

**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 2021**

Sarine Technologies Ltd (the “Company”) wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 14 April 2022, with reference to the Company’s annual report for the financial year ended 31 December 2021 (the “Annual Report”), as follows:

**SGX's Query:**

Provision 9.2 of the Code of corporate governance 2018 (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.”

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code, the provision from which it has varied, explain the reason for variation and provide an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 9.2 of the Code with regard to the receipt of assurance from the CEO and other key management personnel who are responsible, regarding the effectiveness of the company’s risk management and internal control systems.

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

**Company's response:**

Such statement appears, verbatim, in page 45 of the Company’s Annual Report for the year 2021 (as part of the “Corporate Governance” chapter – under principle 9.1):

“The Audit Committee and Board are of the opinion, upon consultation with the Company’s CEO, the Company’s CFO, the Company’s External Auditors and the Internal Auditor of the Company and after receiving assurance from the Company’s CEO and the Company’s CFO, that:

(a) the Company’s 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 internal control procedures and risk management of the Group are adequate (in this regard the Audit Committee and the Board have also received assurances from key management personnel and other service providers).”

Please also note the following statements:

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"The Board of Directors of the Company, with the concurrence of the Audit Committee, is of the opinion that the current internal controls and risk management system are adequate and effective in addressing the financial, operational, compliance and IT risks, while noting that no system of internal control can provide absolute assurance against the occurrence of errors, cyber-attacks, fraud or other irregularities.

The Internal Auditor performed a renewed assessment of these issues in 2021. The Audit Committee reviewed the results of this revised assessment, and the necessary adjustments to the internal controls and risk management system were presented to and adopted by the Board."

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"The Directors are of the opinion, in concurrence with and based on Audit Committee review that the internal control procedures addressing financial, operational and compliance risks of the Group are adequate."

**SGX's Query:**

Listing Rule 1207(18B) 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 an explanation of how the issuer has complied with the following:

- (a) the issuer has designated an independent function to investigate whistleblowing reports made in good faith;
- (b) the issuer ensures that the identity of the whistleblower is kept confidential;
- (c) the issuer discloses its commitment to ensure protection of the whistleblower against detrimental or unfair treatment; and
- (d) the Audit Committee is responsible for oversight and monitoring of whistleblowing.

Please disclose whether and how Listing Rule 1207(18B) has been complied with.

**Company's response:**

This matter was erroneously omitted from the Annual Report. Please see below a summary of the main provisions of the Company's Whistleblowers' Policy – as per the provision of Listing Rule 1207(18B):

- Allegations of suspected fraudulent, wrong or improper conduct by the Company's Personnel are to be reported to the Company's CEO and/or to the Chairperson of the Audit Committee and/or to the Lead Independent Director and/or the Chairperson of the Board, as applicable.

- Confidentiality of the whistleblower's identity, the nature of the report, and the suspected person's identity is to be strictly maintained by all parties investigating such complaints, unless:
  - (i) the CEO, or the Chairperson of the Audit Committee and/or the Lead Director and/or the Chairperson of the Board, or such other entity actually handling the investigation, is of the opinion that the identity of the whistleblower is material to the conduct of any investigation; or
  - (ii) it is required by law, by the order or directive of a court of law or other regulatory authority that the identity of the whistleblower shall be revealed.
- No adverse personnel (including management members) action will be taken against a whistleblower (especially against an employee of the Company), nor will retaliation against such person be tolerated, for the disclosure of information the whistleblower made in good faith.
- No director, manager, or any other employee with authority to make or materially influence significant personnel decisions shall take any adverse personnel action against an employee for disclosing in good faith alleged wrongful conduct or improprieties. Any employee found to have so violated this procedure shall be disciplined, up to and including termination of employment. For the avoidance of any doubt, an adverse personnel action shall include, inter alia, demotion, denial and/or suspension of promotion, organization of and/or solicitation to participate in a boycott against the employee, prevention of any benefit and/or improvement in employment terms generally granted to the Company's employees, suspension, forced vacation and termination of employment.
- The terms of the Whistleblowers' Policy do not derogate in any way from the provisions of the Protection on Employees (uncovering of offences unethical conduct and improper administration) Law, 1997.
- The Audit Committee has the responsibility to oversee, document and investigate all Whistleblower allegations reported to the Committee or its Chairperson.
- At the conclusion of an investigation initiated based on a whistleblower's complaint, a written report shall be presented to the Audit Committee, or to the Board of Directors in the event that the suspected party(ies) is the CEO or a member of the Audit Committee.

By order of the Board

Amir Zolty

Company Secretary