

EMBLAZE LTD.

COMPENSATION POLICY

1. GENERAL

1.1 This Policy is based on the principles that will enable a proper balance between the desire to reward and compensate Office Holders (as defined under the Companies Law-1999 ("Officers" and the "Companies Law", respectively)) of the Company for their achievements and the need to ensure that the structure of such compensation is consistent with the best interests and long term strategy of the Company. This policy constitutes the Company's Officers Compensation Policy as defined in section 267a(a) of the Companies Law, and as required by the Companies Law (Amendment No. 20)-2012 ("**Amendment 20**") and shall govern and set the guidelines for the compensation plans for all Officers of the Company.

1.2 The Policy is designed to comply with and should be interpreted in the context of (a) all applicable laws, regulations and listing requirements, including but not limited to the Companies Law; (b) provided that it does not conflicts with any of clauses (a), (c) or (d) of this Section **Error! Reference source not found.**, the rules of the UK Corporate Governance Code applicable to remuneration principles; (c) the Company's articles of association; and (d) the requirements of all applicable stock option plans or other equity-based compensation plans of the Company.

1.3 The Policy is not intended to establish by its own force any legally binding obligations.

1.4 The Board and Committee may consult with outside counsel regarding the establishment, amendment, applicability, interpretation and enforceability of the Policy.

1.5 Any *ad hoc* Grant (as defined below) extended to any Officer in accordance with this Policy shall not, in any way or respect, be considered as part of his wage or as the basis for calculating and/or eligibility and/or accrual of any related right, including, without limitation, vacation payment, severance pay, contributions to pension funds, etc.

1.6 It is clarified that Officers will be obligated to repay the Company any amount paid to them by the Company in accordance with this Policy, if (i) either such payment was based on any incorrect information (and the correct amount of such payment is reflected in the Company's financial statements) or (ii) it is finally determined that such amount was not permitted to be paid.

2. TERM

The term of this Policy shall be three (3) years (the "**Term**"). The Board may, following recommendation of the Committee, resolve to amend the Policy prior to expiration of the Term, in which case the adoption of the amended policy shall require the approval of the General Meeting. Extending the Term beyond three years shall also require the approval of the General Meeting.

3. SUPERVISION AND CONTROL

3.1 The Board shall manage the compensation plan for each Officer of the Company, its implementation, and all actions necessary for this purpose, including the authority to interpret the

provisions of the Policy in case of any doubts with respect to its actual implementation. The Board may also determine the supervision mechanism on the implementation of the Policy.

3.2 Notwithstanding anything to the contrary in this Policy, the Board, prior to approval of any Grant (as defined below) in accordance with the terms of this Policy, may decide to reduce or eliminate all or any part of such compensation, for any reason stated in this Policy, including but not limited to the Company's financial results, capital requirements and stability. Without derogating from the foregoing, the Board may instruct, at any time, that: (i) the calculations under which the Grants or bonuses are determined, shall not be conducted as specified in the Policy; or that (ii) no Grant or bonus is to be paid under the Policy; or (iii) the Policy is amended, suspended or canceled, all subject to applicable law and to the extent the Board deems it necessary and in the best interest of the Company.

”Grant” shall mean a variable compensation component derived from or contingent upon the performance of an Officer and other criteria that may be determined by the Board. In determining the scope, amount and vesting (as well as other terms considered by the Committee) of any Grant, the Committee shall consider, among other things, (i) the Company’s long term achievements, based on measurable criteria (except with insignificant portions of such Grant), and (ii) the relative weight of variable and set components of such Grant, including the Board’s right to reduce the variable components.

4. PRINCIPLES FOR COMPENSATION POLICY

The Policy, as may be updated from time to time is designed to assist the Committee, the Board and the other applicable organs of the Company, in setting Officers' remuneration at levels suitable and appropriate to attract, motivate and retain high quality executives possessing necessary and appropriate integrity, ability and experience to manage the affairs of the Company. In formulating the Policy, the Committee is mindful of the competitive pressures inherent in the sector in which the Company operates. At the same time, the Policy shall not create any incentives for taking any risks beyond the Company's risk policy, as determined by the respective corporate body.

The Policy combines four main elements of remuneration for Officers (other than Non-Executive Directors):

- (a) Base salary
- (b) Social benefits (including pension arrangements), which shall be granted in accordance with local employment laws, rules, regulations and practices
- (c) Annual, *ad hoc* or other bonus payments
- (d) Share option incentives

The Policy includes, *inter alia*, the consideration of the following principles and matters, to the extent relevant to such Officer, with respect to elements (a) through (d) above:

4.2 The Company’s objectives, business plan, financial status, long-term objectives, size and nature of business.

4.3 The contribution to the Company by the Officer and the unit in which the Officer is employed.

4.4 The Officer's education, qualifications, expertise, professional experience and achievements.

4.5 The Officer's position in the Company, his responsibilities and previous compensation arrangements (whether with or outside the Company).

4.6 If any variable components are included in the compensation:

- (a) The ratio between the fixed components and variable components; and
- (b) an upper limit is to be set to the exercise price of:
 - (i) any variable components on the date of payment.
 - (ii) any equity variable components which cannot be disposed by cash on the date of grant.

4.7 The ratio between the Terms of Service (as defined under the Companies Law) of the Officer in comparison to all other employees and subcontractor engaged by the Company, particularly in relation to the average wage and the median wage or other compensation of such employees and subcontractors and the impact of such differences.

4.8 The setting of minimum holding and vesting periods for equity variable components in any Terms of Service, to the extent such compensation is considered as the appropriate incentives in a long-term perspective.

4.9 The following considerations shall apply with respect to Retirement Grants (as defined under the Companies Law):

(a) The Officer's tenure, employment terms, Company's performance, contribution of the Officer to Company's achievements and profits, the Company's needs and interests with respect to its ongoing relationship with the Officer following his departure and such Officer's retirement circumstances.

(b) An upper limit of 12 months shall apply.

5. PUBLICATION

5.1 A copy of the Policy will be available on the Company's website.

COMPENSATION POLICY GENERAL FRAMEWORK FOR 2012-2013

It was determined by the Board that the general framework for the Company's 2012-2013 Policy shall be as follows:

1. The fee of non-executive members of the Board is in general comparable to fees paid to non-executive members of the board of directors of other companies that are similarly situated to the Company from a financial and operational point of view. It is therefore resolved that the non-executive members of the Board shall be entitled to an annual fee of £20,000.
2. Any Grant extended to an Officer shall not exceed 5 times the Officer's monthly salary, provided that the total Grants paid by the Company shall not exceed 10% of the Company's net income from continuing operations.
3. Any payment of compensation (other than Grants) to an Officer (other than a Non-Executive Director) shall be based, in addition to any measurable parameters, on (i) a comparison to all of the Company's employees and Officers; (ii) such Officer's contribution to the Company; (iii) personal achievements of such Officer; and (iv) the Officer's direct supervisor's recommendation.
4. The remuneration of the Company's Executive Chairman shall remain unchanged, as approved by the General Meeting of the Company held on 24 November 2010.