

SKYLINE INVESTMENTS INC.

Notice of Annual, General and Special Meeting of Shareholders

Notice is hereby given that an Annual, General and Special Meeting of the shareholders of Skyline Investments Inc. (the “**Company**” or “**Skyline**”) will be held on December 17, 2020 at 3:00 p.m. (Tel Aviv time) (8:00 a.m. Toronto time) at the offices of Mishorim Real Estate Investments Ltd., the parent company of the Company, at 7 Masada Street, Bnei-Brak, Israel (the “**Meeting**”) for the following purposes:

1. To receive the audited financial statements of the Company for the financial year ended December 31, 2019, together with the report of the auditor;
2. To elect the directors of the Company;
3. To appoint the auditors' office, Breitman Almagor Zohar & Co. (Deloitte), to serve as auditors of the Company until the end of the next annual general meeting and to authorize the Company's Board of Directors (the “**Board**”) to determine their remuneration; and
4. To transact such other business as may properly come before the Meeting or any adjournment.

The record date for the determination of those Shareholders entitled to the Notice of Meeting and to vote at the Meeting is the close of business on November 19, 2020 (the “**Determining Date**”).

Contents of Circular Package

This circular combines disclosure requirements components for the laws of both Ontario, Canada and Israel as follows:

- (a) Notice of Annual, General and Special Meeting of Shareholders (Canadian) (above);
- (b) Circular disclosure for Canadian law purposes;
- (c) Notice Regarding the Convening of a General and Special Meeting of the Company’s Shareholders (Israel) (translated);
- (d) Immediate Report on Meeting (Israel) (translated) (the “**Report**”)
 - (i) Appendix A Statements (Declarations) of Non-External Directors
 - (ii) Appendix B Statements (Declarations) of External Directors
- (e) Voting Slip (Israel) (translated), which is the form of proxy.

Disclosure Required by Applicable Corporate and Securities Laws In Canada

The information in this management information circular dated November 26, 2020 (the “**Circular**”), including its attachments, is intended to comply with the requirements of applicable corporate and securities legislation in Canada relating to meetings of the shareholders of the Company. The Company is incorporated under, and is governed by, the *Business Corporations Act* (Ontario) (“**OBCA**”) and is a “Reporting Issuer” as such term is defined in the *Securities Act* (Ontario) and an “Offering Corporation”, as such term is defined under the OBCA. The information in this Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting. As a shareholder, you are cordially invited to be present at the Meeting. To ensure that you will be represented at the Meeting in the event that you are a registered shareholder of the Company and unable to attend personally, you are requested to date, complete and sign the accompanying instrument of proxy enclosed herewith and return the same to the Company, Attention: Adv. Raviv Tsifroni, c/o Matry Meiri & Co. Law Offices, 4 Ariel Sharon Street, 17th Floor, Givatayim, Israel, facsimile +(972)-3-6109009. If you are an unregistered shareholder of the Company and receive

these materials through your broker or through another intermediary, please complete and return the instrument or proxy in accordance with the instructions provided therein.

The solicitation of proxies is intended to be primarily by mail but may also be made by telephone, facsimile transmission or other electronic means of communication or in person by the directors and officers of Skyline. The cost of such solicitation will be borne by Skyline. Except where otherwise stated, the information contained herein is given as of the date of this Circular.

TABLE OF CONTENTS

GENERAL	1
Appointment and Revocation of Proxies.....	1
Voting of Proxies	1
Record Date, Voting Shares and Principal Holders Thereof.....	1
EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS	2
Summary	2
General Executive Compensation Philosophy	3
The Company’s Named Executive Officers.....	5
Compensation Governance.....	6
Elements of Compensation.....	6
Executive Compensation Process.....	7
Summary Compensation Table	8
Executive Service Agreements.....	8
Incentive Plan Awards.....	9
Performance Graph	10
Director Compensation.....	11
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	12
INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS	12
ELECTION OF DIRECTORS.....	13
Corporate Cease Trade Orders and Bankruptcies.....	16
Penalties or Sanctions.....	16
Individual Bankruptcies	16
APPOINTMENT OF AUDITORS.....	17
AUDIT AND FINANCIAL STATEMENTS COMMITTEES DISCLOSURE	17
CORPORATE GOVERNANCE DISCLOSURE	17
BOARD OF DIRECTORS APPROVAL	22
ADDITIONAL INFORMATION.....	22
SCHEDULE A RESOLUTION TO APPROVE AMENDMENT TO COMPENSATION POLICY ERROR! BOOKMARK NOT DEFINED.	

GENERAL

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy are officers and directors of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT SUCH SHAREHOLDER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** Such a shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and instruct the nominee on how the shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or the shareholder's attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

A proxy will not be valid for the Meeting or any adjournment thereof unless the completed form of proxy is delivered to **Adv. Raviv Tsifroni, Matry, Meiri & Co. Law Offices, 4 Ariel Sharon St., Giv'atayim, Israel, facsimile +(972)-3-6109009**, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof. The Chairman of the Meeting has the authority to accept late or incomplete proxies in his discretion.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it at any time before it is exercised, by instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and deposited either at the office of Mishorim Real Estate Investments Ltd. described above at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Voting of Proxies

The persons named in the enclosed form of proxy have indicated their willingness to represent, as proxyholders, the shareholders who appoint them. Each shareholder may instruct its proxyholder how to vote the shareholder's shares by completing the blanks in the form of proxy.

Shares represented by properly executed proxy forms in favour of the persons designated in the enclosed proxy form will be voted or withheld from voting on any poll in accordance with instructions made on the proxy forms and, if a shareholder specifies a choice as to any matters to be acted on, such shareholder's shares shall be voted accordingly. In the absence of such instructions, such shares **WILL BE VOTED IN FAVOUR OF ALL MATTERS IDENTIFIED IN THE REPORT ACCOMPANYING THIS INFORMATION CIRCULAR.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Report and with respect to any other matters which may properly come before the Meeting. As at the date hereof, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Record Date, Voting Shares and Principal Holders Thereof

The record date for the Meeting will be the Determining Date as set out in the Report and first page of this Circular. The Company will prepare a list of shareholders of record at such time. Holders of Common Shares (as defined herein) of the Company named on that list will be entitled to vote the Common Shares then registered in their name at the Meeting, except to the extent that (a) the holder has transferred the ownership of any of the holder's common shares after that date, and (b) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the Common Shares, and demands at any time before the Meeting that the transferee's name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote the Common Shares at the Meeting or any adjournment thereof.

As at the date of the Report, the Company's issued and outstanding voting shares consist of 16,745,227 Common Shares, (the "**Common Shares**") and it is expected that no Common Shares will be issued between the date of the Report and the Determining Date. Any Common Shares that may be issued prior to the Determining Date will be excluded from voting on any particular matter to be voted on at the Meeting. Holders of Common Shares are entitled to one vote for each Common Share held on all matters to be considered and acted upon at the Meeting or any adjournment thereof.

To the knowledge of the directors and officers of the Company, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of Skyline other than Mishorim Real Estate Investments Ltd. and Israel Land Development Corporation Ltd.

- (a) Mishorim Real Estate Investments Ltd. is a registered holder of 8,266,780 Common Shares of the Company (approximately 49.37%), and
- (b) Israel Land Development Corporation Ltd. is a registered holder of 3,390,902 Common Shares of the Company (approximately 20.25%).

EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS

Summary

The following sections provide an explanation and analysis of the Company's executive compensation program and the material elements of total compensation paid to each of the Company's Named Executive Officers (or "**Officers**") (as defined in '*The Company's Named Executive Officers*' below) in 2019. Included in the discussion is an overview and description of:

- The Company's compensation philosophy and program;
- The objectives of the Company's compensation program;
- What the Company's compensation program is designed to reward each element of compensation;
- Why the Company chose to pay each element;
- How the Company determines the amount for each element; and
- How each compensation element and the Company's decision regarding that element fits into the Company's overall objectives and affect decisions regarding other elements, including the relationship between the Company's compensation objectives and the Company's overall risk management.

The Company's executive compensation program for 2019 was designed with input from Hugessen Consulting and BDO Israel. The Company considered issues pertaining to policies and practices for allocating between long-term and currently paid compensation and those policies for allocating between cash and non-cash compensation. The Company also considered the determinations for granting awards, performance factors for the Company and the Company's Named Executive Officers, and how specific elements of compensation are structured and taken into account in making compensation decisions. Questions related to the benchmarking of total compensation or any material element of compensation, the tax and accounting treatment of particular forms of compensation and the role of Named Executive Officers (if any) in the total compensation process also are addressed where appropriate. In addition to the Named Executive Officers discussed below, the Company has divisional heads for each hotel and resort, and the residential development program, each with similar compensation programs designed to incentivize the corporate executive team. In addition, the Company has approximately 300 salaried and permanent fulltime employees. As their compensation does not contain any elements that promote risk-taking, and thus could not have a material adverse effect on the Company, this compensation requires no discussion. The Officers' compensation program (the "**Compensation Policy**", or the "**Policy**") and the employment agreements of the Named Executive Officers are in compliance with the Israeli Companies Law and are governed by Canadian law.

General Executive Compensation Philosophy

The amended Compensation Policy was adopted by the Compensation Committee (as defined herein) at its meetings held on January 28, 2018, March 5, 2018, March 19, 2018, March 20, 2018, May 4, 2018, May 24, 2018, June 13, 2018, July 3, 2018, October 31, 2018, and April 29, 2019. The Board of Directors has approved the amended Compensation Policy in meetings held on 30 April, 2019, 3 July, 2019 and 19 December 2019.

During the course of 2020, the Compensation Committee undertook an extensive review of the Company's current Compensation Policy with a view to making recommendations to the Board of Directors for consideration (the "**Compensation Policy Amendments**"). In preparing its recommendations, the Compensation Committee reviewed independent reports prepared by Willis Towers Watson from July 2018 and July 2020 and by Financial Immunities Dealing Room from March 2020. The Compensation Committee also consulted with individuals at Willis Towers Watson, independent members of the Board of Directors and members of management. The Compensation Policy Amendments will be brought forth for approval at a special meeting of Shareholders, which will be convened in the near future (the "**Special Meeting**"). Accordingly, the below disclosure does not reflect any of the Compensation Policy Amendments that remain subject to shareholders approval.

The Compensation Policy of the Company is designed to promote the Company's objectives and long-term plans, while creating balanced incentives for the Named Executive Officers of the Company, taking into consideration the Company's risk management policy and the following principles:

- The interests of the Company's Officers shall be as close as possible to those of the Company's shareholders;
- The Compensation Policy shall contribute to promoting the Company's goals and business plans, taking into account the size of the Company and the nature of its activities;
- The Compensation Policy shall enable the Company to have a small team of talented and experienced managers, who have the skill to successfully lead the Company and the ability to deal with the challenges the Company faces, taking into account market conditions and competition;
- The Compensation Policy shall maintain Officers' motivation to achieve a high level of business performance without taking unreasonable risks;
- The Compensation Policy will create a balance between the various compensation components - fixed versus variable components (salary versus bonus), and long-term versus short-term; and
- The Compensation Policy will create a link between the Officers' contribution to achieving the Company's goals and maximizing profits and the Officers' compensation.

The Compensation Policy shall apply to the compensation of officers in managerial positions, commencing on the date of the shareholders' approval at the General Meeting. This Policy does not entitle the Officers of the Company, solely by virtue of the adoption thereof, to any compensation components contained therein. An Officer shall only be entitled to compensation components approved particularly for that officer as set out in their respective employment agreement. It shall be clarified that, in this Compensation Policy, unless explicitly stated otherwise, the term "Officer" refers to office holders as defined in s.1 of the Israeli Company Act, 1999 and are reported as such by the Company.

In the event any Officer's compensation shall be less than that awarded hereunder, such compensation shall not be considered a deviation of or exception to the Compensation Policy, and accordingly, the employment terms shall not require the approval of the general meeting of shareholders, as required if the terms of employment are inconsistent with this Compensation Policy (subject to exceptions in the law). Actual payment of bonuses shall be subject to the approval of the relevant competent bodies of the Company and nothing in the Compensation Policy shall be construed as establishing an obligation on the part of the Company to pay any bonus.

The Compensation Committee and the Board of Directors shall review from time to time the Compensation Policy and the need to adjust it, subject to applicable law. Any amendment to the Compensation Policy shall be submitted to

the competent corporate bodies of the Company, in accordance with applicable law. The Compensation Policy must comply with applicable laws in the province of Ontario and in the State of Israel.

The main terms of the Compensation Policy are as follows:

The policy establishes the following components of compensation:

- Fixed component comprised of base salary and benefits;
- Variable component(s) to create a link between the compensation paid to the Officers and the performance of the Company comprised of (i) an annual or special bonus, and (ii) equity based compensation (a long-term incentive plan), which includes compensation in shares or other equity-based compensation and serves the purpose of maximizing the Company's long-term profit, creates a significant incentive for Officers to maximize Company profits, and acts as a tool for retaining Officers, while creating alignment of interests between management and shareholders.

The Company attaches importance to maintaining an adequate and reasonable ratio between the compensation of Officers and that of other employees. Accordingly, when the Compensation Committee and the Board of Directors review and approve the terms of employment of the Officers, they will consider, to the extent they determine it to be relevant in the circumstances, among other things, the ratio between the cost of employment of the Officer, the terms of their appointment and employment submitted for approval, the average salary cost and external salary cost of the other permanent employees of the Company who are full-time employees and who work according to a contract, and the effect of such ratio on the labour relations of the Company.

For 2019, the Compensation Policy established limits of the base compensation as follows:

Officer*	Annual Base Compensation (in \$CAD)
Executive Chairman	\$300,000
CEO	\$450,000
CFO	\$350,000
COO	\$330,000 (in \$US)
Other Officers	\$300,000

Note:

* Officer or a company under his/her control

It also established limits to the maximum annual incentives payable to the Officers for 2019 as follows:

Officer *	Annual Bonus Ceiling (with respect to the Annual Base Compensation)
Executive Chairman	125% of annual base compensation
CEO	100% of annual base compensation
CFO	75% of annual base compensation
Other Officers	50% of annual base compensation

Note:

* Individual Officer or a company under his/her control

The annual incentives to the Officers for 2019 were determined based on the following four measures:

- (b) Net operating profit from hospitality and income-producing assets of the Company and its subsidiaries ("**Net Operating Profit from Hospitality**"). The annual target for this indicator shall be determined as the average Net Operating Income from its revenue producing properties in the last three years, plus 5%.

- (c) Profit before tax. The target for this indicator shall be determined for each year as the average of the profit before tax in the last three years, plus 5%.
- (d) The stock yield. This target of this indicator shall be 7% per annum. For the purpose of calculating the average stock yield, the following will be taken into account: the average price per share in the 30 days preceding December 31 of the relevant year, plus income and benefits received for the share during the relevant year (such as dividends, bonus shares and other rights), compared to the average price per share in the 30 days preceding January 1 of the relevant year.
- (e) Personal targets shall be determined in accordance with the responsibilities of the relevant other Officer (one or more) among the following indices: profit before tax, net operating profit of identical assets, EBITDA, operating cash flow, return on equity, increase of assets, increase of equity, increase of revenue, weighted average of financing costs, all as shall be determined by the Compensation Committee at the beginning of the year.

In addition, a discretionary bonus was permitted to be awarded to any Officer subject to approval by the competent corporate bodies of the Company, provided said bonus does not exceed three month's compensation of the Officer, taking into account the contribution of said Officer of the Company during that particular year.

Alternatively, and instead of the above, subject to approval of the Compensation Committee and the Board of Directors, the CEO may approve a discretionary bonus to any other Officer (excluding himself), taking into account the contribution of said Officer of the Company during that particular year.

The Compensation Policy included a provision for financial adjustments and one-time events. In order to prevent distortions as a result of recognition of expenditure or income arising from changes in accounting policy or the implementation of new accounting standards, it will be possible to make, with the Compensation Committee and the Board of Directors' approvals, adjustments that are designed to properly compare between the relevant financial year and the ones preceding it.

The equity compensation mechanism in place for 2019 determined the vesting period varying between three and five years and the policy established the ceiling to the economic value of the securities granted to an Officer of not more than 100% of the relevant officer's annual base compensation per year of vesting.

The policy contains provisions allowing the Board of Directors to reduce or cancel annual incentives, directors' compensation, as well as the terms of the directors' and Officers' release, indemnification and insurance.

The Company's Named Executive Officers

This analysis focuses on the compensation paid to those who served as the Company's "**Named Executive Officers**" in 2019, which is a term defined in Form 51-102F6 as such persons who served at any time during the fiscal year as the Company's CEO, CFO and the three most highly paid Named Executive Officers of the Company whose total annual compensation was more than \$150,000. During the fiscal year ended December 31, 2019 the Company's Named Executive Officers consisted of the following:

Blake Lyon – Chief Executive Officer

Robert Waxman – Chief Financial Officer

Bruce Riggins – Chief Operating Officer (employment ceased May 2019)

Paul Mondell – Senior Vice President of Development

Compensation Governance

The Board has established a Compensation Committee that has an appropriate mix of skills and experience in management, business, industry, human resources, executive compensation and public accountability for carrying out their responsibilities (the “**Compensation Committee**”). Status as an External Director refers to a category of director in accordance with the laws of the State of Israel who is an Israeli citizen and resident.

Name	Status	Human Resources/ Compensation Experience	Capital Markets	Accounting / Audit	Governance	Risk Management
Mordechai (Moddi) Keret, Israel	Independent External	X	X	X	X	X
Ruhama Avraham, Israel	Independent External	X	X	X	X	X
Lana Sherman, Ontario, Canada	Independent External	X	X	X	X	X

Lana Sherman, the Chairman of the Compensation Committee is a corporate advisor to private companies specializing in real estate and operating businesses. She has had experience as a Chief Financial Officer, in mergers and acquisitions, and with executive compensation programs.

Moddi Keret is the CEO and owner of Keret Management and Holdings Ltd., a privately owned company. He is or has been a member of boards and compensation committees of various companies publicly traded in Israel.

Ruhama Avraham is a strategic consultant for companies. She has experience overseeing that company’s executive compensation programs. She is or has been a member of boards and compensation committees of various companies publicly traded in Israel. As a former Israeli Knesset member, a Chair of the Knesset Sub-Committee for Small and Medium Businesses and a member of Knesset Finance Committee; and a Deputy Minister of the Interior and Acting Minister of the Interior for Israel, she has had direct experience that is relevant to her responsibilities in executive compensation.

The Compensation Committee makes recommendations to the Board of Directors regarding compensation for the Company’s Officers and Directors, appointment of Directors, as well as corporate goals and objectives relevant to the compensation of the Company’s Officers. The Compensation Committee and the CEO also submit an observation to the Board regarding the performance of the Company’s other Officers. The Compensation Committee ensures that the Company has a succession plan that provides for continuity and development of individuals into executive management and other key positions. It also assists the Board with the administration of the Company’s incentive compensation and benefit plans, which are subject to a Compensation Policy that was adopted by the Company in accordance with the provisions of the *Israeli Companies Law, 5759-1999* (the “**Israeli Companies Law**”).

Elements of Compensation

Base Compensation

Unless specified otherwise in their employment agreements or service contracts, the base compensation of the Company’s Named Executive Officers are evaluated annually. In evaluating appropriate pay levels and compensation increases for such Officers, the Company’s Compensation Committee will use a subjective analysis, considering achievement of the Company’s strategic goals, level of responsibility, individual performance, and internal equity and external pay practices. In addition, the Compensation Committee will consider the scope of the Officers’ responsibilities, taking into account competitive market compensation for similar positions where available, as well as seniority of the individual, our ability to replace the individual and other primarily judgmental factors deemed relevant by our Board and Compensation Committee. The Compensation Committee will not use any specific benchmark in the determination of base compensation.

Base compensation will be reviewed annually by the Company's Compensation Committee and the Board, and adjusted from time to time pursuant to such review or at other appropriate times, in order to align compensation with market levels after taking into account individual responsibilities, performance and experience.

During 2019, all of the Company's Named Executive Officers were paid employees.

Bonuses

Bonus awards are designed to focus management's attention on key operational goals for the current fiscal year. The Company's Officers may earn a bonus based upon achievement of their specific operational goals and achievement by the Company or business unit of its financial targets. Cash bonus awards are distributed based upon the Company and the individual meeting performance criteria objectives.

The Company has set bonuses based on a subjective analysis of certain performance measures in order to maximize and align the interests of the Company's officers with those of its shareholders. Although performance goals are generally standard for determining bonus awards, the Company has had and will consider additional performance rating goals when evaluating the bonus compensation structure of the Company's Officers. In addition, in instances where the Officer has responsibility over a specific area, performance goals may be directly tied to the overall performance of that particular area.

Equity Incentive Grants

In keeping with the Company's philosophy of providing a total compensation package that favours at-risk components of pay, long-term incentives can comprise a significant component of the Company's Officers' total compensation package. These incentives are designed to motivate and reward Officers for maximizing shareholder value and encourage the long-term employment of key employees. The Company's objective is to provide executives with above-average, long-term incentive award opportunities.

The Company views stock options as its primary long-term compensation vehicle for the Company's Officers. Stock options generally are granted at the volume-weighted average trading price for the 30 days prior to the date of grant plus NIS 0.01, and will have value only if the Company's stock price increases. Grants of stock options generally are based upon the Company's performance, the level of the Officer's position, and an evaluation of the Officer's past and expected future performance. Previous grants are not taken into account when considering new grants. The Company does not time or plan the release of material, non-public information for the purpose of affecting the value of executive compensation.

The Company believes that stock options will continue to be used for stock-based compensation.

Executive Compensation Process

Compensation Committee

The Company's Compensation Committee will oversee and approve all compensation and awards made to the Named Executive Officers.

Hedging of Equity-Based Compensation

While the Company does not have a specific policy against it and it is therefore permitted, to the Company's knowledge, Named Executive Officers and directors do not purchase financial instruments designed to hedge or offset a decrease in the market value of equity securities of the Company granted as compensation or held, directly or indirectly, by the Named Executive officer or director.

Summary Compensation Table

The following table sets forth information respecting the total compensation paid to those serving as Named Executive Officers during 2019 for the fiscal years ended December 31, 2019, 2018 and 2017 for the services rendered in these years:

Name and Principal Position	Year	Salary / fees (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity incentive Plan Compensation (\$)				Total Compensation (\$)
					Annual Incentive Plans ⁽¹⁾	Long-term Incentive Plans	Pension Value (\$)	All Other ⁽²⁾ (\$)	
Blake Lyon, Chief Executive Officer	2019	408,000	-	-	415,000	-	-	12,000	835,000
	2018	257,500	-	-	237,900	-	-	56,935	552,335
	2017	257,500	-	-	140,946	-	-	42,272	440,718
Robert Waxman, Chief Financial Officer ⁽³⁾	2019	298,000	-	-	225,000	-	-	12,000	535,000
	2018	172,116	-	321,242	-	-	-	18,962	512,320
Bruce Riggins, Chief Operating Officer ⁽⁴⁾	2019	129,000	-	-	-	-	-	61,000	190,000
	2018	237,711	-	385,686	-	-	-	24,786	648,183
Paul Mondell Senior Vice President of Development	2019	210,000	-	-	105,000	-	-	-	315,000
	2018	209,656	-	-	95,000	-	-	20,976	325,632
	2017	200,000	-	-	65,000	-	-	19,227	284,227

Notes:

- (1) Amounts are for bonus payments.
- (2) Amounts related primarily for car allowance or corporate vehicle, payroll taxes, health and dental benefits, life and long-term disability insurance.
- (3) Mr. Waxman's employment commenced in April 2018.
- (4) Mr. Riggins was employed by the company from February 2018 to May 2019.

Executive Service Agreements

As of the date of the Circular, each of the Named Executive Officers (excluding Bruce Riggins, whose ceased to be an NEO in May 2019) has an employment agreement with Skyline which provides for a base compensation in a form of salary or management fees, establishes limits to the annual incentives and details all the other compensation components customary to the positions including but not limited to car allowance, corporate vehicle, health and dental benefits, life insurance, long term disability, and termination notice terms. The NEO employment agreements do not include change of control provisions, except with respect to the vesting of stock options, which will be deemed to have vested immediately upon a change in control.

The CEO is entitled to a notice of 12 months, while all the other officers' notice period is up to 12 months.

Blake Lyon – Pursuant to his employment agreement, Mr. Lyon is entitled to an annual base salary of \$415,000, plus a car allowance of \$12,000 and an annual target based incentive limited to \$415,000.

Robert Waxman – Pursuant to his employment agreement, Mr. Waxman is entitled to an annual base salary of \$300,000 plus a car allowance of \$12,000 and an annual target based incentive limited to \$225,000.

Paul Mondell – Pursuant to his employment agreement, Mr. Mondell is paid a base salary of \$210,000 plus a car allowance of \$11,400 and an annual target based incentive limited to \$105,000.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

During 2019, the Company did not issue any options to any director or Named Executive Officer, and no options were exercised by any director or Named Executive Officer.

The following table sets forth all awards outstanding at December 31, 2019 made to the Named Executive Officers pursuant to option agreements that are governed by the Company’s current Stock Option Plan (“**Option Plan**”). See “Description of the Option Plan” below.

Name and Position	Option Based Awards				Share-Based Awards		
	Number of Shares Underlying unexercised Options (#)	Option average Exercise Price (NIS)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares or units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested	Market or Payout Value of Vested Share-based Awards not paid out or distributed
Blake Lyon, Chief Executive Officer ⁽²⁾	200,000	NIS 23.97	February 17, 2021	\$282,091	-	-	-
Robert Waxman, Chief Financial Officer	100,000	NIS 30.70	March 20, 2023	-	-	-	-
Paul Mondell, SVP Development	80,000	NIS 26.60	November 14, 2021	\$168,595	-	-	-

Notes:

- (1) Based on Skyline share price as of December 31, 2019 of 28.56 NIS or \$10.76 CAD (1 NIS = 0.3769 CAD).
- (2) On March 23, 2016 the Board of Directors approved a private allotment of 200,000 Shares to a company controlled by the CEO, for a total consideration of 4,793 NIS (approximately \$1,638) or 23.96 NIS (approximately \$8.2) per share, reflective of the average share price during 30 days prior to the appointment against a loan bearing 3% interest to be repaid in full until February 17, 2021. The issuance of the Common Shares is treated as share-based payment – options (IFRS 2). Upon repayment of the loans, the corresponding portion of the Common Shares will be reported in the Share Capital.

Description of the Option Plan

In November 2016, the Board of Directors adopted an option plan for directors, employees and consultants (“**Stock Option Plan**”) to align the compensation structure of directors, Officers and employees with the Company’s performance objectives. The maximum number of Shares which may be reserved for issuance under this Stock Option Plan is no greater than 10% of the total issued and outstanding Shares from time to time (calculated on a non-diluted basis). The Stock Option Plan is considered an “evergreen plan” since the Common Shares underlying options which are not exercised become available for subsequent grants.

Material terms and conditions of the option agreements are as follows:

- (a) Options may be granted from time to time by the Board and evidenced by an option certificate.
- (b) The exercise price for options will be determined by the Board in compliance with all pricing rules set by the Tel Aviv Stock Exchange and the Ontario Securities Commission.
- (c) The options and the Common Shares purchased by exercising the options shall be subject to any resale restrictions imposed by applicable securities laws.
- (d) Options can be issued for a term not to exceed five years and are not transferable.
- (e) Upon disability or death of the option holder, all unvested options vest immediately and become exercisable for twelve months.

- (f) Upon termination without cause or voluntary resignation, the portion of options that are unvested expire immediately, and the vested options expire within six months of the individual ceasing to be an eligible person under the Stock Option Plan.
- (g) Upon termination for lawful cause, the option holder's right to exercise options (whether vested or not) shall terminate at the time of termination, however, the Board has discretion to permit the exercise of any or all such options in the manner authorized by the Board for up to one year from the date the optionee ceases to be an eligible person under the Stock Option Plan.

Value of Vested or Earned Option-Based Awards or Share-Based Awards during the Year

The following table sets forth information with respect to the value of awards granted to Named Executive Officers pursuant to the Option Plan that vested during the year ended December 31, 2019, and bonuses paid to Named Executive Officers in respect of achievements attained over the same period.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Blake Lyon, Chief Executive Officer	6,453	–	415,000
Robert Waxman Chief Financial Officer	107,469	–	225,000
Paul Mondell Senior Vice-President Development	24,381	–	105,000

Defined Benefit Plan

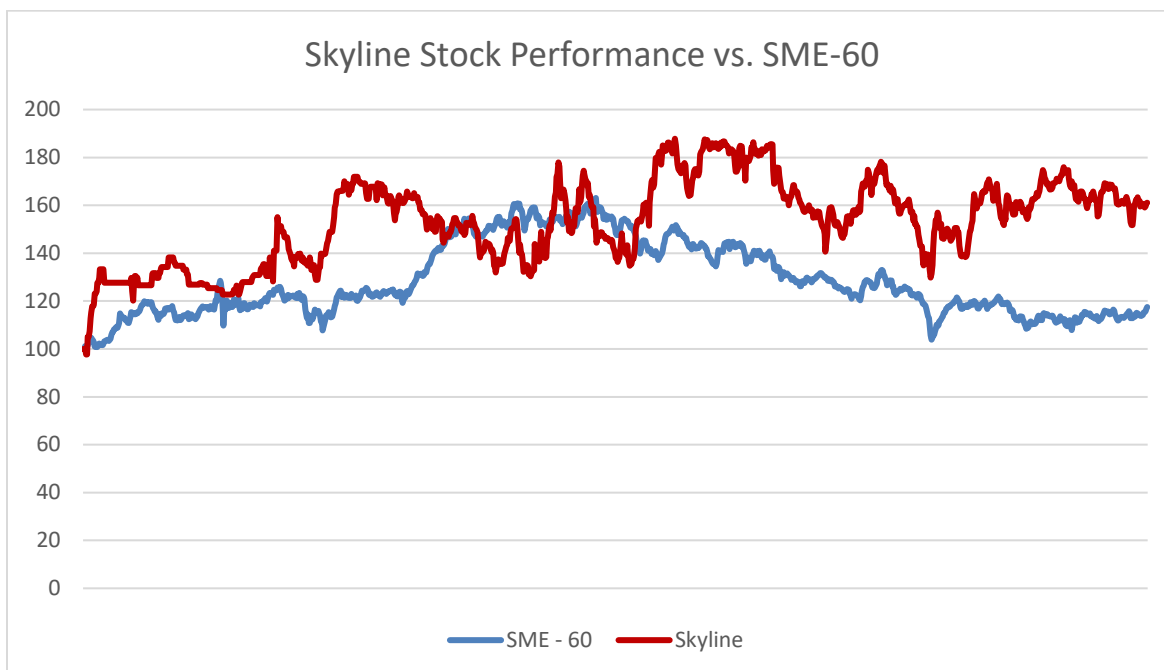
There are no pension plans that provide for payments or benefits to Named Executive Officers at, following, or in connection with retirement.

Defined Contribution Plan

There are no pension plans that provide for payments or benefits to Named Executive Officers at, following, or in connection with retirement.

Performance Graph

The following graph compares the total cumulative Shareholder return for \$100 invested in Shares (assuming reinvestment of dividends) with the cumulative return of the Tel Aviv SME-60 Index for the 5 year period ending on December 31, 2019.



Director Compensation

Director Compensation Table

The following table sets forth all compensation paid to the non-employee directors in fiscal 2019.

Name ⁽¹⁾	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-term Incentive Plans			
Mordechai (Moddi) Keret	57,867	–	–	–	–	–	–	57,867
Ruhama Avraham, Israel	68,320	–	–	–	–	–	–	68,320
Lana Sherman	58,739	–	–	–	–	–	–	58,739
Shimshon Marfogel	40,745	–	–	–	–	–	–	40,745
Rami Shriki	42,813	–	–	–	–	–	–	42,813
Tomer Katz	39,910	–	–	–	–	–	–	39,910
Daniel Leventhal	43,510	–	–	–	–	–	–	43,510
Neil J. Labatte	35,668	–	–	–	–	–	–	35,668
Amir Tamari	37,970	–	–	–	–	–	–	37,970
Gil Blutrich	23,302	–	–	–	–	–	–	23,302

Notes:

- (1) Oded Setter was elected to the Board in December 2019, and did not receive any compensation for the 2019 fiscal year.
- (2) Gil Blutrich resigned from the Board on July 15, 2020.

The value of the Option-based awards is nil.

The Compensation Policy provides a guideline for its directors' terms of service and compensation.

The directors of the Company shall be entitled, subject to approval by the shareholders of the Company and in accordance with the Israeli law, to an annual compensation and a participation compensation (similar to external directors) for which ranges are set in the Israeli Companies Regulations (Rules Regarding Compensation and Expenses of an External Director), 5760 - 2000, as amended from time to time, as well as equity-based compensation in line with that available for officers and managers. In addition, the directors shall be entitled to reimbursement of expenses consistent with the above regulations.

A director who is also an employee of the Company or entitled to receive other compensation from the Company shall not be entitled to compensation as a director.

Directors receiving participation compensation and annual compensation, shall only be entitled to these payments. No additional component of the Compensation Policy shall apply to such directors (unless explicitly determined otherwise).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Shares to be issued upon exercise of outstanding options issued pursuant to equity compensation plans, the weighted average exercise price of such outstanding options and the number of Shares remaining available for future issuance under equity compensation plans of the Company as of the date of this Report.

Plan Category	Number of Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Shares remaining available for future issuance under equity compensation plans (excluding Shares reflected in the first column) ⁽¹⁾
Equity compensation plans approved by security holders	180,000	\$10.88	1,494,523
Equity compensation plans not approved by security holders	-	-	-
Total	180,000	\$10.88	1,494,523

Note:

⁽¹⁾ Based on 10% of the number of Shares outstanding as of December 31, 2019.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No individual who is, or at any time during the most recently completed fiscal year of the Company was, a director or Officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associate of any of the foregoing is, or at any time since the beginning of the most recently completed fiscal year of the Company has been, indebted to the Company or any of its subsidiaries or was indebted to another entity, which such indebtedness is, or was at any time since the beginning of the most recently completed fiscal year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

On March 23, 2016, in connection with the hiring of Blake Lyon as Chief Executive Officer, the Board of Directors approved a private allocation of 200,000 shares to Ingersoll Capital Management Inc. (“Ingersoll”), a company controlled by Blake Lyon, the Chief Executive Officer of the Company, for total consideration of 4,793 thousand NIS (approximately \$1,638,000), which reflected a cost per share of 23.96 NIS (approximately \$8.20). In conjunction with such allocation, the Company approved a four year loan to Ingersoll in the amount of 4,800,000 NIS (\$1,640,000), which bears interest at 3% and matures February 2021. The shares have been held in trust as collateral for the loan to Ingersoll, which will be repaid in four equal annual instalments against a release of 25% of the shares per instalment. As at December 31, 2019, the amount outstanding on the four year loan to Ingersoll was 5,319,189 NIS (\$2,004,954). On November 24, 2020, in conjunction with the consideration and approval by the Board of Directors of the

Compensation Policy Amendments, the Board approved an extension of the maturity date of the loan to Ingersoll to February 2024.

The aggregate indebtedness of Officers and Directors (including companies under their control) to the Company or its subsidiaries is as follows:

Purpose	To the Company or its Subsidiaries	To Other Entities
Share purchases	\$2,116,791	-
Other	-	-
Total	\$2,116,791	-

Details of indebtedness of Officers and Directors to the Company (including companies under their control) is detailed as follows:

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During 2019 (\$)	Amount Outstanding as at October 31, 2020 (\$)	Financially Assisted Securities Purchases During 2019 (\$)	Security for Indebtedness	Amount Forgiven During 2019 (\$)
Blake Lyon, CEO and Director ⁽¹⁾	Lender	\$2,011,218	\$2,116,791	-	Shares held in escrow	-

Note:

(1) Liability for indebtedness rests with Ingersoll (as described on page 12), and not Blake Lyon directly.

Including companies under their control, there are no other Officers or Directors that are indebted to the Company other than those noted in the table above.

ELECTION OF DIRECTORS

The following table sets forth, all persons proposed by the Board to be nominated for election and recommended to be approved. The table includes their place of residence and position with the Company, their principal occupations during the preceding five years, the periods during which they have served as directors of the Company, and the number of voting shares of the Company beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as of the date of the Circular. Each director elected will hold office until the close of the next annual meeting of shareholders, or until his successor is duly elected or appointed in accordance with the by-laws of the Company and applicable law.

Three of the current and proposed directors are considered “external directors”, as such term is defined under Israeli securities laws: Mordechai (Moddi) Keret, Ruhama Avraham and Lana Sherman. Israeli securities laws require them to be elected for 3-year periods. In order to support the objectives of the Israeli requirement, while also complying with Ontario requirements for annual election of directors, the controlling shareholders have committed to continuing to vote for their appointment for a three year period from their first election. The vote for external directors is required to be passed by

- (a) A majority of all shares voted at the meeting, and
- (b) A majority of the publicly held shares voted, which calculation excludes shares held by controlling shareholders or shareholders with a personal interest.

Additionally, the total objecting votes must not exceed 2% of the total voting rights of the Company.

Additionally, the Board has recommended that Mr. Shimshon Marfogel, Mr. Daniel Leventhal, Mr. Neil J. Labatte, Mr. Amir Tamari, Mr. Rami Shriki, Mr. Oded Setter and Mr. Blake Lyon be re-appointed as directors of the Company.

With regard to Mr. Labatte’s directorship, the following is disclosure required by the Ontario Securities Commission of a corporate insolvency proceeding for one company Mr. Labatte was a director of and another company that he was and continues to be a director and officer of. During the period of 2011 to mid-2013 Global Dimension Capital, Inc. was retained to provide advisory services to Talon International Inc. and its related companies as it concerned its ownership of certain assets, undertakings and properties acquired for or used in relation to the residence and hotel branded as the Trump International Hotel & Tower in Toronto, Ontario. In July 2013, the contract with Global Dimension Capital, Inc. provided that the consulting services of Neil Labatte, through Global Dimension Capital, Inc., would be provided and Mr. Labatte was appointed director, CEO and President of Talon International Inc. Talon International Inc., through certain affiliates, was responsible for construction, parking, IT, food and beverage and spa operations directly, together with oversight of certain hotel condo units and other related items. Trump Organization was the direct manager of these entity activities through two condominium corporations. Talon International Inc. subsequently appointed Mr. Labatte to be an director of Talon International Development Inc. and TFB Inc., related entities of Talon International Inc., and as an officer of TFB Inc. and the two condominium corporations. On November 1, 2016, Talon International Inc., Talon International Development Inc., TFB Inc. and the two condo corporations became parties to a receivership order from the Ontario Superior Court of Justice (Commercial List) appointing FTI Consulting Canada Inc. as a court-appointed receiver of certain assets of such entities used in relation to the Trump International Hotel & Tower in Toronto, Ontario. Through the receivership process, Talon International Inc. facilitated through the sale of the hotel assets to JCF Capital ULC for \$298 million, and in September 2017, Talon International Inc. facilitated the subsequent sale of the hotel to a third party for an undisclosed amount.

Please see the table below for information on all directors with respect to place of residence and position with the Company, their principal occupations during the preceding five years, the periods during which they have served as directors of the Company, and the number of voting shares of the Company beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as of the date of their last Report.

Name and Place of Residence	Position with the Company	Commencement of Directorship	Number of Voting Securities beneficially owned, controlled, or directed, directly or indirectly	Principal Occupation During the Five Preceding Years
Rami Shriki - Israel	Director	2002	Nil	Chair of the Board of Directors of Mishorim Real Estate Investments Ltd.
Oded Setter - Israel	Director	2019	Nil	VP of Finance, Investment and Business Development of ILDC (“ILDC”) Director of companies in the ILDC Group VP of Strategy, Economics and Control of Shikun & Binui Ltd. Director of the Department of Economics, Control and Strategy of Shikun & Binui Ltd. Professional Assistant to the Executive Chairman of the Board of Directors of Shikun & Binui Ltd. Director of companies in the Shikun & Binui Group
Shimshon Marfogel - Israel	Director	2007	Nil	Deputy Chief Executive Officer and Executive Vice President of ILDC

Name and Place of Residence	Position with the Company	Commencement of Directorship	Number of Voting Securities beneficially owned, controlled, or directed, directly or indirectly	Principal Occupation During the Five Preceding Years
Neil J. Labatte – Ontario, Canada	Director	2018	Nil	Founder of Global Dimension Capital, Inc. Corporate Director
Mordechai (Moddi) Keret – Israel ⁽¹⁾⁽²⁾⁽³⁾	Director	2014	Nil	Chief Executive Officer and owner of Keret Management and Holdings Ltd. (financial, managing companies, financial investments and high tech advising)
Daniel Leventhal - Israel	Director	2017	Nil	CEO Mishorim Real Estate Investments Ltd. (Jan 2017 - Present)Deputy CEO of B.S.T. Construction Ltd. Group (Jan 2014 – Dec 2016)CFO of Delek Real Estate Ltd. (Sept 2009-Feb 2013)
Lana Sherman – Ontario, Canada ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Director	2017	Nil	Advisor, Corporate Strategy Chartered Professional Accountant in Canada and U.S.
Ruhama Avraham - Israel ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Director	2017	Nil	Consultant to Companies Minister in the Israel Government; Member of the Knesset; Member of the Financial Committee of the Israeli Government
Amir Tamari - Israel ⁽⁴⁾	Director	2019	Nil	CEO of The Israel Trade Fairs & Convention Center Ltd. Chairman of the Board of Directors of Castro Model Ltd. External Director of Edgar Investments and Development Ltd. External Director of Satcom Systems Ltd. External Director of Mutual Insurance Fund (State Employees' Provident Fund) Director of Mishorim Real Estate Investments Ltd. Director of S. Shlomo Insurance Company Ltd.
Blake Lyon - Ontario, Canada	CEO	N/A	Nil	Company's CEO Financial Investment Advisor
Robert Waxman - Ontario, Canada	CFO	N/A	Nil	CFO of the Company and its subsidiaries Senior Advisor Deloitte Canada

Name and Place of Residence	Position with the Company	Commencement of Directorship	Number of Voting Securities beneficially owned, controlled, or directed, directly or indirectly	Principal Occupation During the Five Preceding Years
Shmuel Rosenblum - Ontario, Canada	Internal Auditor	N/A	Nil	Founding partner of Rosenblum-Holtzman (accountant office) Internal auditor of public companies
Paul L. Mondell - Ontario, Canada	Senior VP Development	N/A	Nil	Company's SVP Development VP Development of Brookvalley Development

Notes:

- (1) Member of the Compensation Committee.
- (2) Member of the Audit Committee.
- (3) Member of the Financial Statements Committee.
- (4) Member of the Governance and Nomination Committee

Corporate Cease Trade Orders and Bankruptcies

Other than as disclosed in this Circular, none of the Company's directors or Officers and, to the best of the Company's knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company is, as at the date of the Report, or has been within the 10 years before the date of the Report, (a) a director, CEO or CFO of any company that was subject to an order that was issued while the existing director or Officer was acting in the capacity as director, CEO or CFO, or (b) was subject to an order that was issued after the existing director or Officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO, or (c) a director or Officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Penalties or Sanctions

None of the Company's directors or Officers and, to the best of the Company's knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Individual Bankruptcies

None of the Company's directors or Officers and, to the best of the Company's knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company has, within the 10 years prior to the

date of the Report, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

APPOINTMENT OF AUDITORS

The Board is proposing to re-nominate Brightman Almagor Zohar & Co., Certified Professional Accountants, Member of Deloitte Touche Tohmatsu Limited, (“**Deloitte**”) as auditor of the Company to hold office until the next annual meeting of the Shareholders and to fix the remuneration of the auditor. Deloitte was first appointed as auditor of the Company effective June 28, 2017.

The ordinary resolution requires approval of a majority of the votes cast at the Meeting. The Board recommends to Shareholders that they vote **FOR** the appointment of Deloitte as auditor.

AUDIT AND FINANCIAL STATEMENTS COMMITTEES DISCLOSURE

For disclosure regarding the Company’s audit and financial statements committees please refer to the section headed “*Audit Committee Matters*” beginning on page 32 of the Company’s Annual Information Form for the year ended December 31, 2019 (“**AIF**”) and the copy of the Charter of the Audit and Financial Statements Committees appended as Schedule “A” to the AIF. The AIF is available on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE DISCLOSURE

Skyline is committed to adhering to the highest standards of corporate governance. The Company’s corporate governance policies and resultant practices were designed to be consistent with this objective.

1. Board of Directors

Skyline’s articles of incorporation, as amended, allow the Board to set the minimum and maximum number of directors at a minimum of 3 and a maximum of 11. Currently, Skyline’s Board consists of 10 directors: Mordechai (Moddi) Keret, Ruhama Avraham, Lana Sherman, Rami Shriki, Daniel Leventhal, Neil J. Labatte, Shimshon Marfogel, Amir Tamari, Oded Setter, and Blake Lyon.

Board of Directors – Independent Directors

The Board considers that Mordechai Keret, Ruhama Avraham and Lana Sherman are independent within the meaning of s.1.4 of National Instrument 52-110 – *Audit Committees* of Canadian securities legislation. They are independent for purposes of Israeli law because they are “external directors”. Mr. Labatte, is considered independent under Canadian, but not under Israeli law.

Board of Directors – Non-independent Directors

Mr. Rami Shriki, a resident of Israel, is the Chief Executive Officer of Jaffa Tel-Aviv Ltd. Mr. Shriki is Mr. Gil Blutrich’s brother-in-law and thus is not considered an independent director.

Mr. Shimshon Marfogel, a resident of Israel, is the Deputy Chief Executive Officer of Israel Land Development Corporation Ltd. that is a registered holder of 3,390,902 Common Shares, and thus is not considered an independent director.

Mr. Daniel Leventhal is a CEO of Mishorim Real Estate Investments Inc., which is a controlling shareholder of the Company, and thus is not considered an independent director.

Mr. Amir Tamari is a Director of Mishorim Real Estate Investments Inc., which is a controlling shareholder of the Company, and thus is not considered an independent director.

Mr. Blake Lyon, a resident of Canada, is the Chief Executive Officer of the Company.

Mr. Oded Setter is a Director of companies in the ILDC Group, and thus is not considered an independent director.

Board of Directors - Other Directorships

The reporting issuer directorships of all directors, other than for the Company, are outlined below:

Blake Lyon	Jack Nathan Medical Corp. (CVE: JNH)
Rami Shriki	Mishorim Country Club Residence Ltd.; The building at 6 Hebron St., Tel Aviv Ltd.; Barash AA Investments Ltd.; Jaffa -Tel Aviv Construction Company Ltd.; Jaffa -Tel Aviv Borochoy 9 Ltd.; Jaffa -Tel Aviv Pinsker 52 Ltd.
Shimshon Marfogel	Israeli Land Development Company Ltd.(TASE)
Mordechai Keret	Bezeq Israel Telecommunication Corp. Ltd.; Taya Investments Ltd.; Director of Issta Lines Ltd.; Histour-Eltiv Ltd.; Issta Assets Ltd.; Issta Global Hotels Ltd.;Keret Management and Holdings Ltd.; Tarya P2P Ltd; Shirliad Holdings Ltd.; Shirliad Real Estate Ltd.; Shirliad Ir Yamim (2009) Ltd.
Daniel Leventhal	Marom Financial Management Ltd
Ruhama Avraham	Minrav Projects Ltd. (TASE: MNPR) and Dorimedia Group
Lana Sherman	None
Neil Labatte	BSR Real Estate Investment Trust (TSX: BSR); Jack Nathan Medical Corp. (CVE:JNH) ; Nexpoint Hospitality Trust (TSX-V: NHT)
Amir Tamari	Castro Model Ltd; Mishorim; Satcom Systems Ltd
Oded Setter	Director of companies in the ILDC Group

Board of Directors – Independent Director Meetings

The external Directors are currently the sole members of the Compensation Committee, Financial Statements Committee, and Audit Committee. These committees routinely meet in the absence of non-independent directors and routinely meet in the absence of management.

Board of Directors – Chairman

During the 2019 Fiscal Year, the Chairman and Lead Director chaired the meetings of the Board. Neither the Chairman nor the Lead Director is an independent Director. The Chairman and Lead Director ensured that the Board worked together as a cohesive team with open communication. The Chairman and Lead Director acted as a liaison between the Board and management to ensure that the relationship between the Board and management was professional and constructive and ensured that the allocation of responsibilities and boundaries between the Board and management were clearly understood. The Chairman of the Audit, Financial Statements, and the Compensation Committees is an independent Director and may assume the responsibilities of Board Chairman if required due to absence or conflict of interest.

Board of Directors – Attendance

Each directors' attendance during Fiscal Year 2019 is outlined below:

Year Ended December 31, 2019														
Name of Director	16-Jan-2019	12-Feb-2019	28-Mar-2019	30.-Mar-2019	31-Mar-2019	31-Mar-2019	30.-Apr-19	14-May-19	3-Jul-19	16-Jul-19	22-Jul-19	13-Aug-19	11-Sept-19	14-Nov-19
Shimshon Marfogel	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Tomer Katz	P	P	P	A	A	P	P	P	P	P	P	A	A	A
Rami Shriki	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Daniel Leventhal	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Neil Labatte	P	P	P	P	P	A	P	P	P	P	P	P	P	P
Amir Tamari	A	P	P	P	P	A	P	P	P	P	P	P	P	P
Gil Blutrich	P	P	P	A	P	P	P	P	A	P	P	P	P	P
Moddi Keret	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ruhama Avraham	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Lana Sherman	P	P	P	P	P	A	P	P	P	P	P	P	P	P

P – Present A – Absent

2. Board Mandate

The Board adopted a written mandate. The Board has responsibility for the stewardship of the Company by supervising the Company's affairs, with the goal of enhancing shareholder value and maintaining a culture of integrity throughout the Company. The Board is responsible for overseeing the conduct of the Company's business and supervising the management of the Company's business and affairs. The Board will also consider nominees for directors that will be elected annually by the shareholders of the Corporation. The Board's key responsibilities relate to the stewardship of the Company, generally through management, to pursue the best interests of the Company, and will include the following: assessing the effectiveness of itself, its committees and its directors in fulfilling their responsibilities; appointing the Chair of the Board and the CEO; approving the terms of reference for the CEO and monitoring and reviewing the CEO's performance; approving decisions relating to senior management (including appointment and compensation); ensuring succession planning programs are in place; approving certain matters relating to all employees (including compensation strategy and new benefit programs); advising and counselling the CEO in the execution of the CEO's duties; adopting a written Code of Business Conduct and Ethics and monitoring compliance of such code; reviewing and approving the Company's strategic plan and in relation thereto approving annual capital and operating budgets which support the Company's ability to meet its strategic plan objectives; approving the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Company; approving material divestitures and acquisitions; approving new and replacement financial obligations of the Company; ensuring that management identifies the principal financial and non-financial risks of the Company and implements appropriate systems and programs to manage these risks; taking reasonable steps to ensure the implementation and integrity of the Company's internal control and management information systems; monitoring operational and financial results; ensuring the Company has in place effective communication processes with shareholders and other stakeholders and financial, regulatory and other recipients; and directing management to ensure the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards. Under the mandate, the Board is entitled to engage outside advisers, at the Company's expense, where, in the view of the Board, additional expertise or advice is required.

Meetings of the Board are held at least on a quarterly basis, provided that due notice is given and a quorum of a majority of the members is present. Where a meeting is not possible, resolutions in writing which are signed by all members of the Board are as valid as if they had been passed at a duly held meeting. The frequency and nature of the meeting agendas are dependent upon business matters and affairs which the Company faces from time to time.

3. Position Descriptions

Board of Directors – Position Descriptions for the Chairman of the Board and Committee Chairs

The Board has adopted written terms of reference for the Chair of the Board. The Board Chair's key responsibilities include: duties relating to setting Board meeting agendas, chairing Board and shareholder meetings, director development and communicating with shareholders and regulators.

The Board has adopted written terms of reference for each of the committee chairs. The committee chairs' key responsibilities include: setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The CEO

The Board has adopted written terms of reference for the CEO. The primary functions of the CEO are to provide leadership and manage the growth and diversification within the Company in accordance with the vision, mission, values and strategic objectives established and/or approved by the Board, and to lead the implementation of the resolutions and the policies of the Board. The Board requires that the CEO's key responsibilities include: directing and monitoring the activities of the Company in a manner that ensures the strategic, operational and capital plans are met and that the assets of the Company are safeguarded and optimized in the best interests of the shareholders; recommending strategic plans to the Board and implementing the corresponding operational and capital plans; developing and maintaining an annual Board approved plan for the development and succession of senior management; and managing and overseeing the required interfaces between the Company and the public and acting as the principal spokesperson for the Company. The Board reviews these responsibilities with the CEO at its Board meetings.

4. Orientation and Continuing Education

The Company has an orientation program for new directors under which the new director meets separately with the chair of the Board and members of the senior executive team. A new director is presented with a director manual that reviews Board policies and procedures, the Company's current strategic plan, financial plan and capital plan, the most recent annual and quarterly reports and materials relating to key business issues.

The chairs of each committee are responsible for coordinating orientation and continuing director development programs relating to the committee's mandate. Each of the committee chairs are also be responsible for instituting a learning program that focuses on topics relevant to each committee's mandate.

5. Ethical Business Conduct - Code Business Conduct and Ethics

The Company adopted Compliance Policies (that includes a Code of Business Conduct and Ethics) that applies to all Directors, Officers, management and employees including those employed by subsidiaries. The objective of the Code of Business Conduct and Ethics is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company, its subsidiaries and business units. The Code of Business Conduct and Ethics addresses conflicts of interest, protecting the Company's assets, confidentiality, fair dealing with the Company's security holders, customers, suppliers, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. Any person subject to the Code of Business Conduct and Ethics will be required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Company's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board of Directors, or the persons or committee appointed, will have the ultimate responsibility for the stewardship of the Code of Business Conduct and Ethics. A copy of the Code of Business Conduct and Ethics is distributed by the compliance department each year, and all Directors and employees are required to sign off that they have read, understand, and are in compliance with the Code of Business Conduct and Ethics annually.

6. Nomination of Directors

The members of the Board are nominated by the governance committee of the Board of Directors (the “**Governance Committee**”), and the Board approves the submission for appointment or reappointment by shareholders at the annual general meeting of the shareholders of the Company (the “**AGM**”). Directors may be nominated to bring special expertise or perspective to Board deliberations; however, they are not chosen to represent a particular constituency.

The Board and each Board committee appoints or reappoints, at the meeting of the Board immediately following the AGM, a chairman among their number. The chairman shall serve as a liaison between the Board and members of the Company’s management team (“**Management**”).

7. Board Committees

The Board discharges its responsibilities for the stewardship of the Company directly or with the assistance of the Audit and Financial Statements Committees and the Compensation Committee.

Audit and Financial Statements Committees

The Board established an Audit Committee and a Financial Statements Committee composed of at least three members subsequent to its annual general meeting held in May 2014. All members of the Audit and the Financial Statements Committees will be independent and financially literate within the meaning of NI 52-110 – *Audit Committees*, except for temporary periods in limited circumstances in accordance with NI 52-110 – *Audit Committees*.

Compensation Committee

The Board has established a compensation committee (the “**Compensation Committee**”), which is composed of three independent (under Canadian law) and external directors (two of whom are required to be external directors in accordance with the laws of the State of Israel). A chair of the Compensation Committee was appointed. The Board of Directors adopted a written charter for the Compensation Committee that sets out its areas of responsibility.

The Compensation Committee makes recommendations to the Board of Directors regarding compensation for the Company’s executive officers and directors, appointment of directors, as well as corporate goals and objectives relevant to the compensation of the Company’s executive officers. The Compensation Committee and the CEO also submits an observation to the Board regarding the performance of the Company’s other executive officers. The Compensation Committee ensures that the Company has a succession plan that provides for continuity and development of individuals into executive management and other key positions. The Compensation Committee also assists the Board with the administration of the Company’s incentive compensation and benefit plans, which is subject to a compensation policy (the “**Compensation Policy**”) that was adopted by the Company in accordance with the provisions of the *Israeli Companies Law, 5759-1999* (the “**Israeli Companies Law**”).

Corporate Governance & Nominating

The Board decided that Corporate Governance & Nominating will be the responsibility of the Board as a whole. The Board ensures that the Company develops and implements an effective and efficient approach to corporate governance that enables the business and affairs of the Company to be carried out, directed and managed with the objective of enhancing shareholder value. The Board is also responsible for the director nominating process, corporate governance and risk management. The Board’s mandate includes the development of the Company’s Code of Business Conduct and Ethics, monitoring compliance with the Code of Business Conduct and Ethics.

The Board annually updates a long-term plan for Board composition that takes into consideration the current strengths, personalities, skills and experience on the Board, retirement dates and the strategic direction of the Company. Based on such criteria, the Board will make recommendations regarding the essential and desired criteria, experiences and skills for potential new directors, taking into consideration the Board’s short-term needs and long-term succession plans, and will identify potential candidates who meet the criteria. In consultation with the CEO, the Board will determine candidates for consideration when it is appointing directors.

8. Assessments

The Board, its committees and individual directors are assessed with respect to their effectiveness and contribution prior to the annual meeting.

9. Director Term Limits

The Board considers that continuity is important for the Company. As a result, while the term of each Director is one year, there is no limit on the number of terms that a Director may serve. As per the requirement of the Israeli Securities Authority, the controlling shareholder undertakes to vote in favour of initially elected external directors of the Company for three consecutive one year terms. Such external directors are not allowed to continue their terms as “external directors” past three years.

10. Representation of Women in Director and Executive Officer Positions

Israeli law requires that the Company have at least one of the independent Directors be a woman. The Board has considered the level of representation of women on the Board in identifying candidates for election and re-election to the Board. In 2017 it replaced one female external director with another female external director and it replaced one male director with a female director. For this year’s election, there are 2 female directors seeking re-election, out of 10 Board positions, being 20%. The Company has not adopted a target regarding women on the Board, because it has recently been able to attract and elect highly qualified women directors and because it is required to comply with different board composition requirements under Israeli law.

With regard to the Company considering the level of representation of women in Officer positions when making Officer appointments, the Company has not considered this because, due to recent efforts to grow the Company in size and sophistication and to build a new management team with an appropriate mix of skills while keeping it small, it would not have been reasonable to disqualify a particular candidate on the basis of gender alone. The Company does not currently have any women Officers and has not adopted a target for getting a particular number or percentage of women in Officer positions by any particular date for the same reasons as above and because this has not been a concern of the Israeli Securities Authority or TASE. However, when filling positions in the future, the Company will consider the value of adding a female perspective to executive management.

BOARD OF DIRECTORS APPROVAL

The Board of Directors of Skyline has approved the contents and sending of the Report.

ADDITIONAL INFORMATION

Additional information relating to Skyline is available on SEDAR at www.sedar.com. Financial information in respect of the Company is provided in the Company’s comparative annual financial statements and MD&A for the financial year ended December 31, 2019. Copies of financial statements and MD&A of the Company may be obtained from the Company’s website at www.skylineinvestments.com.