' annual bonus for FY2016 (the "**CEO MBO Plan**") shall be comprised as follows:

The payment to each of the CEOs for achieving 100% of their targets shall be equal to two and a half (2.5) monthly salaries of each CEO (i.e., equivalent to ~US\$55,333³) (the "**CEO MBO Target**") and shall be comprised of the following (the "**Targets**"):

80% in measurable objectives: (i) Admission of a minimum number of new portfolio companies to incubators (24% of the CEO MBO Target); (ii) Portfolio value net increase (24% of the CEO MBO Target); (iii) A minimum number of incubator companies including third year raising follow-on rounds sufficient for a minimum operation period (16% of the CEO MBO Target); (iv) Group's revenues (8% of the CEO MBO Target); and (v) establishment of new incubator (8% of the CEO MBO Target) (together the "**Measurable Objectives**"). Following the end of the calendar year, the actual achievements of the Company for that calendar year shall be measured against the Measurable Objectives, and the total score of the results shall set the bonus as follows:

- Achievement of 100% of the Measurable Objectives, will entitle 100% payment for the Operational Bonus relating to the Measurable Objectives;
- Achievement above 100% of any of the Measurable Objectives will increase the Operational Bonus for such Measurable Objectives in accordance with its applicable mechanism pre-determined by the Remuneration Committee and Board (provided that in no event shall the Operational Bonus payment to either CEO exceed the Operational Bonus Cap as defined below); and
- Achievement below 100% of any of the Measurable Objectives (but above the Operational Bonus Threshold as defined below) will decrease the Operational Bonus for such Measurable Objectives in accordance with its

² However, if the compensation arrangement is not approved by the Shareholders, the Remuneration Committee 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.

³ The amount was computed based on the applicable exchange rate as of the Latest Practicable Date (being 3.863 NIS to US\$1), and may be subject to fluctuations in the applicable exchange rate.

LETTER TO SHAREHOLDERS

applicable mechanism as shall be pre-determined by the Remuneration Committee and Board.

20% in non-measurable objectives as determined by the Remuneration Committee and Board.

In accordance with the Compensation Policy, the Board determined a payment threshold for payment of Operational Bonuses to the Office Holders, including the CEOs, for each year. Under such threshold determined in the 2016 MBO Plan, in the event that achievement of the Targets result in an accumulated score of less than seventy percent (70%) of CEO MBO Target, no Operational Bonuses shall be paid to the Company's CEOs (the "**Operational Bonus Threshold**"). Accordingly, if the Operational Bonus Threshold is not reached, the CEOs will not be entitled to receive the Operational Bonus. In addition, in accordance with the Compensation Policy which stipulates that the Operational Bonus shall be capped as determined by the Board, but shall in no event exceed one hundred and fifty percent (150%) of the CEO MBO Target of each CEO, the Board has determined that the Operational Bonus paid to each of the CEOs under the 2016 MBO Plan shall not exceed one hundred and thirty percent (130%) of the CEO MBO Target of each CEO (the "**Operational Bonus Cap**").

Exit Bonus:

Under the Compensation Policy, the Remuneration Committee and Board shall be authorized, in addition to any annual Operational Bonus, to grant, in connection with an Exit Event (as such term is defined in the Compensation Policy) in one of the Group's portfolio companies with a cash payment, to all of the Office Holders together, of: (1) up to 5% 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 (2) 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.

In accordance with the Compensation Policy, the Remuneration Committee and Board have determined that, subject to achievement of predetermined thresholds set forth under the 2016 MBO Plan, the Exit Bonus to each of the CEOs be as follows: (1) 0.8% of the accumulated annual proceeds received by the Group as a result of any Exit Event if such proceeds are up to US \$10,000,000; and (2) 1.2% of the accumulated annual proceeds received by the Group as a result of any Exit Event if such amount exceeds US \$10,000,000 provided that such payment to each of the CEOs 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's annual base salary.

IV. APPROVAL OF THE GRANT OF A ONE-TIME CASH BONUS TO EACH OF THE CEOs FOR FY2015

Pursuant to Section 2.10.3 of the Compensation Policy, the Remuneration Committee and Board may approve, 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, merger and acquisition events, major financing events and other major company achievements), the grant of a one-time cash incentive, of up to 50% of an office holder's annual base salary (a "**Special Bonus**").

At their separate meetings held on 10 May 2016, the Remuneration Committee and Board have approved, in accordance with the provisions of the Compensation Policy (and subject to the approval of the Compensation Policy in accordance with the Companies Law), the grant of a one-time Special Bonus for the Company's CEOs for FY2015 for their special contribution to the Company which relates to the CEOs outstanding efforts and personal contribution to the Company in FY2015, including the Company's successful conclusion of its IPO. In connection thereto, it is proposed to grant to each of the Company's CEOs a one-time Special Bonus for FY2015, each in the amount of NIS 200,000 (equivalent to approximately US\$ 51,773⁴), which equals approximately 15% of each of the CEOs annual base salary (significantly lower than the 50% cap set forth for such Special Bonus under the Compensation Policy, as detailed above).

The CEOs have abstained from voting on any resolution in respect of the Special Bonus.

The CEOs' terms of employment and office are detailed in pages 271-275 of the Offer Document.

In making their recommendations regarding the grant of the Special Bonuses to the CEOs, the Remuneration Committee and the Board considered, with respect to each of the CEOs, all required factors under the Compensation Policy, including, among others, the CEOs skills, expertise, professional experience and specific achievements; the CEOs' role and scope of responsibilities; the CEOs' current compensation, including the fact

⁴ See footnote 3 above.

LETTER TO SHAREHOLDERS

that the CEOs did not receive any variable payments (i.e., bonuses or equity grants) in FY2015 and the discussions relating to their bonuses for FY2015 were deferred to the conclusion of the Compensation Policy; the Company's performance and general market conditions; the ratio between the cost of the CEOs' compensation, including all components of the CEOs' 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 Companies Law and comparative information as to compensation of chief executive officers in peer companies globally spread (in accordance with the 2016 Benchmark).

The proposed grant of Special Bonuses to the CEOs is within the authority granted under the terms of the Compensation Policy and are recommended after due consideration of all terms and conditions, including applicable guidelines, by the Remuneration Committee and Board. The Company will be seeking Shareholders' approval for the proposed grant of Special Bonuses to each of the CEOs under one resolution, instead of separating into two resolutions due to the fact that they acted together in achieving their outstanding collective contribution to the Company's successful conclusion of its IPO in 2015, and because their general terms of office are similar. In light of these circumstances, the Company believes that the grant of a Special Bonus to both CEOs highlights their very successful working partnership and recognizes the benefit to the Company of their successful collaboration.

The Remuneration Committee and the Board have determined that the Special Bonuses are reasonable and in the best interest of the Company.

V. PROPOSED AMENDMENT TO THE AOA

In conjunction with the Company's listing on Catalist and following the approval of the Shareholders at a Special General Meeting held on 11 November 2015, the Company had adopted the AOA.

Under the Companies Law and in accordance with the provisions of the AOA, any amendment of the AOA, except with respect to limited specific articles of the AOA which are not relevant to the proposed amendment, shall require approval by a simple majority of the Shareholders.

At its meeting held on 10 May 2016, the Board approved, in accordance with the provisions of the Companies Law and the AOA, and subject to the approval of the Shareholders, an amendment to the AOA, as set out below.

A recent amendment to certain regulations pursuant to the Companies Law regarding procedures for the publication (in Israel) of notices of general meetings of shareholders of public companies ("**GM Notices**") to allow GM Notices to be published on companies' websites (instead of publication of such GM Notices in two Israeli daily newspapers as currently required under the AOA).

Accordingly, in order to update the AOA with respect to procedures for publication of GM Notices consistent with the amended regulations, it is proposed to amend Article 71(d) of the AOA, with the addition highlighted below in bold and underlined:

*"71(d) Notwithstanding anything to the contrary herein and subject to applicable law: notice by the Company of a General Meeting which is published in two (2) daily newspapers in the State of Israel, if at all, **or on the Company's website**, shall be deemed to have been duly given on the date of such publication to any Shareholder whose address as registered in the Shareholders Register (or as designated in writing for the receipt of notices and other documents) is located in the State of Israel.*

Notwithstanding anything to the contrary herein and subject to applicable law: notice by the Company of a General Meeting which is published in one (1) daily newspaper in Singapore or in one international wire service shall be deemed to have been duly given on the date of such publication to any Shareholder whose address as registered in the Shareholders Register (or as designated in writing for the receipt of notices and other documents) is located outside the State of Israel."

The proposed amendment to the AOA does not influence the publication of notices to Shareholders in Singapore and the holders of American Depositary Receipts in the United States of America according to the AOA and applicable law.

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Save for the above proposed amendment to the AOA, the provisions in the Company's AOA (attached as Appendix E to the Offer Document) remain unchanged.

VI. PROPOSED AMENDMENT TO THE 2015 SOP

In conjunction with the Company's listing on Catalist and following the approval by the Shareholders at a Special General Meeting held on 11 November 2015, the Company adopted the 2015 SOP.

In accordance with the provisions of the 2015 SOP, the Board (or a committee thereof) may amend, modify (including by adding new terms and rules), and/or cancel or terminate the 2015 SOP, subject to the approval of the Company's Sponsor or (if required), any other stock exchange on which the Shares are quoted and, under the circumstances detailed in the 2015 SOP or if otherwise required pursuant to any applicable law – subject to the approval of the Shareholders.

At their separate meetings held on 10 May 2016, the Remuneration Committee and Board have approved, in accordance with the provisions of the Companies Law and the 2015 SOP, an amendment to the 2015 SOP (the "**Plan Amendment**"), as follows⁵:

Under the 2015 SOP, unless otherwise determined by the Board or a designated committee thereof, the Exercise Price of the options granted shall be the Fair Market Value of the Shares on the Date of Grant (as such capitalized terms are defined under the 2015 SOP).

Under the Plan Amendment, in accordance with common Israeli market practice, it is proposed to amend the term "Fair Market Value" as defined in Section 1.18(i) of Annex A of the 2015 SOP⁵, with the addition highlighted below in bold and underlined and deletion marked in strikethrough:

- 1.18(i) ***"Fair Market Value" means as of any date, the value of a Share determined as follows:***
*(i) If the Shares are listed on the SGX-ST: a price equal to the average of the last dealt prices for the Shares on Catalist over the ~~five~~ **thirty** consecutive trading days immediately preceding the Date of Grant of the Option, as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST, rounded to the nearest whole cent in the event of fractional prices. In relation to Options granted before the listing of the Company on the Catalist Board of the SGX-ST the Fair Market Value shall be the Placement Price;"*

The Plan Amendment is in alignment with the common Israeli market practice relating to the determination of exercise prices of options whereby it is a more conservative approach to establish the fair market value of the underlying option shares by minimizing the price volatility of a company's shares which could occur during a short period of time of 5 trading days in contrast to a longer period of time of 30 trading days where price volatility is expected to have lesser of an impact in determining the fair market value of a company's shares.

Save for the Plan Amendment, the rules in the 2015 SOP (attached as Appendices I and J to the Offer Document) remain unchanged.

As per Catalist Rule 858 and Page 289 of the Offer Document, all shareholders who are eligible to participate in the 2015 SOP including Messrs. Dollinger and Rhodes, shall abstain from voting on any resolution relating to the 2015 SOP.

VII. THE SPECIAL GENERAL MEETING AND SHAREHOLDERS' APPROVAL

The SGM will be held at 12.00 p.m. (Singapore time) on Tuesday, 2 August 2016 at Meeting Room 327, Level 3, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593. The notice convening the SGM is set out on pages 24-25 of the Circular.

At the SGM, ordinary resolutions will be proposed for the following:

⁵ The "Fair Market Value" detailed in the sub-plan to The Trendlines 2015 Share Option Plan is not amended. For the avoidance of doubt, the "Fair Market Value" in the sub-plan is solely for the purposes of 102 Trustee Options (as defined in the sub-plan to The Trendlines 2015 share Option Plan), if and to the extent Section 102 prescribes a specific mechanism for determining the fair market value of the Exercised Shares (as defined in The Trendlines 2015 Share Option Plan), then notwithstanding the definition in The Trendlines 2015 Share Option Plan, the fair market value of 102 Trustee Options shall be as prescribed in Section 102, if applicable.

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1. To consider and adopt the Compensation Policy for the Company's Executives and Directors.
2. To consider and approve the proposed 2016 MBO Plan for the CEOs.
3. To consider and approve the proposed one-time cash bonus to each of the CEOs for FY2015.
4. To consider and approve the proposed amendment to the AOA.
5. To consider and approve the proposed amendment to the 2015 SOP.

As at the date of the Circular, no Shareholder is required to abstain from voting on any of the aforesaid matters to be proposed at the SGM save for the Shareholders who are eligible to participate in the 2015 SOP shall abstain from voting on any resolution relating to the 2015 SOP.

Only Shareholders of record at the close of business on 28 July 2016, 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. All Shareholders are cordially invited to attend the SGM in person. 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. A proxy need not be a Shareholder of the Company. 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.

Form of an instrument appointing a proxy, which may be used to vote at the SGM, is enclosed.

The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered, not less than forty eight (48) hours before the time fixed for the SGM at which the person named in the instrument proposes to vote, to the Company's registered office 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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or by e-mail to Mr. Yosef Ron, Joint Company Secretary, at Yossi.r@trendlines.com. Notwithstanding the above, the chair 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.

Indication of personal interest:

Each Shareholder voting on the proposed resolutions 1, 2 & 3 is required to indicate whether or not he is a Controlling Shareholder 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 proposal. In addition, you are deemed to have a personal interest if a company that is affiliated with you, other than The Trendlines Group Ltd., 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.**

Please note that as of the date hereof, to the best knowledge of the Company, there is no Controlling Shareholder.

According to a 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 Disinterested Majority, as in the case of resolutions 1, 2 & 3. **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 will require the Company to assume that you have a personal interest in resolutions 1, 2 & 3.**

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 resolutions 1, 2 & 3. If you believe that you, or a related party of yours, is a Controlling Shareholder or possesses a personal interest with respect to resolutions 1, 2 & 3 and you wish to participate in the vote on resolutions 1, 2 & 3, you

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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 resolutions 1, 2 & 3, 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.

VIII. RECOMMENDATION

The Board (with Messrs. David Todd Dollinger and Stephen Louis Rhodes abstaining from making any recommendation in respect of the resolutions 1, 2, 3 & 4) believes that the resolutions in relation to (i) the Compensation Policy for the Company's Executives and Directors; (ii) the Proposed MBO Plan for the CEOs for FY2016; the Proposed Grant of a One-Time Cash Bonus to each of the CEO for FY2015; (iv) the Proposed Amendment to the AOA; and (v) the Proposed Amendment to the 2015 SOP, are in the best interests of the Company and its Shareholders as a whole and, accordingly, recommends that the Shareholders vote in favor of the aforementioned resolutions at the SGM.

IX. 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 this 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 this Circular in its proper form and context.

X. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection 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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Circular up to and including the date of the SGM:

1. the AOA;
2. the Compensation Policy;
3. the rules of the 2015 SOP; and
4. the annual report of the Company for FY2015.

Yours faithfully,

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

David Todd Dollinger and Stephen Louis Rhodes,

Chief Executive Officers and Chairmen of the Board

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(s) 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: (i) 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.

1.2. Global Strategy Guidelines

1.2.1. Our Company creates and develops medical and agricultural technology companies with a view towards a successful exit in the marketplace. Further information regarding the Company's business activity may be found in the Company's filings with the SGXNET.

1.2.2. Our vision and business strategy is directed towards growth, value creation,

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profitability and innovation, all with a long term perspective.

- 1.2.3. We strongly believe that our business success largely relies 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 a high quality and experienced leadership team (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 insuring 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 a 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 flexibility, to tailor each of our Executive's compensation package, based among others on 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 2012, 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 the Office Holders' compensation.
- 1.3.2. The CEOs are entitled to make changes to the compensation terms of Office Holders who are executives directly subordinate to them, 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.
- 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

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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.
 - 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 will 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

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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:

<u>Compensation Component</u>	<u>Purpose</u>	<u>Compensation Objective Achieved</u>
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' 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; • 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 the 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 annual base salary for each Executive shall be determined by our Remuneration Committee and Board of Directors.

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

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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 other 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.

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 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

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objectives is known.

- 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 150% of such Executive's Target MBO.
- 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;
 - 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 CEOs – 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 CEOs - by our CEOs with the approval of our Remuneration Committee and our Board of Directors, and with respect to our CEOs - by our Remuneration Committee and our Board of Directors without the presence of the CEOs.

- 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

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to the Company's objective targets under which no MBO payments shall be distributed.

2.7.1.10. Adjustment to Company and/or Unit objective targets may be made, when applicable, following major acquisitions, divestiture, organizational changes or material change in the business environment.

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 any individual Exit Events 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 any Exit Event for any excess 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 Executives 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.

"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 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

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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 CEOs – 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.

2.9. 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, manager's 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 to be required under special circumstances or in case of a special contribution to, or achievement for

EXHIBIT A - COMPENSATION POLICY

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 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. Equity based compensation granted to each of our external directors and non-executive directors shall not exceed US\$50,000.
- 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.

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

EXHIBIT A - COMPENSATION POLICY

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, and a premium that shall not exceed US\$120,000. Our liability insurance policies may include coverage extensions with respect to the implementation of ADR (American Depositary Receipts) plans and/or issuances of shares or ADRs or other securities to be traded at the SGXNET or outside of Israel (including in the U.S).
- 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 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 to: (i) increase the coverage purchased, and/or the premium paid for such policies, by up to 15% in any year, as compared to the previous year, or cumulatively for a number of years; (ii) 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, with costs of up to 3 times the then existing limit of premium amounts; in both (i) and (ii) - without an additional shareholders' approval, if and to the extent permitted under the Law.

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.

NOTICE OF SPECIAL GENERAL MEETING

THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration No. 513970947)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the second special general meeting of The Trendlines Group Ltd. (the "**Company**") for the financial year ending 31 December 2016 (the "**SGM**") will be held at Meeting Room 327, Level 3, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, at 12.00 p.m. (Singapore time) on Tuesday, 2 August 2016 for the purpose of considering and, if thought fit, approving the following matters:

AS ORDINARY RESOLUTIONS

1. To consider and adopt the proposed Compensation Policy for the Company's executives and directors.

[RESOLUTION 1]

2. To consider and approve the proposed MBO plan for the Company's Chief Executive Officers, Messrs. David Todd Dollinger and Stephen Louis Rhodes for FY2016.

[RESOLUTION 2]

3. To consider and approve the proposed grant of a one-time cash bonus to each of the Company's Chief Executive Officers, Messrs. David Todd Dollinger and Stephen Louis Rhodes for FY2015.

[RESOLUTION 3]

4. To consider and approve the proposed amendment to the Company's Articles of Association.

[RESOLUTION 4]

5. To consider and approve the proposed amendment to The Trendlines 2015 Share Option Plan.

[RESOLUTION 5]

Please refer to the Circular of the Company dated 27 June 2016 for further information regarding the proposed resolutions.

By Order of the Board of
THE TRENDLINES GROUP LTD.

Lynn Wan Tiew Leng
Yosef Ron
Joint Company Secretaries
27 June 2016

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (1) **Only Shareholders of record at the close of business on 28 July 2016, 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.**
- (2) All Shareholders are cordially invited to attend the SGM in person. 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. A proxy need not be a Shareholder of the Company.
- (3) 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.
- (4) Form of an instrument appointing a proxy, which may be used to vote at the SGM, is enclosed.
- (5) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered, not less than forty eight (48) hours before the time fixed for the SGM, at which the person named in the instrument proposes to vote, to the Company's registered office 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, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, **or** by e-mail to Mr. Yosef Ron, Joint Company Secretary, at Yossi.r@trendlines.com. Notwithstanding the above, the chair 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor's breach of warranty.

NOTICE OF SPECIAL GENERAL MEETING

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PROXY FORM

THE TRENDLINES GROUP LTD.
(Incorporated in Israel)
(Company Registration No. 513970947)

PROXY FORM

I/We _____ NRIC/Passport no. _____ of _____,

being a Shareholder of THE TRENDLINES GROUP LTD., hereby appoint

Name	Address	NRIC/Passport No	No. of Shares

and/or (delete as appropriate)

Name	Address	NRIC/Passport No	No. of Shares

or failing him/her, the Chairman of the special general meeting (“SGM”) of the Company or one of the Company's Joint Secretaries, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the SGM to be held at Meeting Room 327, Level 3, Suntec International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Tuesday, 2 August 2016 at 12.00 p.m., Singapore time and at any adjournment thereof.

(Please indicate with an “√” in the spaces provided whether you wish your vote(s) to be cast for or against or abstain the resolutions as set out in the Notice of SGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matters arising at the SGM.)

The resolutions put to vote at the SGM shall be decided by poll.

No.	Resolution	For ¹	Against ¹	Abstain ¹	I am a Controlling Shareholder or have a personal interest in the proposed resolution	
					Yes ²	No ²
1.	To consider and adopt the proposed Compensation Policy for the Company's Executives and Directors.					
2.	To consider and approve the proposed MBO plan for the Company's Chief Executive Officers, Messrs. David Todd Dollinger and Stephen Louis Rhodes for FY2016.					
3.	To consider and approve the proposed one-time cash bonus to each of the Company's Chief Executive Officers, Messrs. David Todd Dollinger and Stephen Louis Rhodes for FY2015.					

PROXY FORM

4.	To consider and approve the proposed amendment to the Company's Articles of Association.				Irrelevant
5.	To consider and approve the proposed amendment to The Trendlines 2015 Share Option Plan.				Irrelevant

¹If 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.

²If an “√” is not marked in either column or an “√” is marked in both columns, the vote shall be disqualified.

Dated this ____ day of _____ 2016

Total Number of Shares Held

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. 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.
2. The instrument of proxy shall be duly signed by the appointer or his duly authorised attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorised 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.
3. The Companies Law requires that each Shareholder voting on the proposed resolutions 1, 2 & 3 to indicate whether or not he or she is a Controlling Shareholder or has a personal interest in the 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 see Paragraph VII of the Circular, under the caption "Indication of personal interest".
4. 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 name in the Depository Register as at 28 July 2016, the record date for determining those Shareholders eligible to vote at the SGM, as certified by the Depositor.