17 January 2022

MTI Wireless Edge Ltd

("**MTI**" or the "**Company**")

Notice of shareholder meetings

Proposed appointment of Non-Executive Director

MTI Wireless Edge Ltd. (AIM: MWE), the technology group focused on comprehensive communication and radio frequency solutions across multiple sectors, is pleased to announce that it will be holding its Annual General Meeting (the "**AGM**") and an extraordinary general meeting of the Company (the "**EGM**"; together the "**General Meetings**") at 14.00 hrs (London time) on 9 March 2022. The General Meetings will be held at the offices of Allenby Capital Limited, 5 St Helen's Place, London, EC3A 6AB for the purpose of:

AGM

1. the presentation of the 2021 financial reports;
2. re-electing Mr. Zvi Borovitz as chairman of the Company;
3. re-electing Mr Moni Borovitz, the Company's CEO, as a director of the Company;
4. re-electing Mr Dov Feiner, the Company's antenna division General Manager, as a director of the Company;
5. re-electing Mr David Yariv as a non-executive director of the Company;
6. re-electing Brigadier General (retired) Amnon Sofrin as a non-executive director of the Company;
7. re-appointing BDO Israel LLP as the Company's auditors for the year ending 31 December 2022 and to authorize the directors to determine the auditors' remuneration for such year in accordance with the recommendation of the Audit Committee.

EGM

8. approving the appointment of Mr Luke Ahern as external director for three years;
9. approving the extension of the Remuneration Policy for a period of three years or for a longer period, to the extent prescribed in the provisions of the Israeli Companies Law, without material changes to its terms, except in the indemnification and insurance of officers liability sections (attached to this announcement as schedule A) ("**2022 Remuneration Policy**");
10. subject to the approval of item 9 (approval of 2022 Remuneration Policy), approval to extend the management services agreement (the "**Management Services Agreement**"), summarized in Schedule B to this announcement, between the Company and Mokirei Aya Management (2003) Ltd. (the "**Management Company**") for the provision of the services of the Chairman and CEO of the Company for a further three years or for a longer period, to the extent prescribed in the provisions of the Israeli Companies Law with effect from 1 March 2022;
11. subject to the approval of items 8 and 9, approving the granting of an indemnity letter to Mr Luke Ahern, on the same terms as the other officers in the Company and in accordance with the 2022 Remuneration Policy.
12. approval to extend the compensation package to Mr Dov Feiner, director and General Manager of the Company's antenna division, as approved at the General Meeting of shareholders on 14 March 2019, without changing the terms of his employment agreement except for the period which will be unlimited in time (this compensation package is summarized in Schedule C to this announcement).

Shareholders should note that Mrs Lihi Elimelech Bechor will remain in her position as a non-executive external director as a result of the fact that her appointment was for three years from April 2021.

Shareholders should also note that, following its publication, the Company will not be posting hard copies of the annual report to its shareholders. Shareholders who require a copy of the annual report may download it from the Company's website at www.mtiwirelessedge.com or write to the Company at MTI Wireless Edge Ltd Headquarters,11 Hamelacha St. Afek Industrial Park, Rosh-Ha'Ayin, Israel requesting a hard copy.

The notices of AGM and EGM will be posted to shareholders shortly.

Election of Mr Luke Ahern as external director for three years

Pursuant to the provisions of the Israeli Companies Law, the Company has to nominate an external (independent) director every three years for a maximum of three terms (totalling nine years). Mr Richard Bennett was first nominated as external director of the Company on April 2013, which was followed by two extensions until the maximum term allowed and therefore the Company is required to appoint a replacement. The Company wishes to nominate Mr. Ahern as an external director, conditional on the consent of shareholders at the Company's forthcoming EGM on 9 March 2022 and, if approved, the appointment will become effective as from the close of the EGM.

Subject to his appointment, Mr Ahern will be entitled to annual remuneration in accordance with the Companies Regulations (Rules concerning Remuneration and Expenses for External Directors), 5760-2000 and the Remuneration Policy. In addition he will be entitled to be included in the Company's insurance and indemnity arrangements for officers.

Luke Ahern has worked in the financial services sector for over 25 years, principally in equity sales and investment research. Luke is currently the Head of Developed Markets Sales at Investec Bank Plc. Prior to this he worked at Macquarie Capital (Europe), Blue Oar Securities and Seymour Pierce. He has a degree from Royal Holloway, University of London. Therefore, the board considers Mr. Ahern to be a director with financial expertise.

Luke Richard Redmond Ahern, age 49, is not currently a director of any company or a partner in any partnership. In the last five years Mr Ahern has not served as a director of any companies or been a partner in any partnerships. Mr Ahern does not currently hold any ordinary shares in the Company.

Approval of the Remuneration policy

Pursuant to the Israeli Companies Law 1999, the Company's shareholders have to approve the remuneration policy for the Company's officers every three years. The last approval was received in March 2019 therefore a remuneration policy for the Company's officers is required to be approved and shall be valid for a period of three years or for a longer period, to the extent permitted in the provisions of the Israeli Companies Law (the **"Updated Policy**" or "**2022 Remuneration Policy**"). The Updated Policy is outlined in Schedule A to this announcement.

Pursuant to Section 267 to the Israeli Companies Law 1999, any remuneration policy for officers requires the prior approval of that company's board of directors, remuneration committee and at a general meeting of shareholders. Notwithstanding the aforesaid, since the Company is not a subsidiary of a public company, the Company's Board of Directors may approve the Updated Policy, despite the objection of the shareholders (if any), provided that the remuneration committee and thereafter the Board of Directors determine, following additional discussions and supported by detailed arguments, that it is for the benefit of the Company.

The extension to the Management Service Agreement

Subject to the adoption of the 2022 Remuneration Policy, the Company plans to extend the Management Services Agreement under the same terms and conditions, other than as described below. The Management Company is a wholly owned subsidiary of Mokirei Aya Ltd., which is the controlling shareholder of MTI, as a result of which, according to sections 270 and 275 to the Israeli Companies Law 1999 any amendments to the Management Services Agreement, including an extension of the said agreement beyond a period of three years, requires, every three years, the prior approval of the remuneration committee, the board of directors, and the approval of shareholders at a general meeting.

As a result of the aforesaid provisions to the Israeli Companies Law 1999, the Company (following receipt of approvals from the Audit Committee, acting also as the Remuneration Committee, and the Board of Directors of the Company) wishes to extend the Management Services Agreement, as per the terms shown in Schedule B to this announcement, including the extension of the letter of indemnification and inclusion in insurance arrangements for officers, for a three year term or for a longer period, to the extent prescribed in the provisions of the Israeli Companies Law effective from 1 March 2022. Other than as described above, the terms and conditions of the Management Services Agreement shall remain unchanged.

It should be noted that the terms of the Management Services Agreement are in line with the 2022 Remuneration Policy.

In addition, it should be noted that both the Company and the Management Company are Israeli companies and subject to the provisions of the Israeli Companies Law 1999.

Related party transactions

As at the date of this announcement, the Management Company is a wholly owned subsidiary of Mokirei Aya Ltd., a company controlled by members of the Borovitz family (including Zvi Borovitz, Chairman of the Board of Directors and Moni Borovitz, director and CEO of the Company). Mokirei Aya Ltd is interested in a total of 26,420,895 Ordinary Shares, which represents 29.86% of the voting rights in the issued ordinary share capital of the Company. Zvi Borovitz and Moni Borovitz are also beneficially interested in 1,146,429 and 371,254 Ordinary Shares respectively, representing 1.30% and 0.42% of the voting rights in the issued ordinary share capital of the Company.

Jacques and Rina Beer with whom Mokirey Aya Ltd, has a joint control agreement, are collectively interested in a total of 9,097,042 Ordinary Shares, which represents 10.28% of the voting rights in the issued ordinary share capital of the Company. The Company’s non-executive director, David Yariv is the son in-law of Jacques and Rina Beer and is appointed to the Company’s Board as a representative director pursuant to the aforementioned joint control agreement.

Notice to shareholders

The notice of the AGM and EGM will be posted to shareholders and will shortly be available on the Company's website at the following address, www.mtiwirelessedge.com, in accordance with AIM Rule 20.

For further information please contact:

MTI Wireless Edge Ltd Moni Borovitz, CEO	+972 3 900 8900 http://www.mtiwirelessedge.com
Allenby Capital Limited (Nomad and Joint Broker) Nick Naylor/Alex Brearley/Piers Shimwell (Corporate Finance) Amrit Nahal/David Johnson (Sales and Corporate Broking)	+44 20 3328 5656
Peterhouse Capital Limited (Joint Broker) Lucy Williams/Eran Zucker	+44 20 7469 0930
Novella (Financial PR) Tim Robertson/Fergus Young	+44 20 3151 7008

<u>Schedule A - Office Holders' Remuneration Policy Outline</u>

MTI Wireless Edge Ltd.

January 2022

The members of the Remuneration Committee of MTI Wireless Edge Ltd. are:

Lihi Elimelech Bechor – External director, Chairman of the committee

Richard Bennett – External director

Amnon Sofrin – Director

Chapter A – Background and Description of the current remuneration in the Company

1. The objective of this document and its content

The objective of this document is to define and describe the Company’s 'Officer Remuneration Policy' as required under the Companies Law-1999 (hereinafter: the “**Companies Law**").

This document is intended to define, describe and detail the policy of the Company regarding the remuneration of the Company's officers, its components and the manner of its determination. The policy refers to the overall remuneration of officers in the Company in respect of their work and / or services provided by them to the Company (i.e., including service and / or services provided by the officers of the Company to the Company's subsidiaries as part of the definition of the position of officers in the Company).

The Company's remuneration policy and its publication are intended to increase the transparency of the Company's decisions with respect to the remuneration of its officers and to improve the ability of all shareholders to express their opinions and to influence the Company's remuneration policy.

It is emphasized that this Remuneration Policy does not grant rights to the Company’s officers, and the adoption of this Updated Remuneration Policy in itself does not grant the right to any officer of the Company to receive any of the compensation components described in the Updated Remuneration Policy. The compensation components that the officer will be entitled to receive will be only those that are specifically approved for the officer by the Company’s authorized bodies, subject to the provisions of any applicable law.

2. The Validity and Applicability of the Remuneration Policy

2.1. In accordance with the provisions of the Companies Law, on July 2013, the General Shareholders Meeting approved the first Remuneration Policy for a period of three (3) years, and thereafter on May 2016 and January 2019 the Remuneration Policy was updated and approved at the General Shareholders Meeting (the "**Existing Remuneration Policy**").

2.2. the Remuneration Committee and the Board of Directors of the Company approved the extension of the Existing Remuneration Policy for a period of three (3) years commencing on the date of its approval (as described in section 2.3 below) or for a longer period, to the extent prescribed in the provisions of the Companies Law, without material changes to its terms except in respect of the sections that relate to the indemnification and insurance of officers liability ("**2022 Remuneration Policy**").

2.3. This 2022 Remuneration Policy shall be approved at an Extraordinary Shareholders Meeting. Notwithstanding the aforesaid, since the Company is not a subsidiary of a public company, the Company's Board of Directors may approve the 2022 Remuneration Policy, despite the objection of the shareholders (if any), provided that the Remuneration Committee and thereafter the Board of Directors determine, following additional discussions and supported by detailed arguments, that it is for the benefit of the Company.

2.4. This 2022 Remuneration Policy supersedes, cancels and replaces the Existing Remuneration Policy and any previous policy that the Company had until the date of adoption of this policy and will apply to the terms of compensation of all officers in the Company, which as at the date of adoption of this policy include the Company's Chief Executive Officer ("**CEO**"), The GMs of the Company's Divisions and other office holders who are directly subordinate to the CEO (together: "**Other officers**"), Directors and Chairman of the board.

3. Guiding principles in the formulation of a remuneration policy

3.1. The Remuneration Policy, established in this document, reflects the promotion of the Company's goals and objectives in the long term– the variable component will be granted subject to meeting the Company's goals, both in the short run and the long run.

3.2. The Remuneration Policy, established in this document, reflects the Company's position concerning **risk management** in the Company. The policy defines the permitted ratio of the variable components included in the remuneration package, in order to protect the Company from taking unnecessary risks by senior office holders balanced against the need to preserve the Company's senior office holders.

4. Description of the Company – MTI Wireless Edge Ltd.

General Description of the Company's operations	The Company is engaged in (i) the development, manufacture and marketing of antennas (ii) distribution of control and management irrigation systems produced by Motorola (iii) consulting, representation and marketing services to foreign companies in the field of Radio Frequency (RF) and Microwave solutions including system engineering projects in tethered balloon applications
Variety of Products and activities	Development and production of antennas for military applications and for the commercial market especially in the areas of millimeter wave (MMW), Point to Point and radio-frequency identification (RFID) as well as distribution, integration and management services for Motorola irrigation solutions and distribution of RF and Medium Wave (MW) components and sub systems and design integration and implementation services for tethered balloon projects
Company's Customers	The main customers of the Company are the security industry in Israel for military antennas and the

	manufacturers of wireless systems which sell the antennas as an integral part of a comprehensive system (OEM) and municipalities and agriculture farms for the water management business. In the representation business the main customers are defense and high tech industries in Israel and for the system engineering division the Ministry of Defence (MOD) or system houses in various countries.
No. of employees in the organization	As of this date the Company employs about 200 employees.

5. Company's Strategy – Goals and Objectives

Strategies

- Continue the penetration into the point to point cellular backhaul antenna market with our millimeter wave antenna solution and become a dominant player
- Strengthen the Company's technological capabilities and deepen its operations in the military market and the security industry.
- Continue and expand the production line in India to market various products in India and Asia.
- Continue the growth of the wireless control business by strengthening its marketing and development capabilities
- Creation of a larger recurring revenue business in the water control segment
- Strengthen the representation business and increase its offering
- Establish the system engineering business as a long term operator for the Israeli MOD
- Continue to develop the business organically while searching for external growth (acquisitions) related to its core offering of communication and radio frequency solutions

Measurable Goals

- Increase the Company's earnings.
- Continue to achieve a minimum operational profitability, on a consolidated basis, of US$2 million, annually, and as follows:
  - US$600,000 and more per annum in the antenna segment.
  - US$800,000 and more in the control business
  - US$400,000 and more in the representation business
  - US$200,000 and more in the system engineering business
- Improve the Company's gross profitability
- Expand the manufacturing in India as part of the effort to increase profitability and maintain customer base.
- Improve working capital management (ratio between net working capital and earnings/credit days/inventory days/suppliers days).
- Establish a US facility to deal with Foreign Military Support requirements
- **An optional pre-condition for personal goals**: register an operational profit and net profit.

6. Office Holders

An Office Holder is defined by the Companies Law as any one of the following: a director, general manager, chief business manager, deputy general manager, vice-general manager, any person filling any of these positions in a company even if he holds a different title, and any other manager directly subordinate to the general manager.

7. Expertise and Achievements of the Company's Office Holders

The Company takes into consideration the education, experience and expertise of the office holders, as they appear in the Company's reports, for the purpose of determining the remuneration package. The Company's remuneration policy established in this document provides that to the extent that in the future the Company requires the services of an additional or alternate office holder, all parameters specified above will be taken into account while engaging his/her services.

Chapter B – The Remuneration Policy

The Company aspires for a high correlation between the remuneration model of its office holders and the Company's strategy as reflected in the Company's goals and objectives specified in this document.

The remuneration committee, the Company's board of directors and the general meeting of shareholders will examine the correlation between the office holders' remuneration model and the Company's strategy taking into consideration the main quantitative and qualitative goals arising there-from.

From the effective date of this remuneration policy, a remuneration model of an office holder which does not correlate with the principles of the policy herein specified, will have to be approved as required, based on grounds which will be specified, all in accordance with the provisions set forth in the Companies Law.

The Remuneration Policy – Discussion of the Components of the Remuneration Packages

The following are guidelines for the Company's remuneration policy as approved by the remuneration committee and the Company's board of directors, concerning the components of the remuneration packages

8. Fixed remuneration components

8.1. The monthly salary cost/monthly management fees of the office holders (including related benefits and excluding bonuses and equity compensation), for a full time position, shall not exceed the ceiling as specified below:

Position	Maximum monthly salary cost /management fees - (NIS)
CEO	100,000 for a minimum of 90% of a standard working week
Chairman of the Board	72,000 for a minimum of 50% of a standard working week
Other officers - general managers of the Company's divisions	92,000 for full time employment
Key person responsible for financials	35,000 for full time employment

- For the avoidance of doubt it is hereby clarified that the VAT amount is not included in the ceilings specified in the table above
- In the case of a less than full time position, the ceiling of the aforesaid salary cost will be calculated on a proportionate basis.

8.2. Updating the terms of office holders

Non- material changes, as such term is defined below, in the terms of service and employment of office holders who are directly subordinate to the Company's CEO (and is not a relative to the controlling shareholder) shall be approved by the Company's CEO only, provided that the new terms of such officer complies with the provisions of this Remuneration Policy.

"**Non-material changes**" **-** with regard to this section above, means a change in the remuneration of not more than 10% of the cost of the officer's salary each year, provided that it does not exceed the ceilings specified in this Remuneration Policy.

8.3. Linkage – Currently linkage applies to the salaries of most of the current office holders. According to the Company's Remuneration Policy as in this document there is no intention to link the components of the fixed salary/management fees of new office holders.

8.4. Expected changes in the ancillary components – the issue will be examined as part of the weight of the fixed component *vis-a-vis* the entire remuneration package.

8.5. Related benefits for officers and reimbursement of reasonable expenses

Office holders (excluding non-executive directors) shall be entitled to benefits as customary in the Company such as provisions for pension, severance pay, study fund, vacation and or sick days, car maintenance and etc., according to his seniority in the Company and in any event no less than that prescribed by law. In addition, the officers (including directors) will be entitled to a reimbursement of reasonable expenses they incur while performing their duties (such as cell phone, food and lodging).

9. Variable Component – Bonus

9.1. The variable component will reflect the contribution of the Company's office holder to the attainment of the Company's goals and objectives and to the increase of its profits, in the long run, in accordance with measurable criteria.

The variable component will be determined in correlation with the Company's achievements and the personal achievements of the office holder.

The rate of the variable component will be determined by a mechanism which will refer, *inter alia*, to the operational/net profit of the Company and to specific goals, if any (as specified below).

According to the Company's Remuneration Policy as established in this document, considerable weight should be attributed to the attainment of goals and objectives which are derived from the Company's strategy. The Company's goals reflect the Company's attainment, in general, of its goals and objectives and the general contribution of the office holders to the Company's success and the Company's intention to reward said office holders for the Company's general success.

In addition to the Company's goals and objectives, according to the Company's remuneration policy as established in this document, personal goals will be assigned to certain office holders, as the case may be, which goals are defined as individual goals the attainment of which is directly and materially affected by the office holder.

Each such goal will be deemed to have been attained and the variable component pertaining thereto will be calculated with respect thereto, only if certain minimum pre-conditions specifically defined for it were met.

Such goals will include **measurable goals** which will reflect the Company's objectives and its short and long term strategy and derivatives of its annual and perennial work plans.

9.2. Pre-conditions for the grant of variable remuneration

9.2.1. Net profit (consolidated) during the calculation period.

9.2.2. The calculation will be based on accumulated profit commencing from 2020 (the previous year).

9.3. Target based remuneration model for Office Holders

Name and position of the Office Holder	**Bonus component arising from profit**	**Bonus component arising from additional goals**
Company's CEO	2.5% of the consolidated net profit exceeding the floor and before bonuses distributed by the Company to its managers under the remuneration policy	Increase of 5% in the consolidated Company's sales relative to the previous year will entitle a receipt of bonus in an amount equal to one monthly salary.
Chairman of the Board	2.5% of the consolidated net profit exceeding the floor and before bonuses distributed by the Company to its managers under the remuneration policy	-
Division's GM	Each of the Division's GM – 2.5%[1] of the operational profit of the segment for which he is responsible exceeding the relevant segment floor, plus 0.5% of the consolidated net profit exceeding the Consolidated Net Profit Floor	Increase of 5% in the relevant segment sales relative to the previous year will entitle a receipt of bonus in an amount equal to one monthly salary.
Key person responsible for financials	0.2% of the consolidated net profit exceeding the Consolidated Net Profit Floor	-

Operational Profit of the Segments Floor for Bonus purposes (before bonuses distributed by the Company to its managers under the remuneration policy):

1 With regard to the GM of Representation division – 10% (and not 2.5%) of the operating profit of this segment exceeding the floor, plus 0.5% of the consolidated net profit exceeding the Consolidated Net Profit Floor

- Antenna – US$300,000
- Controllers – US$500,000
- Representation – US$200,000
- System Engineering – US$100,000

Consolidated Net Profit Floor for Bonus purposes (before bonuses distributed by the Company to its managers under the remuneration policy) – US$800,000

9.4. Discretionary Bonus

The Remuneration Committee and the Board of Directors of the Company will be entitled to grant officers (with regard to the Chairman of the Board and Directors - with the approval of General Shareholders Meeting), a Discretionary Bonus, based on qualitative criteria, regardless of compliance with the targets.

The amount of the Discretionary Bonus, in any calendar year, shall not exceed an amount equal to 3 monthly salaries (gross, without any related benefits) of that office holder, provided that in any event the total bonus granted to an officer in a calendar year shall not exceed the Bonus Ceilings to which the officer is entitled, as detailed in the table in section 9.5 below.

Notwithstanding the aforesaid, it is hereby clarified that with regard to the Company's CEO who also serves as a director of the Company, the Remuneration Committee and the Board of Directors may grant him a Discretionary Bonus as set out above and in accordance with the terms of his employment and services, provided that said employment terms (including the aforementioned Discretionary Bonus) have been approved by the General Meeting in accordance with the provisions of the Companies Law.

9.5. Bonus Ceilings (*):

Position	**Bonus Ceiling**
CEO*	Up to 8 monthly salaries/management fees
Chairman of the Board	$100,000
Other officers (including GM)	Up to 8 monthly salaries/management fees
Key person responsible for financials	Up to 4 monthly salaries

(*) The bonus is in terms of base gross salary/absolute amount and with respect of the CEO in terms of monthly cost. It is clarified that the Bonus Ceiling does not include an Equity component.

9.6. Authority to reduce variable remuneration components (if any)

After receiving the Remuneration Committee’s recommendation, the Board of directors has the authority to reduce variable remuneration components to an office holder even if the Company's targets were met and/or a specific target which was assigned to him under the policy was achieved, if the members of the board of directors are of the opinion that the circumstances are found to justify such a reduction, or for example, he has not properly fulfilled his duties during the relevant period. The reduction rate will not exceed 10% of the variable remuneration as calculated in accordance with the remuneration formula under the policy.

9.7. Claw-Back

Provisions concerning repayment of the remuneration which was granted based on erroneous reports and/or data which were restated.

If an error is found in the calculation based on which the remuneration was calculated during the two year period which followed the grant of the remuneration, the Company will amend the remuneration and will take back the part of the remuneration which was mistakenly granted. After the said two years the Company will not amend the remuneration which was granted and will not recover said amounts.

9.8. Other bonus related terms

Unless otherwise provided in the relevant employment agreement, the Remuneration Committee and Board of Directors are permitted to approve a proportionate bonus when employment is terminated during the year, insofar as the officer was not dismissed under circumstances justifying the non-payment of severance pay.

10. Equity Component

10.1. It is customary for officers in public companies to be offered an equity component as a part of their total compensation which is intended to align the interests of the officers to those of the Company's shareholders.

Equity remuneration constitutes a proper mechanism to retain senior office holders and provides an incentive to senior office holders that is properly balanced between short term and long term considerations, inter alia, by providing for a vesting period.

In view of the advantages inherent in the equity remuneration as stated above, the Company reserves the right to adopt, subject to the approval of the Remuneration Committee and the Board, from time to time and subject to any relevant law, an options plan for Company shares ("Options Plan") and may offer to any of its officers (with regard to directors, Chairmen and controlling shareholders and their relatives - with the approval of the General Shareholders Meeting) participation in the Options Plan according to the rules detailed in section 10.2 below.

In this context, it is clarified that the aforesaid provisions will not apply to options granted to office holders according to previous option plans. The provisions of section 10.2 below will apply to a future option plan, if and to the extent that it is implemented.

10.2. The Options Plan (if adopted) shall include the following details:

10.2.1. The maximum number of units that can be issued and the dilution percentage resulting from such distribution;

10.2.2. The ceiling of the fair value of the equity component at the granting date shall not exceed the amount equal to 50% of the annual cost salary/management fees of each one of the office holders;

10.2.3. The exercise price of an option shall be determined according to the higher of the two: (1) the average closing price of the share during the 30 trading days preceding the date of the Board of Directors resolution on the grant; Or (2) the closing price of the share on the date of the Board of Directors resolution on the grant;

10.2.4. The vesting period of the option – this period shall not be less than two years until the full vesting of all of the issuance and to the extent possible split between two to four years;

10.2.5. The terms in the event of termination of employment (due to termination, resignation, death or disability) and the provisions for protecting offerees including in the event of dividend distribution, rights issuance, merger and acquisition transactions etc.;

The Company's Board may resolve that one or more offeree is entitled to exercise the options they were granted in such a manner that their exercise price shall not actually be paid to the Company, but should be taken into account when calculating the number of shares the offeree is actually entitled to from the exercise of the options (the "**Net Exercise**"). The shares issued from the Net Exercise shall reflect the gross benefit of the options to be exercised by the offeree at such date as calculated on the exercise date. The Remuneration Committee and Board shall be entitled to set additional terms with respect to the options plan (if adopted), as well as update the terms and provisions from time to time, provided that such change or amendment, as said, does not deviate from the entitlement ceiling as described in section 10.2.2 above.

11. The Compensation Terms – Advance Notice and Severance Grant

11.1. <u>Advance Notice</u>

An office holder will be entitled to a period of notice according to the following table:

Position	**Maximum period of notice (Months)**
CEO	Up to 3 months
Chairman of the Board	Up to 3 months
Other officers (including GM)	Up to 3 months
Key person responsible for financials	Up to 2 months

11.2. <u>Severance Grant</u>

Currently, the employment agreements of senior officers do not include severance grants. The Company has no intention to give a severance grant to a senior officer who leaves the Company, in excess of the remuneration paid for the prior notice period.

12. The ratio between variable components and fixed components in the remuneration package

According to the Company's remuneration policy as established in this document the ratio between the variable components and the fixed component shall not exceed 45% for the CEO; 60% for the Chairman of the Board of Directors; and 45% for the GMs of the Company's Divisions.

13. The ratio between the terms of employment of an office holder and the terms of employment of all other Company employees in Israel

When determining the compensation terms of the Company's officers, one of the aspects that will be examined is the ratio between the terms of service of each of the Company's officers and the average and median cost of employment of the Company's employees (including contract workers) while taking into consideration the nature of the officer's position, his seniority, his level of responsibility and the number of the Company's employees. Calculation is based on cost (based on average in the nine months ended 30 September 2021) without car allowances.

Position	According to the average employment cost of the Company's other employees	According to the median employment cost of the Company's other employees
CEO	3.99	5.26
Chairman of the Board (50%)	2.83	3.73
Other officers	3.68	4.69
Key person responsible for financials	1.28	1.69

The remuneration committee and the Company's board of directors are of the opinion that these ratios are reasonable and customary and that these gaps do not have any significant impact (if any) on working relations.

14. Directors' Remuneration

14.1. Directors **-** Directors (except the Chairman of the Board and other directors who receive remuneration in respect of their service as the Company's officers) are entitled to annual remuneration and participation remuneration in accordance with the Companies Regulations (Rules concerning Remuneration and Expenses for External Directors), 5760-2000 (the: "**Remuneration Regulations**") and as is customary in England. The directors' remuneration in the Company will not exceed the maximum remuneration due to an expert director being appointed to the Board, as established in the Remuneration Regulations, as may be the case from time to time.

A director who is not an office holder and is not an external director will receive annual remuneration similar to that of an external director.

In this context, the Company will be entitled to increase the amount of the annual remuneration and participation remuneration if a director meets the definition of "Expert Director" as this term is defined in the Remuneration Regulations and who has been assessed as such by the Board of Directors of the Company.

In fact, all of the Company's non-executive and external directors currently receive annual remuneration based on $18,000 per year (including participation remuneration).

14.2. Chairman of the Board**:**

- The non-executive chairman of the board may receive a fixed monthly salary which will not be lower than the annual remuneration and participation remuneration payable to a director in the Company. His salary will be determined based on the scope of his activity, areas under his responsibility in the Company and his experience and expertise.
- Regarding the remuneration of the Chairman of the Board of Directors - see sections 8 and 9 above.

15. Waiver, Indemnification and Insurance

15.1. An office holder in the Company (including a director) may be entitled, in addition to the remuneration package as described in this remuneration policy, and subject to the approval of the Company, to an office holder liability insurance ("**D&O Liability Insurance**") and indemnification and waiver arrangements, all subject to the provisions of the law.

15.2. Subject to the provisions of the Company's Law, the Company will be entitled, with the approval of the Remuneration Committee only, to enter into the D&O Liability Insurance for its officers (including directors and officers of the controlling shareholder or on its behalf), whose principal terms will not exceed the following:

- The limit of liability shall not be less than US$5 million and shall not exceed US$10 million per event and per period.
- The deductible amounts to be determined as part of any policy purchased as aforesaid shall not deviate from the accepted practice in the insurance market for policies of this type and scope as of the date of engagement of the policy.
- The premium shall be in accordance with the conditions that will be customary on the date of extension / renewal of the insurance policy provided that the limit of liability and the maximum annual insurance premium to be paid shall not exceed US$35,000 ("**Annual Premium**").

15.3. In addition, The Company, with the approval of the Remuneration Committee only, may maintain the effectiveness and validity of its D&O Liability Insurance or may purchase a Run–Off coverage for a period of at least 7 years with respect to the liability of its office holders as directors and officers of the Company, all subject to the restrictions and consents required under the law, whose principal terms will not exceed the principal terms detailed in section 15.2 above except the Annual Premium to be paid that shall not exceed the amount of US$35,000 for each year of the Run–Off coverage.

15.4. Deed of indemnification

The Company will indemnify the applicable office holder or director against any liability or expense imposed upon it or incurred by it in consequence of any action or actions taken by it within the framework of his/her position, all in accordance with the terms and conditions of the Deeds of Indemnification.

> The aggregate amount of the indemnity set forth in the Deeds of Indemnification will not exceed an amount of US$4,000,000 (the "Maximum Amount"). This Maximum Amount applies to any officer individually and to all officers jointly, per indemnified event and cumulatively.
>
> The Maximum Amount shall apply only in excess of the amount paid (if and to the extent that it is paid) within the framework of an insurance policy or an indemnification by any entity other than the Company.

Section 15 will also apply to directors, whether presiding on behalf of a controlling shareholder in the Company or not, as well as to external directors.

Schedule B

Chairman – Mr Zvi Borovitz

Fixed component - No change from the previously approved plan (apart from adjustments in relation to inflation based on a CPI increase in line with the existing terms of the Management Services Agreement ("**MSA**")).

The chairman shall be entitled to a management fee of NIS 56,000 per month based on a minimum of 50% of a standard working week . This fixed component shall be linked to the CPI-related inflation adjustment increase per the existing terms of the MSA.

In addition to the management fee the chairman is entitled to a car as per the existing terms of the MSA.

Variable Component - No change from previously approved plan.

Minimum - No bonus will be paid if the Company's net consolidated profit is below US$800,000. A variable bonus of 2.5% of the Company's net consolidated profit above US$800,000, prior to the bonuses distributed by the Company to its managers under the remuneration policy, will be paid.

Maximum - Maximum Variable Compensation per annum - US$100,000

Equity Compensation – No updates.

CEO – Mr Moni Borovitz

Fixed component - No change from previously approved plan (apart from adjustments in relation to inflation based on a CPI increase in line with the existing terms of the MSA).

The CEO shall be entitled to a management fee of NIS 79,000 per month based on minimum of 90% of a standard working week. This fixed component shall be linked to the CPI-related inflation adjustment increase per the existing terms of the MSA.
In addition to the management fee the CEO is entitled to a car as per the existing terms of the MSA.

Variable Component - No change from previously approved plan.

Minimum for any bonus – Positive Net Profit after payment of bonuses.
Up to three monthly Salaries (monthly Salary = NIS 79,000) by meeting certain goals presented by the remuneration committee at the beginning of each year or per the committee decision to give such for special performance. In addition, a variable bonus of (i) one monthly salary if the Company's consolidated revenue increased by more than 5% from the previous year, and (ii) 2.5% of the Company's Net consolidated profit above $800,000 prior to bonuses distributed by the Company to its managers under the remuneration policy.

Maximum - Maximum Variable Compensation per annum – eight times the monthly Management Fee.

Equity Compensation – No updates.

For the avoidance of doubt, the indemnification and Directors' and Officers' insurance arrangements applicable to the Company's directors and officers and in accordance with the Updated Policy shall continue to apply to the Management Company, Mr Zvi Borovitz and Mr Moni Borovitz.

Schedule C
General Manager ("GM") Antenna Division – Mr Dov Feiner

Fixed component - No change from previously approved plan except for the period which will be unlimited in time, and apart from adjustments in relation to inflation based on a CPI increase in line with his existing terms of employment.

The GM shall be entitled to a salary of NIS 79,000 per month (similar to the current fee) based on full time employment (similar to the current terms). This fixed component shall be linked to the CPI-related inflation adjustment increase in line with the GM's existing terms of employment.
In addition to the salary the GM is entitled to a car as per the existing terms of employment.

Variable Component – No change from previously approved plan.

Minimum for any bonus – Positive Net Profit after payment of bonuses.
Up to three monthly salaries by meeting certain goals presented by the remuneration committee at the beginning of each year or per the committee's decision to give such for special performance. In addition, a variable bonus of:
(i) one monthly salary if the Company's antenna division revenue increased by more than 5% from the previous year (similar to the current terms), and
(ii) 2.5% of the operational profit of the Company's antenna division exceeding US$300,000; and
(iii) 0.5% of the Company's net consolidated profit above US$800,000 (similar to the current terms) prior to bonuses distributed by the Company to its managers under the remuneration policy.

Maximum - Maximum Variable Compensation per annum – eight times monthly Salary.

Equity Compensation – No updates.

For the avoidance of doubt, the indemnification and Directors' and Officers' insurance arrangements applicable to the Company's directors and officers and in accordance with the Updated Policy shall continue to apply to Mr Dov Feiner.

About MTI Wireless Edge Ltd. ("MTI")

Headquartered in Israel, MTI is a technology group focused on comprehensive communication and radio frequency solutions across multiple sectors through three core divisions:

Antenna Division

MTI is a world leader in the design, development and production of high quality, state-of-the-art, and cost-effective antenna solutions including Smart Antennas, MIMO Antennas and Dual Polarity Antennas for wireless applications. MTI supplies antennas for both military and commercial markets from 100 KHz to 90 GHz.

Internationally recognized as a producer of commercial off-the-Shelf and custom-developed antenna solutions in a broad frequency range, MTI addresses both commercial and military applications.

MTI supplies directional and omnidirectional antennas for outdoor and indoor deployments, including smart antennas for WiMAX, Broadband access, public safety, RFID, base stations and terminals for the utility market.

Military applications include a wide range of broadband, tactical and specialized communication antennas, antenna systems and DF arrays installed on numerous airborne, ground and naval, including submarine, platforms worldwide.

Water Control & Management Division

Via its subsidiary, Mottech Water Solutions Ltd ("Mottech"), MTI provides high-end remote control solutions for water and irrigation applications based on Motorola's IRRInet state-of-the-art control, monitoring and communication technologies.

As Motorola's global prime-distributor Mottech serves its customers worldwide through its international subsidiaries and a global network of local distributors and representatives. With over 25 years of experience in providing customers with irrigation remote control and management, Mottech's solutions ensure constant, reliable and accurate water usage, while reducing operational and maintenance costs. Mottech's activities are focused in the market segments of agriculture, water distribution, municipal and commercial landscape as well as wastewater and storm-water reuse.

Distribution & Professional Consulting Services Division

Via its subsidiary, MTI Summit Electronics Ltd., MTI offers consulting, representation and marketing services to foreign companies in the field of RF and Microwave solutions and applications including engineering services (including design and integration) in the field of aerostat systems and the ongoing operation of Platform subsystems, SIGINT, RADAR, communication and observation systems which is performed by the Company.