

**תקנון חברה**

**פיקספייס בע"מ**  
**ח.פ. 51-5495042**

**חלק א' לתקנון החברה**

**1. שם החברה**

שם החברה:

בעברית: **פיקספייס בע"מ**

באנגלית: **Pickspace Ltd.**

**2. מטרת החברה**

לפי ס' (1)32 לחוק – לעסוק בכל עיסוק חוקי.

**3. הון המניות הרשום של החברה**

ההון הרשום של החברה הוא 100,000 ₪ המחולק ל-10,000,000 מניות בעלות ערך נקוב 0.01 ₪ כל אחת, המחולק ל-2 סוגים כדלהלן:

א. 9,437,328 מניות רגילות בעלות ערך נקוב 0.01 ₪ כל אחת;

ב. 307,740 מניות בכורה סיד בעלות ערך נקוב 0.01 ₪ כל אחת,

ג. 123,122 מניות בכורה סיד-1 בעלות ערך נקוב 0.01 ₪ כל אחת, ו-

ד. 131,810 מניות בכורה סיד-2 בעלות ערך נקוב 0.01 ₪ כל אחת.

**4. אחריות מוגבלת**

אחריותם של בעלי המניות מוגבלת לפירעון סכום הון המניות הבלתי נפרע שברשותם.

**5. חברה פרטית - הגבלות**

א. כל העברת מניות בחברה כפופה ומותנית כמפורט בתקנון זה.

כל הזכויות והחובות הצמודות למניות, הזכויות והחובות של בעלי המניות וההסדרים בין בעלי המניות לבין עצמם ובינם לבין החברה יהיו בהתאם להוראות **חלק ב'** לתקנון זה שמהווה חלק בלתי-נפרד מתקנון זה ויראו בהן כהוראות תקנוניות לכל דבר ועניין. אין באמור כדי לגרוע מהזכויות והחובות של בעלי המניות והחברה על פי דין או הסכם.

חלק ב' לתקנון החברה - פיקספייס בע"מ  
THE COMPANIES LAW, 5759-1999  
A PRIVATE COMPANY LIMITED BY SHARES  
**AMENDED AND RESTATED**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**PICKSPACE LTD.**  
**EFFECTIVE AS OF \_\_\_\_\_, 2021**

**General**

1.
  - 1.1. The name of the Company is "Pickspace Ltd."
  - 1.2. The object of the Company is to engage in any lawful activity or business.
  - 1.3. The liability of each Shareholder is limited to the unpaid portion of the par value of each share held by such Shareholder.

**Interpretation; General**

2. In these Articles, unless the context otherwise requires:
  - 2.1. "**Affiliate**" means with respect to any Person, any other Person, directly or indirectly, through one or more intermediary Persons Controlling, Controlled by, or under common control with such Person.
  - 2.2. "**Articles**" means these Amended and Restated Articles of Association of the Company, as shall be in force and effect.
  - 2.3. "**Board**" means the Company's board of directors appointed or elected in accordance with the Articles.
  - 2.4. "**Bonus Shares**" means shares issued by the Company for no consideration to Shareholders entitled to receive them, on a pro rata basis.
  - 2.5. "**Business Day**" "**Business Days**" means a day, or days, on which customer services are provided by a majority of the major commercial banks in Israel (including for the avoidance of doubt, Fridays).
  - 2.6. "**Companies Law**" means the Companies Law, 5759-1999 and all regulations promulgated thereunder.
  - 2.7. "**Companies Ordinance**" means the applicable sections of the Companies Ordinance [New Version], 5743-1983 that remain in effect.
  - 2.8. "**Company**" means the company whose name is set forth above.
  - 2.9. "**Control**" means holding directly or indirectly of at least 50% of the voting power in a corporation or of the right to appoint at least half of the directors or members of a similar body having a similar function in a corporation.
  - 2.10. "**Distribution**" means the grant of a Dividend or an obligation for such grant, directly or indirectly, and a Repurchase.
  - 2.11. "**Dividend**" means any asset transferred by the Company to a Shareholder in respect of such Shareholder's shares, whether in cash or in any other way, including a transfer without valuable consideration, but excluding Bonus Shares.
  - 2.12. "**Founder**" means Shay Friedman and Maor Cohen (each a "**Founder**").
  - 2.13. "**General Meeting**" means an annual or special general meeting of the Shareholders.
  - 2.14. "**IPO**" means a firmly underwritten initial public offering of the Company's Ordinary

Shares pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or equivalent law of another jurisdiction.

- 2.15. “**Law**” means the Companies Law, the Companies Ordinance, the Securities Law and any other law that shall be in effect from time to time with respect to companies and that shall apply to the Company.
- 2.16. “**M&A Transaction**” means any of the following transactions: (i) the sale, lease, transfer or any other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Company to any third party if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, or any perpetual, worldwide, exclusive license of all or substantially all of the intellectual property of the Company, in a single transaction or series of related transactions, except where such sale, lease, transfer, other disposition or exclusive license is to a wholly owned subsidiary of the Company; (ii) any consolidation, merger or reorganization of the Company with or into any other corporation or other entity or Person, or any other corporate reorganization, in which the voting power of the shareholders of the Company immediately prior to such consolidation, merger or reorganization, represent less than 50% of the voting power of the surviving entity (or in the event shares or ownership interests of an affiliated entity are issued in such transaction, less than 50% of the voting power of such affiliated entity) immediately after such consolidation, merger or reorganization; or (iii) any transaction or series of related transactions in which no less than 50% of the Company’s outstanding voting power is transferred (e.g. by way of the sale of all or substantially all of the Company’s share capital) *provided*, that in case of (i), and (iii) above, in any event other than in a transaction in which the persons that beneficially owned, directly or indirectly, more than 50% of the voting rights of the Company immediately prior to such transaction, beneficially own, directly or indirectly more than 50% of the voting rights of the surviving or transferee entity, and, *provided, further*, that the transactions listed under subsections (ii) and (iii) above shall not include (x) any consolidation, merger or reorganization effected exclusively to change the domicile of the Company, or (y) any transaction or series of transactions effected principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof.
- 2.17. “**Office**” means the registered office of the Company.
- 2.18. “**Office Holders**” as defined in the Companies Law.
- 2.19. “**Ordinary Shareholder**” means a holder of Ordinary Shares.
- 2.20. “**Ordinary Shares**” means Ordinary Shares of the Company par value NIS 0.01 each.
- 2.21. “**Original Issue Date**” means with respect to each Preferred Share the date on which such Preferred Share was issued by the Company.
- 2.22. “**Original Issue Price**” means with respect to: (i) each Preferred Seed Share, US\$3.24949, (ii) each Preferred Seed-1 Share, US\$7.674872, and (iii) each Preferred Seed-2 Share, US\$9.78261, as such price may be adjusted as set forth in these Articles.
- 2.23. “**Permitted Transferee**” means, *provided* that any of the followings (including any of their Affiliates) are not a competitor of the Company: (1) in relation to any Preferred Shareholder: (i) a transferee by operation of law; (ii) in the case of an individual Preferred Shareholder - a spouse, child, brother, sister or trustee of the Preferred Shareholder and any corporate entity which is controlled by the Preferred Shareholder; (iii) in the case of any incorporated Preferred Shareholder (whether a company or a partnership or any other legal entity) - a Person who is an Affiliate of such Preferred Shareholder, or any of its shareholders, directors, officers, co-investors, limited partners, general partners or the shareholders, limited or general partners of such

shareholders or limited or general partners, or entities that manage or co-manage, or are managed or whose account is managed by, directly or indirectly, such Preferred Shareholder or any of its shareholders, limited partners, general partners or the shareholders, limited or general partners of such shareholders limited or general partners or management company; provided that if a shareholder which is a partnership dissolves and distributed shares to its partners and/ or a trustee on behalf of any of them, then each of the former partner or trustee on his behalf shall be deemed as a Permitted Transferee with respect to the other former partner or a trustee on his behalf; (iv) transferees in the framework of a transfer which is part of a transfer of a significant portion of the Preferred Shareholder's portfolio of investments; (2) in relation to any Shareholder who is not a Preferred Shareholder: (a) a transferee by operation of law; (b) a parent, spouse, child, brother or sister, or a substantially wholly owned corporation (at least 90%) (by it and its parent, spouse, child, brother or sister) of such Shareholder, and (c) a trust which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of the relevant Shareholder and no power or control over the voting powers conferred by any shares are subject to the consent of any person other than the trustees of such Shareholder.

- 2.24. **"Person"** means an individual, corporation, partnership, joint venture, trust, any other corporate entity and any unincorporated association or organization.
- 2.25. **"Preferred Seed SPA"** means that certain Preferred Seed Share Purchase Agreement among the Company, the Founders and the Purchasers set forth therein (as such terms are defined therein), dated January 15, 2018.
- 2.26. **"Preferred Shareholder"** means a holder of Preferred Shares.
- 2.27. **"Preferred Shareholders Majority"** means the holders of at least a majority of the issued and outstanding Preferred Shares.
- 2.28. **"Preferred Shares"** and **"Preferred Seed Shares"** means the Series Seed Preferred Shares par value NIS 0.01 each of the Company, the Series Seed-1 Preferred Shares par value NIS 0.01 each of the Company, and Series Seed-2 Preferred Shares par value NIS 0.01 each of the Company.
- 2.29. **"QIPO"** means the closing of an IPO of shares of the Ordinary Shares at a Company on a nationally recognized securities exchange, at a pre-money valuation of at least \$75,000,000 with net proceeds to the Company of at least \$15,000,000.
- 2.30. **"Recapitalization Event"** means any event of share combination or subdivision, share split, reverse share split, share dividend, distribution of Bonus Shares or any other reclassification, reorganization or recapitalization of the Company's share capital or other similar events on the basis of a Shareholder's pro-rata share of all outstanding shares of the Company on an as-if-converted to Ordinary Shares basis.
- 2.31. **"Register"** means the Register of Shareholders that is to be kept pursuant to Section 127 of the Companies Law.
- 2.32. **"Repurchase"** means the acquiring or the financing of the acquiring, directly or indirectly, by the Company or by a subsidiary of the Company or other corporate entity under the Company's control, of shares of the Company or securities convertible into or exercisable for shares of the Company, or the redemption of redeemable securities that are part of the Company's share capital pursuant to Section 312(d) of the Companies Law, including an obligation to do any of the same, and all provided that the seller is not the Company itself or another corporate entity fully owned by the Company.
- 2.33. **"Securities Law"** means the Israeli Securities Law, 1968, as amended.
- 2.34. **Shareholder** means a shareholder of the Company.
3. Subject to the aforesaid, in these Articles, all terms used herein and not otherwise defined herein shall have the meanings defined in the Law, as in effect on the day on which these Articles become binding

on the Company; words and expressions importing the singular shall include the plural and vice versa if the context so requires; words and expressions importing the masculine gender shall include the feminine gender. Headings to Articles herein are for convenience only, and shall not affect the meaning or interpretation of any provision hereof. In the event of any discrepancy or inconsistency between these Articles (in their current English form) and their Hebrew translation (if any), the Articles drafted in the English language shall prevail and the Hebrew translation shall be disregarded.

4. For purposes of computing minimum shareholdings required for any purposes under these Articles, each Shareholder shall be entitled to aggregate its holdings in the Company with the holdings of any of its Permitted Transferees, and the aggregate holdings shall be considered to be held by such Shareholder and its Permitted Transferees, and such rights – to the extent they are determined to be available at such time - may be exercised with the consent of the other Permitted Transferees (up to the maximum extent so determined to be available in the aggregate to all such shareholders) by any, some or all of such shareholders who are Permitted Transferees of each other.

### **Limitations**

5. The following limitations shall apply to the Company:
  - 5.1. the right to transfer shares is restricted in the manner hereinafter provided;

### **Capital**

6. Authorized Share Capital. The authorized share capital of the Company is one hundred thousand New Israeli Shekels (NIS 100,000) divided into: (a) 9,437,328 Ordinary Shares, (b) 307,740 Series Seed Preferred Shares, (c) 123,122 Series Seed-1 Preferred Shares, and (d) 131,810 Series Seed-2 Preferred Shares.
7. The Ordinary Shares. Subject to the rights and privileges of the Preferred Shares, the Ordinary Shares shall rank pari passu between them and shall entitle their holders:
  - 7.1. to receive notices of, and to attend, General Meetings where each Ordinary Share shall have one vote for all purposes;
  - 7.2. to share, on a per share pro rata basis, in Bonus Shares, bonuses, profits or Distributions as may be declared by the Board and approved by the Shareholders, if required, out of funds legally available therefor;
  - 7.3. upon liquidation or dissolution - to participate in the distribution of the assets of the Company legally available for distribution to Shareholders after payment of all debts and other liabilities of the Company (in each case, proportionally to the number of Ordinary Shares outstanding and the amounts paid by Shareholders on account of their Shares, if not paid in full, before calls for payment were made);
  - 7.4. to examine and receive copies of any register, document, report, or account of the Company according to the rights conferred by the Law;
  - 7.5. to appoint, dismiss, and replace directors of the Company pursuant to the provisions of these Articles; and
  - 7.6. all other rights attached to the Ordinary Shares in these Articles.
8. The Preferred Shares. The Preferred Shares confer on the holders thereof all rights accruing to holders of Ordinary Shares in the Company, and in addition are entitled to the following rights:
  - 8.1. Liquidation Preference.
    - 8.1.1. In the event of (i) any liquidation, dissolution, or winding-up of the Company, either voluntary or non-voluntary; (ii) any bankruptcy, insolvency or reorganization proceeding under any bankruptcy or insolvency or similar law, whether voluntary or involuntary, is properly commenced by or against the Company; or (iii) a receiver or liquidator is appointed to all or substantially all of the Company's assets; collectively, a "**Liquidation**"; then in each such event, the assets or proceeds available for distribution or payment to the Shareholders (the "**Distributable Proceeds**") shall be distributed

among the Shareholders according to the following order of preference:

- 8.1.1.1 First, each holder of Preferred Seed Shares shall be entitled to receive for each Preferred Seed Share held thereby, prior and in preference to any other securities of the Company its applicable Original Issue Price (in cash, cash equivalents or, if applicable, securities) *plus* an interest at the amount equal to 5% per annum of the Original Issue Price, non-compoundedly *plus* an amount equal to all declared but unpaid Dividends on such Preferred Seed Share, less the amount of any paid Distribution prior thereto (the “**Preferred Seed Preference**”). In the event that the Distributable Proceeds shall be insufficient for the distribution of the Preferred Seed Preference in full to each holder of Preferred Seed Shares for each of the Preferred Seed Shares held thereby, the Distributable Proceeds shall be distributed among the holders of Preferred Seed Shares on a pro rata and pari passu basis;
  - 8.1.1.2 Second, after payment in full of the Preferred Seed Preference to the holders of the Preferred Seed Shares for all Preferred Seed Shares held thereby, the remaining Distributable Proceeds, if any, shall be distributed pro-rata among the Ordinary Shareholders (without the participation of the holders of Preferred Seed Shares), on a pro-rata, pari passu basis. *provided, that*, any holder of Preferred Seed Shares shall be entitled to elect, prior to the event of Liquidation, to convert the Preferred Seed Shares into Ordinary Shares by informing the Company in writing, in which case the Liquidation Preference shall not apply with respect to such holder of Preferred Seed Shares, and the portion of the such holder of Preferred Seed Shares of the Distributable Proceeds shall be calculated on a pro rata basis among the holders of Ordinary Shares and not as such holder of Preferred Seed Shares.
- 8.1.2. Unless otherwise agreed to by the Preferred Shareholders Majority, any M&A Transaction shall be treated as a Liquidation pursuant to the above provisions of this Article 8.1 (a “**Deemed Liquidation**”), and the provisions of Articles 8.1.1.1 and 8.1.1.2 shall apply to a distribution of the Distributable Proceeds received by the Company and/or the Shareholders in connection with such Deemed Liquidation. In the event of a Deemed Liquidation resulting from the transfer of outstanding shares of the Company, no such transfer shall be valid and the Company shall not register it in the Register, unless measures determined by the Board that are satisfactory to the Preferred Shareholders Majority are taken for the distribution of the consideration received for such transfer in accordance with Articles 8.1.1.1 and 8.1.1.2.
- 8.1.3. The Company shall give each holder of record of Preferred Shares written notice of such Liquidation, Distribution of Dividends or Deemed Liquidation impending transaction not later than five (5) Business Days prior to the Shareholders’ meeting called to approve such transaction, or five (5) Business Days prior to the closing of such transaction, whichever is earlier. The first of such notices shall describe the material terms and conditions of the impending

transaction and the provisions of this Article 8.1, and the Company shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than five (5) Business Days after the Company has given the first notice provided for herein or sooner than five (5) Business Days after the Company has given notice of any material changes to the information provided in a notice provided for herein; *provided, however*, that such periods may be shortened upon the written consent of the holders of the Preferred Shareholders Majority.

8.1.4. If the amount deemed paid or distributed under this Article 8.1 is made in securities or property other than in cash, shall be determined in good faith by the Board.

8.1A Dividend Rights.

8.1A1 The holders of the then outstanding Preferred Seed Shares shall be entitled to receive, when, as and if declared by the Board, out of any funds and assets of the Company legally available therefor, prior and in preference to the payment of any dividends on the Ordinary Shares, noncumulative dividends at the rate of 5% of the Original Issue Price per each Preferred Seed Share, for each year in which a dividend is declared by the Board of Directors of this Company (the “**Preferred Seed Dividend Preference**”). Dividends on the Series Seed Preferred Shares shall not be mandatory or cumulative, and no rights or interest shall accrue to the holders of the Series Seed Preferred Shares by reason of the fact that the Company shall fail to declare or pay dividends on the Series Seed Preferred Shares in any calendar year, whether or not the earnings of the Company in any calendar year were sufficient to pay such dividends in whole or in part.

8.1A2 After payment of any dividends specified in Article 8.1A1 above, any additional dividends or distributions shall be distributed among all holders of Ordinary Shares and Preferred Shares in proportion to the number of shares of Ordinary Shares that would be held by each such holder if all outstanding shares of Preferred Shares were converted to Ordinary Shares using the then effective applicable Conversion Price (as defined below).

8.1.A3 Non-Cash Dividends. Whenever a dividend provided for in this Article 8.1A shall be payable in property other than cash, the value of such dividend shall be deemed to be the fair market value of such property as determined pursuant to Article 8.1.4 above.

8.2. Conversion. The Preferred Shareholders shall have conversion rights as follows (the “**Conversion Rights**”):

8.2.1. Right to Convert.

8.2.1.1. Each Preferred Share shall be convertible, at the option of the holder of such share, at any time after the Original Issue Date of such share, without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable Ordinary Shares of the Company as is determined by dividing the Original Issue Price for such share by the Conversion Price (as defined below) at the time in effect for such share. The initial conversion price per each Preferred Share shall be the

Original Issue Price for such share (the “**Conversion Price**”); provided, however, that the Conversion Price for each Preferred Share shall be subject to adjustment in accordance with any Recapitalization Event and pursuant to the anti-dilution and other adjustment provisions set forth in the Articles.

8.2.1.2. Notwithstanding anything to the contrary herein, each Preferred Share shall automatically be converted into fully paid and nonassessable Ordinary Shares by dividing the Original Issue Price by the Conversion Price at the time in effect for such Preferred Share, immediately upon: (i) a QIPO; or (ii) upon the written consent of the Preferred Shareholders Majority.

Mechanics of Conversion. Before any Preferred Shareholder shall be entitled to convert any Preferred Share into Ordinary Shares, the Preferred Shareholder shall surrender the certificate or certificates thereof, or an affidavit of loss of the certificate or certificates therefor in a form reasonably acceptable to the Company, duly executed, at the Office and shall give written notice by registered mail, postage prepaid, to the Company of the election to convert the same. The Company shall, as soon as practicable thereafter, issue and deliver to such Preferred Shareholder a certificate or certificates for the number of Ordinary Shares to which such Preferred Shareholder shall be entitled as aforesaid and an executed copy of an updated Shareholder register reflecting such conversion. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate or submission of the affidavit of loss of the certificate representing the Preferred Shares to be converted, and the Person or Persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Ordinary Shares as of such date. In the case of an automatic conversion pursuant to Article 8.2.1.2, such conversion shall be deemed to have been made immediately prior to the close of business on the date of the occurrence of any of the events listed in Article 8.2.1.2 and subject to the actual occurrence of such event, and the Person or Persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Ordinary Shares as of such date; once again provided that the event does actually occur.

8.2.2. Conversion Price Adjustments of Preferred Shares.

8.2.2.1. In the event that prior to the closing of an IPO, the Company issues any Additional Securities (as defined below) at a price per share lower than the Conversion Price of the Preferred Seed Shares in effect immediately prior to such issuance (the “**Reduced Price**”), then the Conversion Price of such Preferred Seed Shares shall be reduced, for no additional



consideration, in accordance with the following broad based weighted average formula:

$$(A \times P') + (C \times P'')$$

$$CP = \frac{\text{-----}}{A + C}$$

$$A + C$$

where **CP** is the reduced Conversion Price; **A** is the number of Ordinary Shares, on an as-converted fully diluted basis (treating for this purpose as outstanding all Ordinary Shares issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of convertible securities (including the Preferred Seed Shares), outstanding immediately prior to the relevant issuance of Additional Securities; but excluding Ordinary Shares reserved for Options that were not allocated prior to the relevant issuance of Additional Securities); **P'** is the Conversion Price applicable to the Preferred Seed Shares of the applicable series in effect immediately prior to such issuance; **C** is the number of Additional Securities; and **P''** is the Reduced Price.

- 8.2.2.2. No adjustment to the Conversion Price pursuant to Article 8.2.2.1 shall be made if it has the effect of increasing the Conversion Price of such Preferred Seed Share above the Conversion Price of such Preferred Seed Share in effect immediately prior to such adjustment.
- 8.2.2.3. In the case of the issuance of Additional Securities for cash, the consideration shall be deemed to be the amount of cash received therefor after deducting from such cash amount any discounts, finder's fees or underwriting commissions paid or incurred by the Company in connection with the issuance and sale thereof.
- 8.2.2.4. In the case of the issuance of Additional Securities for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof, as shall be determined in accordance with Article 8.1.4 above.
- 8.2.2.5. In the case of the issuance, after the Original Issue Date of the Preferred Seed Shares and prior to an IPO, of warrants or options to purchase, or rights to subscribe for, Additional Securities, or securities which by their terms are convertible into or exchangeable for Additional Securities or options to purchase or rights to subscribe for such convertible or exchangeable securities (collectively, "**Options**"), the Additional Securities deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation the passage of time, but without taking into account potential anti-dilution adjustments), conversion or exchange, as the case may be, of such Options, shall be deemed to have been issued at the time of issuance

of such Options at a consideration equal to the consideration (determined in the manner provided in Articles 8.2.2.3 and 8.2.2.4), if any, received by the Company for such Options upon the issuance of such Options plus any additional consideration payable to the Company pursuant to the terms of such Options (without taking into account potential anti-dilution adjustments) for the Additional Securities covered thereby; provided, however, that if any Options as to which an adjustment to the Conversion Price has been made pursuant to this Article 8.2.2.5 expire without having been exercised, then the Conversion Price shall be readjusted as if such Options had not been issued (without any effect, however, on adjustments to the Conversion Price as a result of other events described in this Article); provided that no such readjustment shall have the effect of increasing the applicable Conversion Price to an amount which exceeds the applicable Conversion Price that would have resulted from other issuances of Additional Securities after the time of issuance of such Options had such Options not been issued.

8.2.2.6. For purposes of this Article 8.2.2, the consideration for any Additional Securities shall be taken into account at the U.S. dollar equivalent thereof, on the day such Additional Securities are issued or deemed to be issued pursuant to Article 8.2.2.5.

8.2.2.7. “**Additional Securities**” means any shares, warrants, convertible deeds or any other security or right exercisable or convertible into shares of the Company, other than (the “**Excluded Securities**”): (i) options granted or shares issued following the date of adoption of these Articles to employees, directors or consultants, pursuant to a share option plan or any incentive plan approved by the Board; (ii) securities issued upon conversion of the Preferred Seed Shares; (iii) securities issued to the public in a IPO; (iv) securities issued in the framework of a Recapitalization Event; (v) issuance of securities of the Company pursuant to the Preferred Seed SPA; (vi) securities issued by the Company to any entity with a business that is relevant or adjacent to, or competes with, the business of the Company as conducted from time to time, which shall not constitute more than 5% of the Company's outstanding share capital, in the aggregate, with the written approval of the Board; (vii) warrants issued to venture lenders as part of venture lending, which shall not constitute more than 1% of the Company's outstanding share capital, in each case approved by the Board ; (viii) securities issued upon the conversion of any outstanding debenture, warrant, option, or other convertible securities of the Company; (ix) securities issued in any other issuance with respect to which the holders of the Preferred Shareholders Majority agreed, in writing, to waive their anti-

dilution or pre-emptive rights with respect to such issuance, as the case may be.

- 8.2.3. Recapitalization Event. If at any time or from time to time there shall be a Recapitalization Event (other than any actions under Article 8.2.3), and other than a Liquidation, Distribution of Dividends or Deemed Liquidation under Article 8.1, provision shall be made so that the Preferred Shareholders shall thereafter be entitled to receive upon conversion of the Preferred Shares the number of Ordinary Shares or other securities or property of the Company or otherwise, to which a holder of Ordinary Shares deliverable upon conversion of the Preferred Shares would have become entitled to as a result of the Recapitalization Event had the Preferred Shares been converted to Ordinary Shares immediately prior to such Recapitalization Event. In any such case, appropriate adjustment shall be made in the application of the provisions of these Articles with respect to the rights of the Preferred Shareholders after the recapitalization to the end that the provisions of these Articles (including adjustment, if necessary, of the Original Issue Price and the Conversion Price then in effect and the number of shares issuable upon conversion of the Preferred Shares) shall be applicable after that event as equivalent to the manner in which they were applicable prior to such event as may be practicable.
- 8.2.4. No Fractional Shares and Certificates as to Adjustments.
- 8.2.4.1. No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary Shares to be issued shall be rounded to the nearest whole share.
- 8.2.4.2. Upon the occurrence of each adjustment of the Conversion Price of a series of Preferred Shares pursuant to this Article 8, the Company, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each Preferred Shareholder a certificate setting forth each adjustment and showing in detail the facts upon which such adjustment is based. The Company shall furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustment, (ii) the Conversion Price at the time in effect, and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Preferred Share.
- 8.2.5. Notices of Record Date. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any Dividend or other Distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of shares, at least fifteen (15) Business Days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such Dividend, Distribution or other right, and the amount and character of such Dividend, Distribution or other right.
- 8.2.6. Reservation of Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but

unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares; and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, then the Company will take such corporate action as may be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes.

- 8.3. No Impairment. The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 8 and in the taking of all such actions as may be necessary or appropriate in order to provide to the holders of Preferred Shares the rights and benefits afforded thereby.
- 8.4. Voting Rights. Except with respect to election of directors or as required by law and subject to Article 141, the Preferred Shares shall vote together with the other shares of the Company, and not as a separate class, in all Shareholders meetings, except as required herein, with each Preferred Share having votes on an as-converted basis.

#### Shares; Pre-emptive Rights

9. Subject to the provisions of these Articles, the unissued shares of the Company shall be at the disposal of the Board who may offer, allot, grant options or otherwise dispose of shares to such Persons, at such times and upon such terms and conditions as the Company may by resolution of the Board determine.
10. Subject to the provisions of these Articles, the Company may, from time to time, determine to issue shares having the same rights as the existing shares, or having preferred or deferred rights, or rights of redemption, or restricted rights, or any other special right in respect of dividend distributions, voting, appointment or dismissal of directors, return of share capital, distribution of Company's property, or otherwise. The Company may convert any part of the issued shares to deferred shares, with the prior written consent of the holders of such shares or if permitted pursuant to a contract or other agreement entered into among the Company and the holders of such shares.
11. Subject to the provisions of the Companies Law and these Articles, the Company may issue redeemable shares and redeem them, provided, however, that the Preferred Shares shall enjoy similar redemption rights (if granted), unless otherwise agreed by the Preferred Shareholders Majority.
12. Until the IPO, each Shareholder who holds Preferred Shares constituting at least 3.5% of the issued and outstanding share capital (on a fully diluted basis) of the Company (each a "**Major Holder**") (an "**Offeree**") shall have a preemptive right with respect to any issuance of Additional Securities by the Company at the offering price, in accordance with the following terms:
- 12.1. If the Company proposes to issue Additional Securities, it shall give each Offeree a written notice thereof of its intention to do so (the "**Rights Notice**"), describing the Additional Securities, the price and the general terms upon which the Company proposes to issue them. Each Offeree shall have fifteen (15) Business Days from delivery of the Rights Notice to agree to purchase (i) all or any part of its pro-rata portion of such Additional Securities which pro-rata portion is equal to the ratio of (a) the number of outstanding shares of the Company which such Offeree holds immediately prior to the issuance of such Additional Securities, on an as converted basis, to (b) the total number of outstanding shares of the Company held by all of the Offerees, on an as converted basis, immediately prior to the issuance of the Additional Securities (the "**Pro Rata Portion**"), and (ii) all or any part of the Pro Rata Portion of any other Offeree (the "**Unsubscribed Shares**") to the extent that any such other Offeree does not elect to purchase its full Pro Rata Portion (in which case, such Unsubscribed Shares shall be purchased pro-rata among the Offerees who desire to

purchase the Unsubscribed Shares, subject to the number of Unsubscribed Shares requested to be purchased thereby), in each case, for the price and upon the general terms specified in the Rights Notice, by giving written notice to the Company setting forth the quantity of Additional Securities which the Offeree wishes to purchase, provided that if the purchase by such Offeree is being effected prior to, or concurrently with such issuance of Additional Securities (rather than subsequent thereto) then such Offeree shall be obligated to consummate the purchase of such Additional Securities only if the Company consummates the sale of the balance of the Additional Securities, pursuant to the terms described in such Rights Notice.

- 12.2. If the Offerees fail to exercise in full their preemptive right within the period specified in Article 12.1, then the Company shall have ninety (90) days after delivery of the Rights Notice to sell the unsold Additional Securities at a price and upon general terms no more favorable to the purchasers thereof than specified in the Rights Notice. If the Company has not sold the Additional Securities within said ninety (90) day period the Company shall not thereafter issue or sell any Additional Securities without first offering such securities to the Offerees in the manner provided above.
- 12.3. An Offeree may assign its right under this Article 12 to a Permitted Transferee that falls within the definition of subsection (1) of such term in Article 2.23 above.
- 12.4. If the offer to Shareholders under this Article 12 may constitute an offer to the public under applicable laws which is subject to prospectus requirements, then such offer shall be limited to (i) the type of offerees the offering to which is exempted from such prospectus requirement, and (ii) to such limited number of Shareholders with the highest holdings in the Company (aggregating holdings of Permitted Transferees for the purpose of calculating the Shareholders with the highest holdings; *provided that* such Permitted Transferees shall be considered as separate entities to the extent viewed as such by applicable law; and *further provided* that the transfers to such Permitted Transferees were not made for the purpose of increasing the number of entities that are Permitted Transferees of the original transferring Shareholder(s) eligible to participate in the offer to Shareholders under this Article 12), not including and in addition to the offerees under paragraph (i), the offering to which is exempted from such prospectus requirement.
13. Subject to Articles 8.2, 12 and 141, the Company may issue from time to time options, warrants, other rights to subscribe for instruments convertible into, or exchangeable for shares of the Company, the terms and conditions of which shall be determined by the Board in accordance with these Articles.
14. The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or any other right whatsoever in any share other than an absolute right to the entirety thereof in the registered holder.
15. If two or more Persons are registered as joint holders of a share:
  - 15.1. They shall be jointly and severally liable for any calls or any other liability with respect to such share. However, with respect to voting, powers of attorney and furnishing of notices, the one registered first in the Register shall be deemed to be the sole owner of the share unless all the registered joint holders notify the Company in writing to treat another one of them as the sole owner of the share.
  - 15.2. Each one of them shall be permitted to give receipts binding all the joint holders for dividends or other moneys or property received from the Company in connection with the share and the Company shall be permitted to pay all the dividend or other moneys or property due with respect to the share to one or more of the joint holders, as it shall choose.
16. Share certificates shall bear the signature of one director, or of any other person or persons authorized thereto by the Board. Each Shareholder shall be entitled to one numbered certificate for all the shares of any series registered in his or its name, and if the Board so approves, to several certificates, each for one or more of such shares. Each certificate shall specify the serial numbers of the shares represented thereby. A share certificate registered in the names of two or more persons shall be

delivered to the person first named in the Register. If a share certificate is defaced, lost or destroyed, it may be replaced, upon payment of such fee, and upon the furnishing of such evidence of ownership and such indemnity, as the Board may deem fit.

**Drag Along**

17.

- 17.1. Subject to the provisions of the Companies Law and Article 141, until the consummation of a QIPO, if (i) a *bona fide* offer from any Person (the “**Third Party**”) is made to effect a Deemed Liquidation (a “**Proposed Transaction**”), and (ii) holders of a majority of the Company’s issued and outstanding share capital (on an as converted basis) including among them the Preferred Shareholders Majority, provide their affirmative consent to such Proposed Transaction, (the “**Proposing Shareholders**”), then such decision shall be binding upon the Company and all remaining Shareholders (the “**Remaining Shareholders**”) will be required, if so demanded in writing by the Proposing Shareholders (the “**Drag Along Notice**”), to sell all of their shares to such Third Party, or vote to approve the terms and conditions of the Proposed Transaction.
- 17.2. At every meeting of the Shareholders of the Company called with respect to any of the following, and at every adjournment or postponement thereof, and on every action or approval by written consent of the shareholders of the Company with respect to any of the following, the Remaining Shareholders shall vote all shares of the Company that such Remaining Shareholders then hold or for which such Remaining Shareholders otherwise then have voting power (collectively, for the purposes of this Article, the “**Shares**”): (A) in favor of approval of the Proposed Transaction and any matter that could reasonably be expected to facilitate the Proposed Transaction; and (B) against any proposal for any recapitalization, merger, sale of assets or other business combination (other than the Proposed Transaction) between the Company and any Person other than the Third Party to the Proposed Transaction or any other action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the definitive agreement(s) related to the Proposed Transaction or which could result in any of the conditions to the Company's obligations under such agreement(s) not being fulfilled, in each case unless otherwise determined by the Proposing Shareholders. In any event the Proposed Transaction is brought to a vote at a shareholders meeting, any Shareholder who shall have failed to vote in favor of such Proposed Transaction, shall be deemed to have given an irrevocable proxy to such person as shall be designated by the Board to vote for the acceptance of such Proposed Transaction.
- 17.3. Each Remaining Shareholder shall take all necessary actions in connection with the consummation of the Proposed Transaction as requested by the Company or the Proposing Shareholders and shall, if requested by the Proposing Shareholders, execute and deliver any agreements and instruments prepared in connection with such Proposed Transaction which agreements are executed by the Proposing Shareholders and shall waive any dissenting minority or similar rights in connection with such Proposed Transaction.
- 17.4. Upon receipt of the Drag Along Notice, each Remaining Shareholder shall be obligated to sell all of its shares, and to vote to approve such Proposed Transaction, notwithstanding any other no sale right, first refusal rights or other rights, and the proceeds of such Proposed Transaction shall be distributed among all Shareholders in accordance with the liquidation preference provisions set forth in Article 8.1 above.
- 17.5. At the closing of the Proposed Transaction (which place, date and time shall be designated by the Proposing Shareholders and provided to each of the Remaining Shareholders at least 10 days in advance), each such Remaining Shareholder shall deliver certificates evidencing all of its shares, duly endorsed or accompanied by written instruments of transfer in form satisfactory to the Third Party, duly executed

by such Remaining Shareholder, against delivery of the purchase price therefore.

- 17.6. In the event that a Remaining Shareholder fails to surrender its certificate or an affidavit of a lost certificate, in a form acceptable to the Board, in connection with the consummation of a Proposed Transaction, such certificate shall be deemed cancelled and the Company shall be authorized to issue a new certificate in the name of the Remaining Shareholder and the Board of Directors shall be authorized to establish an escrow account, for the benefit of such Remaining Shareholder into which the consideration for such securities represented by such cancelled certificate shall be deposited and to appoint a trustee to administer such account.
- 17.7. Anything in these Articles to the contrary notwithstanding, the General Meeting shall, if requested by the Proposing Shareholders, assume the power and authority of the Board to discuss and approve, for all intents and purposes, the Proposed Transaction on behalf of the Company, effective as of the time on which the written consent of the Proposed Shareholders shall have been received by the Company.
- 17.8. In the event that the Proposing Shareholders consent to the Proposed Transaction, any sale or other transfer, assignment or conveyance of shares by any of the Shareholders, other than pursuant to the Proposed Transaction, shall be absolutely prohibited.
- 17.9. Each Shareholder recognizes and accepts that the powers granted to the Company or the Board as set forth in this Article 17 are granted in order to ensure and protect the rights of the other Shareholders and that therefore, such powers, upon the use thereof shall be irrevocable with respect to such matter or action with respect to which the Board has exercised such powers.
- 17.10. Each of the Shareholders (i) irrevocably appoints the designee of the Proposing Shareholders as its agent and attorney-in-fact (the “**Agent**”) (with full power of substitution) to execute all agreements, instruments and certificates and take all actions necessary or desirable to effectuate any sale in accordance with the provisions of this Article 17; and (ii) grants to the Agent a proxy to vote the shares held by the Shareholders in favor of any Proposed Transaction hereunder in compliance with the provisions of this Article 17.
- 17.11. In the event of a Proposed Transaction, the provisions of Articles 38, 39, 40 and 41 shall not be operative as between the Company’s shareholders with respect to the sale and transfer of their shares in such Proposed Transaction.
- 17.12. With respect to Section 341 of the Companies Law, the Shareholders specifically agree to amend the provisions set forth therein in the following manner:
  - 17.12.1. the threshold set forth in Section 341 shall mean the Proposing Shareholders threshold set forth in Article 17.1(ii).
  - 17.12.2. the parties acknowledge that the application of the distribution preference provisions set forth in Article 8.1 shall not be deemed to mean that the Shareholders are offered different treatment or terms in the Proposed Transaction (even if certain Proposing Shareholder will receive consideration and benefits that other Shareholders will not receive).
  - 17.12.3. the parties agree that the timeframe set forth in Section 341(a) for accepting the Proposed Transaction by the Proposing Shareholders shall not be limited to the time frame specified in the aforementioned provision.
  - 17.12.4. the parties agree that the notices that should be sent by the Third Party according to the provisions set forth in Section 341(a) and 341(c) (each a “**341 Notice**”) may be sent by either the Third Party or the Company and the time frame set forth in the aforementioned provisions for sending each of the 341 Notices shall not be limited to the time frame specified therein.

- 17.12.5. the parties agree that Section 341(d) should not be interpreted or construed in a manner which limits the Shareholders' power only to the amendment of the threshold set forth in Section 341(a), by allowing to lower the eighty percent (80%) threshold required by the Companies Law to the threshold contemplated in these Articles, but also to amend any procedural and other terms set forth under Section 341, and therefore the terms set forth herein are to supersede the provisions of Section 341.
- 17.12.6. For the purposes of this Article 17, if the Proposed Transaction is in the form of a: (i) merger, when computing the Proposing Shareholders threshold, the provisions of Section 320(c) of the Companies Law shall apply; and (ii) share purchase agreement, in the event the Third Party is a Shareholder, or is a Person, which, directly or indirectly, controls, or is under common control with a Shareholder, the said Shareholder shall be considered to be an "Interested Shareholder" and as such, shall not be included in calculating the Proposing Shareholders threshold.
- For the avoidance of doubt, to the extent permitted, in any applicable law to the contrary, the approval of a Proposed Transaction, or any transaction consummated pursuant to Section 341 of the Companies Law, as the case may be, shall not be subject to the approval of a separate class vote of the holders of the shares of any particular class.
- 17.13. Notwithstanding the foregoing, a Remaining Shareholder will not be required to comply with the requirements of this Article 17 in connection with any Proposed Transaction unless:
- 17.13.1. any representations and warranties to be made by such Remaining Shareholder in connection with the Proposed Transaction are limited to representations and warranties related to authority, ownership and the ability to convey title to such Shares, including but not limited to representations and warranties that (i) the Remaining Shareholder holds all right, title and interest in and to the Shares such Remaining Shareholder purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Remaining Shareholder in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Remaining Shareholder have been duly executed by the Remaining Shareholder and delivered to the acquirer and are enforceable against the Remaining Shareholder in accordance with their respective terms and (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Remaining Shareholder's obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency;
- 17.13.2. the Remaining Shareholder shall not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Proposed Transaction, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Remaining Shareholder of any of identical representations, warranties and covenants provided by all Shareholders);
- 17.13.3. the liability for indemnification, if any, of such Remaining Shareholder in the Proposed Transaction and for the inaccuracy of any representations and warranties made by the Company in connection with such Proposed Transaction, is several and not joint with any other



Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Shareholder of any of identical representations, warranties and covenants provided by all Shareholders), and is pro rata in proportion to the amount of consideration paid to such Remaining Shareholder in connection with such Proposed Transaction (in accordance with the provisions of the Articles); and

- 17.13.4. liability of such Remaining Shareholder shall be limited to such Remaining Shareholder's applicable share (determined based on the respective proceeds payable to each Shareholder in connection with such Proposed Transaction in accordance with the provisions of the Articles) of a negotiated aggregate indemnification amount that applies equally to all Shareholders but that in no event exceeds the amount of consideration otherwise payable to such Remaining Shareholder in connection with such Proposed Transaction, except with respect to claims related to fraud by such Remaining Shareholder, the liability for which need not be limited as to such Remaining Shareholder.

### **Lien**

18. The Company shall have a lien and first pledge on every share that was not paid up in full, in respect of money due to the Company on calls for payment or payable at fixed times, whether or not presently payable, or the fulfillment and performance of the obligations and commitments to which the Company is entitled in respect of the share. The lien on a share shall also apply to Dividends and other distributions payable on it. The directors may exempt any share, in full or in part, temporarily or permanently, from the provisions of this Article.
19. The Company may sell any share on which it has a lien in any manner the Board sees fit, but such share shall not be sold before the date of payment of the amount in respect of which the lien exists, or the date of fulfillment and performance of the obligations and commitments in consideration of which the lien exists, has arrived, and until fourteen (14) days have passed after written notice has been given to the registered holder at that time of the share, or to whoever is entitled to it upon the registered owner's death or bankruptcy, demanding payment of the amount against which the lien exists, or the fulfillment and performance of the obligations and commitments in consideration of which the lien exists, and such payment or fulfillment and performance have not been made.
20. The net proceeds of the sale shall be applied in payment of the amount due to the Company for the fulfillment and performance of the obligations and commitments as aforesaid in the preceding Article, and the remainder, if any, shall be paid to whoever is entitled to the share on the day of the sale, subject to a lien on amounts the date of payment of which has not yet arrived, similar to the lien on the share before its sale.
21. After the execution of a sale of pledged shares as aforesaid, the Board shall be permitted to sign or to appoint someone to sign a deed of transfer of the sold shares and to register the purchaser's name in the Register as the owner of the shares so sold, and it shall not be the obligation of the buyer to supervise the application of the purchase price nor will his right in the shares be affected by any fault or error in the procedure of sale. The sole remedy of one who has been aggrieved by the sale shall be in damages only and against the Company exclusively.

### **Calls for Payment**

22. With respect to shares not fully paid for according to their terms of issuance, a Shareholder, whether he is the sole holder of shares or holds the shares together with another Person, shall not be entitled to receive Dividends nor any other right a Shareholder has unless he has paid all the calls by the Company which shall have been made from time to time.
23. Subject to any contractual undertakings of the Company, the Board may make calls for payment from Shareholders of the amount not yet paid up on their shares as the Board shall see fit, provided that the Company gives the Shareholders prior notice of at least fourteen (14) days on every call and that the

date for payment set forth in such notice be not less than one month after the last call for payment. Each Shareholder shall pay the amount called to the Company on the date and at the place prescribed in the Company's notice.

24. The joint holders of a share shall be jointly and severally liable to pay the calls for payment on such share in full.
25. If the amount called is not paid by the prescribed date, the Person from whom it is due shall be liable to pay such index linkage differentials and interest as the Board shall determine, from the date on which payment was prescribed until the day on which it is paid, but the Board may forego the payment of such linkage differentials or interest, in whole or in part.
26. Any amount that, according to the conditions of issuance of a share, must be paid at the time of issuance or at a fixed date, whether on account of the par value of the share or premium, shall be deemed for the purposes of these Articles to be a call for payment that was duly made. In the event of non-payment of such amount all the provisions of these Articles shall apply in respect of such amount as if a proper call for its payment had been made and an appropriate notice thereof given.
27. At the time of issuance of shares the Board may make arrangements that differentiate between Shareholders, in respect of the amounts of calls for payment, their dates of payment or the rate of interest.
28. The Board may, if it thinks fit, accept from any Shareholder for his shares any amount of money the payment of which has not yet been called and paid, and to pay him (i) interest for that advance until the day on which payment of that amount would have been due had he not paid it in advance, at a rate agreed between the Company and such Shareholder, and (ii) any Dividends that may be paid for that part of the shares for which the Shareholder has paid in advance.

#### **Forfeiture of Shares**

29. If a Shareholder fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of such call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and any expenses that were incurred as a result of such non-payment.
30. The notice shall specify a date not less than seven (7) days from the date of the notice, on or before which the payment of the call or installment or part thereof is to be made together with interest and any expenses incurred as a result of such non-payment. The notice shall also state the place the payment is to be made and that in the event of non-payment at or before the time appointed, the share in respect of which the call was made will be liable to forfeiture.
31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
32. The forfeiture shall apply to those Dividends that were declared but not yet distributed with respect to the forfeited shares.
33. A share so forfeited shall be deemed to be the property of the Company and can be sold or otherwise disposed of, on such terms and in such manner as the Board thinks fit. At any time before a sale or disposition the forfeiture may be canceled on such terms as the Board thinks fit.
34. A Person whose shares have been forfeited shall cease to be a Shareholder in respect of the forfeited shares, but shall nevertheless remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the nominal amount of the shares.
35. The forfeiture of a share shall cause, at the time of forfeiture, the cancellation of all rights in the Company and of any claim or demand against the Company with respect to that share, and of other rights and obligations between the share owner and the Company accompanying the share, except for those rights and obligations which these Articles exclude from such a cancellation or which the Law imposes upon former Shareholders.

36. The Person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
37. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the par value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

### **Transfer of Shares**

38. Until the IPO, no Transfer of shares shall be effective unless: (i) such Transfer is effected in compliance with the provisions of these Articles, including, without limitation, Articles 39 (No Sale), 40 (Right of First Refusal) and 41 (Co-Sale); and (ii) such Transfer (with the exception of a Transfer to a Permitted Transferee or a Transfer from a Permitted Transferee back to the original Shareholder) has been approved by the Board, which consent shall not be unreasonably withheld or delayed. However, the Board may refuse to register a Transfer in the event that such a Transfer is to a competitor of the Company (or an affiliate of a competitor of the Company, or to a Person who intend to hold such shares on behalf of a competitor of the Company or an affiliate thereof). In the event that the Board does not notify the transferor of its refusal to allow a Transfer together with a detailed reasoning for such refusal within fourteen (14) days of receipt by the Company of a request for Transfer which includes the identity of the transferor then the Board shall be deemed to have agreed to such Transfer, provided that such agreement by the Board will be deemed to be subject to compliance by the transferor and the transferee with the terms of these Articles related to a Transfer.
39. **No Sale.** Until the earlier to occur of: (i) the IPO or (ii) a Deemed Liquidation, each of the Founders shall be prohibited from transferring any of his shares in the Company, other than to such Founder's Permitted Transferees, without the prior written consent of the Preferred Shareholders Majority. Notwithstanding the foregoing, from and after one (1) year following the date of adoption of these Articles, but subject to the other restrictions on transfer set forth herein (other than those set forth in Article 41), each Founder shall be entitled to sell in any twelve (12)-month period up to ten percent (10%) of the number of shares of the Company held by him on the date of adoption of these Articles (the "**Yearly Transfer Limitations**"), but not more than an aggregate of thirty percent (30%) of the number of shares of the Company held by him on the date of adoption of these Articles (the "**Permitted Founder Transfer**"). The no-sale restrictions under this Article 39 shall not apply to any equity securities of the Company that may be acquired or received by the Founders following the date of adoption of these Articles, other than equity securities issued in the framework of a Recapitalization with respect to such shares held by the Founder on the date of adoption of these Articles. In the event that on a particular year a Founder will have transferred less than the Yearly Transfer Limitations, the balance shall be added to the number of securities allowed for transfer in the following years. The provisions of Article 41 shall not apply to any Permitted Founder Transfer.

For purposes of this Article 39, any Transfer of securities in any corporate Shareholder controlled by such Founder (alone or with others) shall be deemed to be a Transfer of securities' in the Company and therefore limited as aforesaid.

The provisions of this Article 39 shall not apply to a Transfer by a Founder to a Permitted Transferee of the Founder or from the Permitted Transferee back to the Founder, as applicable, in each case for no or nominal consideration, provided that (a) such Permitted Transferee remains within the definition of a Permitted Transferee of the Founder and (b) the Permitted Transferee first undertakes in writing towards the Company and the Preferred Shareholders to be bound by the provisions of this Article 38 above as though it were the Founder from whom the Company securities' were Transferred.

40. **Right of First Refusal.** Until the IPO, each Major Holder (an "**Entitled Shareholder**"), shall have a right of first refusal with respect to any Transfer of all or any of the securities of the Company by any Shareholder (the "**Transferor**"), in accordance with the following provisions:
  - 40.1. Any Transferor proposing to Transfer all or any of its securities (the "**Offered Shares**") shall first provide the Entitled Shareholders with an offer stating the identity

of the Transferor and of the transferee and the terms of the proposed Transfer (the “**Offer**”). Each of the Entitled Shareholders may accept such Offer in respect of any portion of the Offered Shares (“**Accepting Entitled Shareholders**”) by giving the Company notice to that effect within ten (10) Business Days after being served with the Offer (an “**Acceptance**”).

40.2. If the Acceptances, in the aggregate, are in respect of all of, or more than, the Offered Shares, then the Accepting Entitled Shareholders shall acquire the Offered Shares, on the terms aforementioned, in proportion to their respective holdings of the Company’s issued and outstanding share capital (calculated on an as-converted basis), provided, however, that no Accepting Entitled Shareholder shall be entitled or shall be forced to acquire under the provisions of this Article 40 more than the number of Offered Shares initially accepted by such Accepting Entitled Shareholder under the Acceptance, and upon the allocation to it of the full number of Offered Shares so accepted, such Accepting Entitled Shareholder shall be disregarded in any subsequent computations and allocations hereunder. Any Offered Shares remaining after the computation of such respective entitlements shall be re-allocated among the remaining Accepting Entitled Shareholders (other than those to be disregarded as aforesaid), in the same manner, until one hundred percent (100%) of the Offered Shares have been allocated as aforesaid.

40.3. If the Acceptances are in respect of less than the full number of Offered Shares, then the Accepting Entitled Shareholders shall not be entitled to acquire the Offered Shares, and the Transferor, at the expiration of the aforementioned ten (10) Business Day period, shall be entitled to Transfer all (but not less than all) of the Offered Shares to the proposed transferee(s) identified in the Offer, provided, however, that in no event shall the Transferor Transfer any of the Offered Shares to any transferee other than such proposed transferee(s) or Transfer the same on terms more favorable to the transferee(s) than those stated in the Offer, and provided, further, that any Offered Shares not Transferred within ninety (90) days after the expiration of such fourteen (14) Business Day period, shall again be subject to the provisions of this Article 40.

40.4. The Transferor shall be bound, upon payment of the offer price, to Transfer to the Accepting Entitled Shareholders the Offered Shares which have been allocated to the Accepting Entitled Shareholders pursuant to this Article 40. If, after becoming so bound, the Transferor defaults in Transferring the Offered Shares, the Company may receive the purchase price therefor and the Transferor shall be deemed to have appointed any member of the Board as his agent to execute a Transfer of the Offered Shares to the Accepting Entitled Shareholders and, upon execution of such Transfer, the Company shall hold the purchase price therefor in trust for the Transferor.

40.5. For purposes of this Article 40, any Transfer of securities in any corporate Transferor by a shareholder thereof, shall be deemed to be a Transfer of securities in the Company and therefore limited as aforesaid.

40.6. Reserved.

40.7. An Offeree may assign its right under this Article 40 to a Permitted Transferee that falls within the definition of subsection (2) of such term in Article 2.23 above.

#### 41. Co-Sale

41.1. Until a IPO, in the event of a Transfer of Shares by a Shareholder, the Shareholder proposing to make the Transfer (the “**Co-Sale Transferor**”) shall promptly notify each Shareholder (a “**Co-Sale Entitled Shareholder**”) in writing describing in such notification the identity of the proposed transferee, the number and type of securities being Transferred and the terms of the proposed Transfer (the “**Co-Sale Transferor's Notice**”).

41.2. Upon receipt of the Co-Sale Transferor's Notice, each Co-Sale Entitled Shareholder shall have the option, exercisable by written notice to the Co-Sale Transferor, within seven (7) Business Days after receipt of the Co-Sale Transferor's Notice, to require

the Co-Sale Transferor to provide as part of its proposed Transfer that such Co-Sale Entitled Shareholder be given the right to participate in the Transfer and (i) to Transfer up to such amount of securities in the Company owned by such Co-Sale Entitled Shareholder determined by multiplying the total number of securities being Transferred times a fraction, the numerator of which is the number of issued and outstanding shares held by such Co-Sale Entitled Shareholder (assuming for purposes of this section, the conversion into Ordinary Shares of all Preferred Shares) and the denominator of which is the total number of issued and outstanding shares held by all of the Co-Sale Entitled Shareholders and the Co-Sale Transferor (assuming, for purposes of this section, the conversion into Ordinary Shares of all Preferred Shares) (the “**Pro Rata Shares**”), or (ii) in the event that the Transfer results in an M&A Transaction, to Transfer up to all of the Shares then held by such Co-Sale Entitled Shareholder in the Company (the “**Total Shares**”; the Pro Rata Shares together with the Total Shares, the “**Co-Sale Participating Shares**”); by including the Co-Sale Participating Shares held by such Co-Sale Entitled Shareholder with the securities being Transferred to any proposed purchaser thereof. The Transfer by any such Co-Sale Entitled Shareholder in accordance with this Article 41.2, shall be on the same terms and conditions under which the securities of the Co-Sale Transferor are being Transferred, provided that if the Transfer transaction qualifies as a Deemed Liquidation, pursuant to Article 8.1 above, then the proceeds obtained from such Transfer transaction shall be allocated in accordance with the provisions of Article 8.1.

- 41.3. In the event that Co-Sale Entitled Shareholders choose to exercise their rights hereunder (“**Exercising Co-Sale Entitled Shareholders**”), the Co-Sale Transferor must reduce the number of securities it desires to Transfer from the total amount of securities to be purchased by the proposed transferee and the Exercising Co-Sale Entitled Shareholders will contribute all of their Co-Sale Participating Shares and the Transferor will contribute the remaining number of securities up to the total number of securities to be purchased by the proposed transferee.
- 41.4. For purposes of this Article 41, any Transfer of securities in any corporate Co-Sale Transferor by a Co-Sale Transferor thereof, shall be deemed to be a Transfer of securities in the Company and therefore limited as aforesaid.
42. The rights of first refusal and rights of co-sale set forth in Articles 40 and 41 respectively shall not apply to (i) a Transfer of securities from a Shareholder to a Permitted Transferee of a Shareholder, back to the original Shareholder and/or to a Permitted Transferee of such Permitted Transferee, in each case for no or nominal consideration provided, that such Permitted Transferee remains within the definition of a Permitted Transferee of the Transferor or Co-Sale Transferor, as applicable; or (ii) a Transfer pursuant to Article 17, Section 341 of the Companies Law or any other procedure for the acquisition of all shares of the Company, or (iii) a Transfer to the Company or other Shareholders of the Company as part of repurchase arrangements between the Company and the Transferor or Co-Sale Transferor, relating to the Transferor’s or Co-Sale Transferor’s termination of engagement, as applicable.
43. Each Transfer of securities shall be made in writing in such form as shall be approved by the Board from time to time, in which, inter alia, the transferee agrees to be subject to these Articles of Association (as may be amended), and which shall be executed by both the transferor and transferee, and delivered to the Office together with the transferred share certificates, if share certificates have been issued with respect to the shares to be transferred, and any other proof of the transferor’s title that the Board may require. The share transfer deed with respect to a share that has been fully paid may be signed by the transferor only. A deed of transfer that has been registered, or a copy thereof, as shall be decided by the Board, shall remain with the Company; any deed of transfer that the Board shall refuse to register shall be returned, upon demand, to the Person who furnished it to the Company, together with the share certificate, if furnished.
44. The transferor shall be deemed to remain a holder of the shares until the name of the transferee is entered into the Register in respect thereof.

45. The Company may impose a fee for registration of a share transfer, at a reasonable rate as may be determined by the Board from time to time.
46. Upon the death of a Shareholder, the remaining partners, in the event that the deceased was a partner in a share, or the administrators or executors or heirs of the deceased, in the event the deceased was the sole holder of the share or was the only one of the joint holders of the share to remain alive, shall be recognized by the Company as the sole holders of any title to the shares of the deceased. However, nothing aforesaid shall release the estate of a joint holder of a share from any obligation to the Company with respect to the share that he held in partnership.
47. Any Person becoming entitled to a share as a consequence of the death or bankruptcy or liquidation of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be registered as a Shareholder in respect of the share, or, instead of being registered himself, to transfer such share to another Person, in either instance subject to the Board's power hereunder to refuse or delay registration as they would have been entitled to do if the deceased or the bankrupt had transferred his share before his death or before his bankruptcy, and subject to all other provisions hereof relating to transfers of shares.
48. A Person becoming entitled to a share because of the death of a Shareholder shall be entitled to receive, and to give receipts for, dividends or other payments paid or distributions made, with respect to the share, but shall not be entitled to receive notices with respect to General Meetings or to participate or vote therein with respect to that share, or to use any other right of a Shareholder, until he has been registered as a Shareholder with respect to that share.

#### **Changing Share Rights**

49. Subject to the provisions of these Articles, including without limitation, Article 141, if at any time the share capital is divided into different classes of shares, the Company may change, convert, broaden, add or vary in any other manner the rights, preferences or privileges attached to such classes by resolution of the General Meeting of the Company, without any class votes.
50. Without derogating from the foregoing, only a direct change to the rights attached to a certain class of shares under these Articles shall require an approval obtained at a meeting of the holders of such class of shares or the written consent of the holders of more than fifty (50%) of the issued shares of such class. It is hereby clarified that any resolution required to be adopted pursuant to these Articles by the consent of a separate class of shares, whether by way of a separate General Meeting of such class or by way of written consent, shall be given by the holders of shares of such class entitled to vote or give consent thereon and no holder of shares of a certain class shall be banned from voting or consenting by virtue of being a holder of more than one class of shares of the Company, irrespective of any conflicting interests that may exist between such different classes of shares. A Shareholder shall not be required to refrain from participating in the discussion, voting and/or consenting on any resolution concerning an amendment to any class of shares held by such Shareholder, due to the fact that such Shareholder may benefit in one way or another from the outcome of such resolution.
51. For the avoidance of doubt, it is hereby clarified and agreed, subject to the provisions of Article 141 below, that (i) an increase of the authorized or issued share capital of an existing class of shares; (ii) the creation of a new class of shares or the issuance of shares thereof; (iii) a change of the conversion price of any class of shares; (iv) a waiver or a change, in whole or in part, to a right, preference or privilege of a class of shares (such as liquidation rights, registration rights, pre-emptive rights, etc, whether set forth in these Articles or in any agreement), whether applied on a one-time or permanent basis and whether applied in connection with a current or a future event, which waiver or change is applied in the same manner to all classes of shares to which such waiver or change is applicable, regardless whether the economic effect of such change affects classes of shares differently, shall not be deemed to be a direct change to the rights attached to any one (1) class of shares. Furthermore, any waiver or change to the rights attached to a class of shares shall not be deemed to be a direct change to the rights attached to another class of shares if such other class of shares was not entitled to the relevant rights prior to such waiver or change.

52. Notwithstanding anything to the contrary in Articles 49, 50 and 51 above, and without derogating from the provisions of Article 141 below, any waiver or change, in whole or in part, to a right of any of the Preferred Shares (such as liquidation rights, registration rights, pre-emptive rights, etc, whether set forth in these Articles or in an agreement), whether direct or indirect, whether applied on a one-time or permanent basis, in connection with a current event or a future event, is subject to the approval of the Preferred Shareholders Majority (in writing or by vote as one class on an as-converted basis).

### **Modification of Capital**

53. The Company may, from time to time, by a resolution in a General Meeting, and subject to the provisions of these Articles, including without limitation, Article 141:
- 53.1. consolidate and divide its share capital or a part thereof into shares of greater value than its existing shares;
  - 53.2. cancel any shares which have not been purchased or agreed to be purchased by any Person;
  - 53.3. by subdivision of its existing shares, or any of them, divide the whole, or any part, of its share capital into shares of lesser value than is fixed by these Articles;
  - 53.4. reduce its share capital, and any fund reserved for capital redemption, in the manner that it shall deem to be desirable under the provisions of Section 287 of the Companies Law; or
  - 53.5. increase its share capital, regardless of whether or not all of its shares have been issued, or whether the shares issued have been paid in full, by the creation of new shares, divided into shares in such par value, and with such preferred or deferred or other special rights (subject always to the provisions of these Articles), and subject to any conditions and restrictions with respect to Dividends, return of capital, voting or otherwise, as shall be directed by the resolution.

### **General Meetings**

54. A General Meeting shall be held at least once every year, at such place and time as may be prescribed by the Board but in any event not more than fifteen (15) months after the preceding General Meeting. The annual General Meetings shall be called Annual General Meetings; all other General Meetings shall be called Special General Meetings.
55. The Board, whenever it thinks fit, may, and upon a demand in writing by: (i) a director; or (ii) one or more Shareholders holding (on an as-converted basis) at least ten percent (10%) of the issued and outstanding share capital and at least one percent (1%) of the voting rights; or (iii) one or more Shareholders holding at least ten percent (10%) of the voting rights in the Company, shall, be entitled to convene a Special General Meeting. Any such demand shall include the objects for which the meeting should be convened, shall be signed by those making the demand (the “**Petitioners**”) and shall be delivered to the Office. The demand may contain a number of documents similarly worded each of which are signed by one or more of the Petitioners. If the directors do not convene a meeting, the Petitioners may convene by themselves a Special General Meeting as provided in Section 64 of the Companies Law.
56. Notices of General Meetings shall be given as follows:
- 56.1. A prior notice of at least seven (7) Business Days and no more than thirty (30) Business Days (not including the day of delivery but including the day of the meeting) of any General Meeting shall be given with respect to the place, date and hour of the meeting and the nature of every subject on its agenda.
  - 56.2. The notice shall be given to Shareholders entitled pursuant to these Articles to receive notices from the Company, as hereinafter provided.
  - 56.3. Non-receipt of a notice, given as aforesaid, shall not invalidate the resolution passed or the proceedings held at the relevant Meeting.
  - 56.4. With the consent of all the Shareholders who are entitled at such time to receive

notices, the Company shall be permitted to convene Meetings and to resolve any resolution, upon shorter notice or without any notice and in such manner, generally, as shall be approved by the Shareholders.

57. Notwithstanding anything to the contrary herein or to applicable law, the holders of the Preferred Shares shall vote together with the holders of all other shares of the Company, and not as a separate class, in all Shareholders meetings. Each Preferred Share shall entitle the holder thereof to such number of votes as if such shares had been converted into Ordinary Shares.

#### **Proceedings of General Meetings**

58. Subject to the provisions of these Articles, the function of the General Meeting shall be to receive and to deliberate with respect to the profit and loss statements, the balance sheets, the ordinary reports and the accounts of the directors and auditors; to declare Dividends, to appoint accountants-auditors and to fix their salaries, to amend these Articles, to approve certain actions and transactions under the provisions of Section 255 and Section 268 through Section 275 of the Companies Law.
59. No matter shall be discussed at a General Meeting unless a quorum is present at the time when the General Meeting starts its discussions. Subject to the provisions of these Articles, two or more Shareholders present, personally or by proxy, who hold or represent the majority of the voting rights in the Company, including Shareholders holding at least a majority of the Preferred Shares, shall constitute a quorum for General Meetings.
60. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, shall stand adjourned to the same place and time one week from the date of the original meeting. If a notice of the adjourned meeting has been given to the Shareholders, and a quorum is not present at the adjourned meeting within half an hour from the time appointed for the meeting, two or more Shareholders present personally or by proxy, shall be a quorum, and shall be entitled to deliberate and to resolve in respect of the matters for which the meeting was convened.
61. The chairman of the Board or a director appointed by the Board for such purpose shall open all General Meetings and shall preside as chairman at the meeting.
62. The provisions of these Articles relating to General Meetings shall, mutatis mutandis, apply to any General Meeting of the holders of a particular class of shares (a “**Class Meeting**”), provided, however, that the requisite quorum at any such Class Meeting shall be one or more members present in person or by proxy and holding not less than a majority (50%) of the issued and outstanding shares of such class.

#### **Vote by Shareholders**

63. Every resolution put to the vote at a General Meeting shall be decided by a count of votes. Subject to any provision in the Law or in these Articles requiring a higher majority, all resolutions shall be passed by majority vote (on an as-converted basis).
64. Subject to the provisions of these Articles, in a count of votes, each Shareholder present at a General Meeting, personally or by proxy, shall be entitled to one vote for each share held by it; provided that no Shareholder shall be permitted to vote at a General Meeting or to appoint a proxy to vote thereat unless he has paid all calls for payment and all moneys then due to the Company from him with respect to his shares.
65. If the number of votes for and against is equal the chairman of the meeting shall have no casting vote, and the resolution proposed shall be deemed rejected.
66. In the case of joint holders of a share, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. The appointment of a proxy to vote on behalf of a share held by joint holders shall be executed by the signature of the senior of the joint holders. For the purposes of this Article, seniority shall be determined by the order in which the names of the joint holders stand in the Register.
67. An objection to the right of a Shareholder or a proxy to vote in a General Meeting must be raised at such meeting or at such adjourned meeting wherein that Person was supposed to vote, and every vote not disqualified at such a meeting shall be valid for each and every matter. The chairman of the meeting shall decide whether to accept or reject any objection raised at the appointed time with regard to the



vote of a Shareholder or proxy, and his decision shall be final.

68. A Shareholder of unsound mind, or in respect of whom an order to that effect has been made by any court having jurisdiction, may vote, whether on a show of hands or by a count of votes, only through his legal guardian or such other Person, appointed by the aforesaid court, who performs the function of a representative or guardian. Such representative, guardian, or other Person may vote by proxy.
69. A Shareholder which is a corporation shall be entitled, by a decision of its board of directors, or by a decision of a person or other body according to a resolution of its board of directors, to appoint a person who it shall deem fit to be its representative at every meeting of the Company. The representative appointed as aforesaid shall be entitled to perform on behalf of the corporation he represents all the powers that the corporation itself might perform as if it were a person.
70. In every vote a Shareholder shall be entitled to vote either personally or by proxy. A proxy need not be a Shareholder. Shareholders may participate in a General Meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting. Shareholders may also vote in writing, by delivery to the Company, prior to a General Meeting, of a written notice stating their affirmative or negative vote on an issue to be considered by such meeting.
71. A letter of appointment of a proxy, power of attorney or other instrument pursuant to which the appointee is acting shall be in writing. An instrument appointing a proxy, whether for a specific meeting or otherwise, may be in the following form or in any other similar form prescribed by the Board:

“I, \_\_\_\_\_, of \_\_\_\_\_, a Shareholder holding shares in \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my proxy to vote in my name and place at the [annual, special, adjourned - as the case may be] General Meeting of Pickspace Ltd. to be held on \_\_\_\_\_, and at any adjournment thereof.

In witness whereof signed by me this day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Appointor’s Signature”

Such instrument or a copy thereof shall be deposited at the Office, or at such other place as the Board may direct from time to time, before the time appointed for the meeting or adjourned meeting wherein the person referred to in the instrument is appointed to vote, or presented to the chairman at the meeting in which such person shall vote that share. An instrument appointing a proxy which is not limited in time shall expire twelve (12) months after the date of its execution; if the appointment shall be for a limited period (whether limited by time or until the occurrence of a certain event), whether in excess of twelve (12) months or not, the instrument shall be for the period stated therein.

72. A vote pursuant to an instrument appointing a proxy shall be valid notwithstanding the death of the appointor, or the appointor becoming of unsound mind, or the cancellation of the proxy or its expiration in accordance with any law, or the transfer of the shares with respect to which the proxy was given, unless a notice in writing of any such event was received at the Office before the meeting took place.
73. A Shareholder is entitled to vote by a separate proxy with respect to each share held by him, provided that each proxy shall have a separate letter of appointment containing the serial number of share(s) with respect to which such proxy is entitled to vote. If a specific share is included by the holder in more than one letter of appointment, that share shall not entitle any of the proxy holders to a vote.
74. Subject to the provisions of any law, a resolution in writing signed by all the holders of shares, entitled to vote with respect to such shares at General Meetings, or a resolution as aforesaid agreed upon by telex, telegram or facsimile, shall have the same validity as any resolution, carried in a General Meeting of the Company duly convened and conducted for the purpose of passing such a resolution. If all the Shareholders shall consent in writing, or by mail, or email, to any action to be taken by the Shareholders, such action shall be as valid as though it had been unanimously authorized at a duly convened General Meeting.

## **Board**

75. Board Composition.

- 75.1. The Board shall consist of up to three (3) directors, to be appointed as follows: (a) two (2) directors shall be appointed, replaced and removed by Maor Cohen; and (b) one (1) director shall be appointed, replaced and removed by the Preferred Shareholders Majority (the “**Preferred Director**”).
- 75.2. Each non-employee director shall be entitled in such person’s discretion to be a member of any Board committee.
- 75.3. Subject to the provisions set forth in Article 75.1 above, the appointment or removal of a director may be effected at any time, including during an initial or extended term of service of a director, by the delivery of a notice to the Company at its principal office, signed by the Shareholders or directors entitled to effect such appointment or removal. A director cannot be removed or replaced except by the Shareholders or directors who were entitled to appoint such director in accordance with Article 75.1.
76. If any member of the Board is not designated or appointed, or if the office of any member of the Board is vacated, the other members of the Board may act in every way and manner provided for under these Articles and the law as long as their number does not fall below the quorum required by these Articles for a Board meeting.
77. In the event that a member of the Board is precluded by law or otherwise from participating in a meeting or a vote of the Board, such member shall be entitled to appoint an Alternate Director (as defined below) to so participate and/or vote in his place. Any person may be an alternate member of the Board (an “**Alternate Director**”) if such person is qualified to serve as a director of the Company including a person that is already a director in the Company or an Alternate Director in the Company. Any Alternate Director shall have a vote equal to the vote of the Board member that he substitutes. An Alternate Director shall have, subject to his letter of appointment, all authorities vested to the member of the Board he substitutes. The tenure of office of an Alternate Director shall automatically be terminated upon the dismissal of such member, or upon the office of the member of the Board he substitutes being vacated for any reason, or upon the occurrence of one of the situations stated in Article 80 below in relation with such Alternate Director. In the event that a member of the Board is precluded by law or otherwise from participating in a meeting or a vote of the Board, such member shall be entitled to appoint an Alternate Director to so participate and/or vote in his place.
78. A director shall not be required to hold shares in the Company.
79. A director may hold another paid position or function, except as accountant-auditor, in the Company, or in any other company of which the Company is a Shareholder or in which the Company has some other interest, or that has an interest in the Company, together with his position as a director, upon such conditions with respect to salary and other matters as determined by the Board and approved by the General Meeting.
80. Subject to the provisions of the Law, of these Articles, or to the provisions of an existing contract, the tenure of office of a director shall automatically be terminated upon the occurrence of one of the following:
- 80.1. if he becomes bankrupt;
- 80.2. if he is declared insane, becomes of unsound mind or legally incompetent;
- 80.3. if he resigns by an instrument in writing delivered to the Company; or
- 80.4. with his death and if it is a corporation or other entity, with the liquidation of such corporation or other entity.
81. Members of the Board shall not receive any remuneration from the Company’s funds, unless otherwise resolved by the General Meeting, and at a rate decided by such resolution. The members of the Board and the Observer shall be entitled to reimbursement of their expenses in the course of their performance of their duties as directors, including expenses in relation of participating in Board meetings, according to a reasonable reimbursement policy of the Company.

**Powers and Duties of Directors**

82. The Board shall determine and direct the Company's policy and shall supervise and inspect the performance of the Company's CEO or General Manager and his or her actions and responsibilities, and it may pay all expenses incurred in connection with the establishment and registration of the Company as it shall see fit. The Board shall be entitled to perform the Company's powers and authorities pursuant to Section 92 of the Companies Law and subject to any provision in Law, in these Articles, or the regulations that the Company shall adopt by a resolution in its General Meeting (insofar as they do not contradict the Law or these Articles). However, any regulation adopted by the Company in its General Meeting as aforesaid shall not affect the legality of any prior act of the Board that would be legal and valid but for that regulation.
83. Without limiting the generality of the preceding provision, but subject to the provisions of these Articles, the Board may from time to time, in its discretion, borrow or secure the payment of any sum of money for the purposes of the Company, and it may raise or secure the repayment of such sum in such manner, at such times and upon such terms and conditions in all respects as it thinks fit, and, in particular, by the issue of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges, or other securities on the whole or any part of the property of the Company, both present and future, including its uncalled capital for the time being and its called but unpaid capital.

### **Functions of the Directors**

84. The Board may meet in order to transact business, to adjourn its meetings or to organize them otherwise as it shall deem fit, in accordance with the Articles herein.
85. The directors shall select a chairman of the Board. Such chairman shall not have any additional or casting vote.
86. The presence of a majority of the directors then in office at the opening of a meeting, shall constitute a quorum for meetings of the Board. Notwithstanding the aforesaid, if within half an hour of the time arranged for the Board meeting no quorum is present, such meeting shall stand adjourned to the same day of the following week, at the same hour and in the same place, or in the event that such a day is not a Business Day, then to the first Business Day thereafter, and in such adjourned meeting if no quorum is present within half an hour of the time arranged, at least a majority of the directors, who are present at such adjourned meeting, shall be deemed a quorum.
87. The Board may delegate any of its powers to committees and may from time to time revoke such delegation; provided that no committee of the Board will be established unless a majority of the directors then serving on the Board, approved its constitution, composition and authorities; and further provided that such delegation does not contradict Section 112 of the Companies Law. Each committee to which any powers of the Board have been delegated shall abide by any regulations enacted by the Board with respect to the exercise of such delegated powers. In the absence of such regulations or if such regulations are incomplete in any respect, the committee shall conduct its business in accordance with these Articles.
88. Members of the Board or a committee thereof may participate in a meeting of the Board or the committee by means of a conference telephone call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting.
89. Every director may at any time request that a Board meeting be called and the Chairman shall call such a meeting upon such request, provided that the Board shall be required to convene and adjourn its meetings at least four (4) times per calendar year.
90. Any notice of a Board meeting can be given in writing, or by mail, facsimile or e-mail and shall include reasonable detail of the issues of such meeting. Notice shall be given at least three (3) Business Days before the time appointed for the meeting, unless all of the members of the Board at that time agree to a shorter notice, or waive notice altogether.
91. Subject to the provisions of these Articles, issues raised before all meetings of the Board shall be decided by the majority of the directors present at the meeting of the Board.
92. A resolution in writing signed or agreed to in writing (including by facsimile) by all of the directors entitled to participate and vote on the issue at stake shall be valid for any purpose as a resolution adopted at a Board meeting that was duly convened and held. In place of a director the aforesaid

resolution may be signed and delivered by an Alternate Director.

93. All actions performed bona fide by the Board or by any person acting as a director or as an Alternate Director shall be as valid as if each and every such person were duly and validly appointed and fit to serve as a director or an Alternate Director, as the case may be, even if at a later date a flaw shall be discovered in the appointment of such a director or such a person acting as aforesaid, or in his qualifications to so serve.
94. The Board shall cause minutes to be taken of all General Meetings of the Company, of the appointments of officers of the Company, and of Board's meetings, which minutes shall include the following items, if applicable: the names of the persons present; the matters discussed at the meeting; the results of votes taken; resolutions adopted at the meeting; and directives given by the meeting. The minutes of any meeting, signed or appearing to be signed by the chairman of the meeting, shall serve as prima facie proof of the truth of the contents of the minutes.
95. The directors shall comply with all provisions of the Companies Law, and especially with the provisions in respect of -
  - 95.1. registration in the Company's books of all liens that affect the Company's assets;
  - 95.2. keeping a register of Shareholders;
  - 95.3. keeping a register of directors; and
  - 95.4. delivery to the Registrar of Companies of all notices and reports that are required to be so delivered.

#### **Personal Interest**

96. All transactions and actions in which an Office Holder (as such term is defined in the Companies Law) in the Company has a personal interest shall be approved in accordance with the provisions of the Companies Law.
97. The Company may approve an action of an Office Holder of the type listed in Section 254(a) of the Companies Law if the Board determines that all of the conditions for such approval, as set forth in the Companies Law, have been fulfilled and approves such action.

#### **Local Management**

98. The Board may organize from time to time arrangements for the management of the Company's business in any particular place, whether in Israel or abroad, as they shall see fit.
99. Without derogating from the general powers granted to the Board pursuant to the preceding Article, the Board may from time to time convene any local management or agency to conduct the business of the Company in any particular place, whether in Israel or abroad, and may appoint any person to be a member of such local management, or to be a director or agent, and may decide his manner of compensation. The Board may from time to time grant a person so appointed any power, authority, or discretion that the Board may have at that time, and may authorize any person acting at that time as a member of a local management to continue in his position notwithstanding that some position has been vacated there, and any such appointment or authorization may be made upon such conditions as the Board deems fit. The Board may from time to time relieve any person so appointed or revoke or change any such authorization.

#### **CEO, General Manager, President, Secretary, Other Officers and Attorneys**

100. Subject to the provisions of these Articles, the Board may from time to time appoint one or more persons, whether or not he is a member of the Board, as the Chief Executive Officer ("CEO") of the Company. The appointment may be either for a fixed period of time or without limiting the time that the CEO will stay in office. The Board may, from time to time, subject to any provision in any contract between the CEO and the Company, release him from his office and appoint another or others in his or their place. The CEO shall be responsible for the current operation of the Company's affairs within the bounds of the policy determined by the Board and subject to its directions. In addition, the Board may from time to time grant and bestow upon the CEO those powers and authorities that it exercises pursuant to these Articles and under the provisions of Section 92 of the Companies Law, as it shall deem fit, and may grant those powers and authorities for such period, and to be exercised for such

objectives and purposes, in such time and conditions, and on such restrictions, as it shall decide; and it can from time to time revoke, repeal, or change any one or all of those powers or authorities.

101. Subject to the provisions of these Articles, the Board may from time to time appoint a Secretary to the Company, a Treasurer and/or Comptroller or Chief Financial Officer as well as other officers, personnel, agents and servants, including management companies, for fixed, provisional or special duties, as the Board may from time to time deem fit, and may from time to time, in its discretion, suspend and/or dismiss any one or more of such persons. The Board may determine the powers and duties of such persons, and may demand security in such cases and in such amounts as it deems fit.
102. Subject to the provisions of these Articles, the wages and any other compensation of the CEO and other managers, officers or personnel shall be determined from time to time by the Board, and it may be paid by way of a fixed salary or commission, or a percentage of profits or of the Company's turnover or of any other company that the Company has an interest in, or by participation in such profits, or in any combination of the aforementioned methods, or such other method as the Board shall determine.
103. The Board may from time to time directly or indirectly authorize any company, firm, person or group of people to be the attorneys in fact of the Company for purposes and with powers and discretion which shall not exceed those conferred upon the Board or which the Board can exercise pursuant to these Articles, and for such a period of time and upon such conditions as the Board may deem proper. Every such authorization may contain such directives as the Board deems proper for the protection and benefit of the persons dealing with such attorneys. The Board may also grant such an attorney the right to transfer to others, in part or in whole, the powers, authorities and discretions granted to him, and may terminate and revoke the appointments or revoke all or any part of the powers granted to them.

#### **Dividends**

104. Subject to these Articles and the provisions of Sections 301 through 311 (inclusive) of the Companies Law, the Company, at a General Meeting and upon the recommendation of the directors, may declare a Dividend to be paid to the Shareholders, according to their rights and benefits under these Articles, and to decide the time of payment. A Dividend may not be declared in excess of that recommended by the Board, although the Company at a General Meeting may declare a smaller Dividend.
105. A notice of the declaration of a Dividend shall be given to the Shareholders registered in the Register, in the manner provided for in these Articles.
106. Subject to the provisions of these Articles, and subject to any rights or conditions attached at that time to any share in the capital of the Company granting preferential, special or deferred rights or not granting any rights with respect to Dividends, the profits of the Company which shall be declared as Dividends shall be distributed according to the proportion of the nominal value paid up to account of the shares held at the record date fixed by the Company, without regard to premium paid in excess of the nominal value, if any. No amount paid or credited as paid on a share in advance of calls shall be treated for purposes of this Article as paid on a share.
107. The Board may issue any share upon the condition that a Dividend shall be paid at a certain date, or that a portion of the declared Dividend for a certain period shall be paid, or that the period for which a Dividend shall be paid shall commence at a certain date, or any similar condition; in any such case, subject to the Law and these Articles, the Dividend shall be paid in respect of such a share in accordance with such a condition.
108. At the time of declaration of a Dividend the Company may decide that such a Dividend shall be paid in whole or in part by way of distribution of certain properties, including by means of distribution of fully paid up shares or debentures or debenture stock of the Company, or by means of distribution of fully paid up shares or debentures or debenture stock of any other company, or in one or more of the aforesaid ways.
109. The Company shall have a lien on any Dividend paid in respect of a share on which the Company has a charge, and may use it to pay any debts, obligations or commitments to which the charge applies.
110. The persons registered in the Register as Shareholders on the record date for declaration of the Dividend shall be entitled to receive the Dividend. A transfer of shares shall not transfer the right to a Dividend, which has been declared after the transfer but before the registration of the transfer.

111. A Dividend may be paid by, inter alia, check or payment order to be mailed to the address of a Shareholder or person entitled thereto as registered in the Register, or in the case of joint owners - to the address of one of the joint owners as registered in the Register. Every such check shall be made out to the person to whom it is sent. The receipt of the person who on the record date in respect of the Dividend is registered as the holder of any share or, in the case of joint holders, of one of the joint holders, shall serve as a release with respect to payments made in connection with that share.
112. If at any time the share capital is divided into different classes of shares, the distribution by way of Dividend, of fully paid up shares, or from funds, shall be made in one of the two following manners as to be determined by the Board:
  - 112.1. all holders of shares entitled to fully paid up shares shall receive one uniform class of shares; or
  - 112.2. each holder of shares entitled to fully paid up shares shall receive shares of the class of shares held by him and entitling him to fully paid up shares.
113. In order to give effect to any resolution in connection with a Distribution, the Board may resolve any difficulty that shall arise with respect to such Distribution in such way as it shall deem proper, including the issuance of certificates for fractional shares, and the determination of the value of certain property for purposes of Distribution. The Board may further decide that payment in cash shall be made to a Shareholder on the basis of value decided for that purpose, or that fractions the value of which is less than one New Israeli Shekel shall not be taken into account for the purpose of adjusting the rights of all the parties. The Board shall be permitted in this regard to grant cash or property to trustees in escrow for the benefit of persons entitled thereto, as the Board shall see fit. Wherever required, an agreement shall be submitted to the Registrar of Companies and the Board may appoint a person to execute such an agreement in the name of the persons entitled to any Dividend, property, fully paid-up shares or debentures as aforesaid, and such an appointment shall be valid and binding on the Company.
114. The Board may, with respect to all Dividends not demanded within thirty (30) days after their declaration, invest or use them in another way for the benefit of the Company, until they shall be demanded.
115. The Company shall not be obligated to pay interest on any Dividend, including in the circumstances set forth in the preceding Article.
116. All Articles in these Articles of Association relating to Dividends, shall apply, *mutatis mutandis*, to a Distribution by the Company.

### **Reserves**

117. The Board may set aside from the profits of the Company the sums they deem proper, as a reserve fund or reserve funds for extraordinary uses, or for special dividends or other funds or for the purpose of preparing, improving or maintaining any property of the Company, and for such other purposes as shall in the discretion of the Board be beneficial to the Company, and the Board may invest the various sums so set aside in such investments as they deem proper, and from time to time deal in, change, or transfer such investments, in part or in whole, for the benefit of the Company. The Board may also divide any reserve liability fund to special funds as it shall deem proper, transfer moneys from fund to fund and use every fund or any part thereof in the business of the Company, without being required to keep such sums separate from the rest of the Company's property. The Board may, from time to time, also transfer to the next year profits out of such sums which are, in their discretion, beneficial to the Company. The Board may generally create funds as they deem necessary, either those resulting from profits of the Company or from re-evaluation of property, or from premiums paid for shares or from any other source, and use them in their discretion as they deem fit so long as the creation, changes or uses of such funds do not exceed any provision of the Law or accepted accounting principles and practices.
118. All premiums received from the issue of shares shall be capital funds, and they shall be treated for every purpose as capital and not as profits distributable as Dividends. The Board may organize a reserve capital liability account and transfer from time to time all such premiums to the reserve capital liability account, or use such premiums and moneys to cover depreciation or doubtful loss. All losses

from sale of investments or other property of the Company shall be debited to the reserve account, unless the Board decides to cover such losses from other funds of the Company. The Board may use moneys credited to the capital reserve liability account in any manner that these Articles or the Law permit.

119. Any amounts transferred and credited to the account of income and expense fund or general reserve liability account or capital liability reserve account, may, until otherwise used in accordance with these Articles, be invested together with such other moneys of the Company in the day to day business of the Company, without having to differentiate between these investments and the investment of other moneys of the Company.

#### **Capitalization of Reserve Funds**

120. The Company may from time to time resolve at a General Meeting that any amount, investment or property not required as a source for payment of fixed preferential Dividends and (i) standing credited at that time to any fund or to any reserve liability account of the Company, including also premiums received from issuance of shares, debentures, or debenture stock of the Company, or (ii) being net profits not distributed and remaining in the Company, shall be capitalized, and that such amount shall be distributed as Bonus Shares, in the manner so directed by such resolution. The Board shall use such investment, sum or property, according to such a resolution, for full payment of such shares of the Company's capital not issued to the Shareholders, and to issue such shares and to distribute them as fully paid shares among the Shareholders according to their pro rata right for payment of the value of the shares and their rights in the amount capitalized. The directors may also use such investment, sum or property, or any part thereof, for the full payment of the Company's capital issued and held by such Shareholders, or such investment, sum or property in any other manner permitted by such a resolution. If any difficulty shall arise with respect to such a distribution, the Board may act, and shall have all the powers and authorities, as set forth in Article 113 above, *mutatis mutandis*.

#### **Office**

121. The Board shall determine the location of the Office.

#### **Stamp and Signatures**

122. The Board shall cause the Company's stamp, of which the Company shall have at least one, to be kept in safekeeping, and it shall be forbidden to use the stamp in violation of any instructions the Board may give in connection with the use thereof.
123. Subject to the provisions of these Articles, the Board may designate any Person or Persons (even if they are not members of the Board) to act and to sign in the name of the Company, and to apply the Company's stamp; the acts and signature of such a person or persons shall bind the Company, insofar as such person or persons have acted and signed within the limits of their authority.
124. The printed or typed name of the Company by any means next to the signatures of the authorized signatories of the Company, as aforesaid, shall be valid as if the stamp of the Company was affixed.

#### **Accounts and Audit**

125. The Board shall cause correct accounts to be kept:
- 125.1. of the assets and liabilities of the Company;
  - 125.2. of moneys received or expended by the Company and the matters for which such moneys are expended or received; and
  - 125.3. of all purchases and sales made by the Company. The account books shall be kept in the Office or at such other place as the Board deems fit, and they shall be open for inspection by the directors.
126. The Board shall determine from time to time, in any specific case or type of cases, or generally, whether and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open for inspection by the Shareholders. No Shareholder other than a director shall have any right to inspect any account book or document of the Company except as conferred by Law or authorized by the Board or by the Company in a General Meeting.

127. Accountants-Auditors shall be appointed and their function shall be set out in accordance with the Law.
128. Not less than once a year, the directors shall submit before the Company at a General Meeting a balance sheet and profit and loss statement for the period after the previous statement. The statement shall be prepared in accordance with the relevant provisions of the Companies Law. A report of the auditor shall be attached to the statements, and it shall be accompanied by a report from the Board with respect to the condition of the Company's business, the amount (if any) they propose as a Dividend, and the amount (if any) that they propose to set aside for the fund accounts.

### **Notices**

129. A notice or any other document may be served by the Company upon any Shareholder either personally or by sending it by mail, facsimile or email addressed to such Shareholder at his address as appearing in the Register. If the address of a Shareholder is outside of Israel, then any notice sent by mail shall be sent by airmail.
130. All notices with respect to any share to which persons are jointly entitled may be given to one of the joint holders, and any notice so given shall be sufficient notice to all the holders of such share.
131. A Shareholder registered in the Register who shall from time to time furnish the Company with an address at which notices may be served, shall be entitled to receive all notices he is entitled to receive according to these Articles at that address. However, except for the aforesaid, no Shareholder whose address is not registered in the Register shall be entitled to receive any notice from the Company.
132. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Shareholder by sending it through the mail in a prepaid airmail letter or airmail, email or facsimile addressed to them by name, at the address, if any, furnished for the purpose by the persons claiming to be so entitled or, until such an address has been so furnished, by giving the notice in any manner in which the same might have been given if the death or bankruptcy have not occurred.
133. Any notice or other document, (i) if delivered personally, shall be deemed to have been served upon delivery, (ii) if sent by mail, shall be deemed to have been served seven (7) Business Days after the delivery thereof to the post office; if sent by airmail, shall be deemed to have been served five (5) Business Days after the delivery thereof to the post office; and (iii) if sent by, email or confirmed facsimile, shall be deemed to have been served twenty four (24) hours after the time such email or facsimile was sent. In proving such service it shall be sufficient to prove that the letter or telegram containing the notice was properly addressed and delivered at the post office, or sent by telex or confirmed facsimile, as the case may be.

### **Office Holders' Indemnity, Insurance and Exemption**

134. The Company may indemnify its Office Holders to the fullest extent permitted by the Law. Subject to the provisions of the Law including the receipt of all approvals as required therein or under any applicable law, and the provisions of Article 134.6 below, the Company may indemnify an Office Holder with respect to the following liabilities and expenses, provided that such liabilities or expenses were incurred by such Officer Holder in such Officer Holder's capacity as an Officer Holder of the Company:
  - 134.1. a monetary liability imposed on him/her in favor of a third party in any judgment, including any settlement confirmed as judgment and an arbitrator's award which has been confirmed by the court;
  - 134.2. reasonable litigation expenses, including legal fees, paid for by the Office Holder, in an investigation or proceeding conducted against such Office Holder by an agency authorized to conduct such investigation or proceeding, and which investigation or proceeding (i) concluded without the filing of an indictment against such Office Holder and without there having been a financial obligation imposed against such Office Holder in lieu of a criminal proceeding, or (ii) concluded without the filing of an indictment against such Office Holder but with there having been a financial obligation imposed against such Office Holder in lieu of a criminal proceeding for an offense that does not require proof of criminal intent;



- 134.3. reasonable litigation expenses, including legal fees paid for by the Office Holder, or which the Office Holder is obligated to pay under a court order, in a proceeding brought against the Office Holder by the Company, or on its behalf, or by a third party, or in a criminal proceeding in which the Office Holder is found innocent, or in a criminal proceeding in which the Office Holder was convicted of an offense that does not require proof of criminal intent; or
- 134.4. Expenses incurred by the Office Holders in connection with any proceeding against him pursuant to Chapter H3, H4, I1 of the Securities Law, including all reasonable expenses.
- 134.5. For purposes of Article 134.2 above:
- 134.5.1. the "*conclusion of a proceeding without the filing of an indictment*" regarding a matter in which a criminal proceeding was initiated, means the closing of a file pursuant to Section 62 of the Criminal Procedure Law [Consolidated Version], 5742-1982 (the "**Criminal Procedure Law**") or a stay of process by the Attorney General pursuant to Section 231 of the Criminal Procedure Law; and
- 134.5.2. a "*financial obligation imposed in lieu of a criminal proceeding*" means a financial obligation imposed by law as an alternative to a criminal proceeding, including an administrative fine pursuant to the Administrative Offenses Law, 5746-1982, a fine for committing an offense categorized as a finable offense pursuant to the provisions of the Criminal Procedure Law or a penalty.
- 134.6. The Company may undertake to indemnify an Office Holder as aforesaid in Articles 134.1 through 134.5 above: (i) prospectively, provided that, in respect of Article 134.1, the undertaking is limited to categories of events which in the opinion of the Board can be foreseen when the undertaking to indemnify is given, and to an amount set by the Board as reasonable under the circumstances, and (ii) retroactively.
135. Subject to the provisions of any Law, the Company may procure, for the benefit of any of its Office Holders, office holders' liability insurance with respect to any of the following:
- 135.1. a breach of the duty of care owed to the Company or any other person;
- 135.2. a breach of the fiduciary duty owed to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that the action would not injure the Company; or
- 135.3. a monetary liability imposed on an Office Holder in favor of a third party, in respect of an act performed by the Office Holder by virtue of the Office Holder being an Office Holder of the Company.
136. Subject to the provisions of any Law, the Company may exempt in advance, by a Board resolution, Office Holders from all or part of their responsibilities for damages due to their violation of their duty of care to the Company. Notwithstanding the foregoing, the Company may not exempt Office Holders in advance from their responsibilities for damages due to their violation of their duty of care to the Company with respect to Distributions.
137. The provisions of Articles 134, 135 and 136 above are not intended, and shall not be interpreted, to restrict the Company in any manner in respect of the procurement of insurance and/or in respect of indemnification (i) in connection with any person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder, and/or (ii) in connection with any Office Holder to the extent that such insurance and/or indemnification is not specifically prohibited under law; provided that the procurement of any such insurance and/or the provision of any such indemnification shall be approved by the Board.

### **Winding Up**

138. Subject to provisions of these Articles to the contrary, and subject to any rights or conditions attached

at that time to any share in the capital of the Company granting preferential, special or deferred rights or not granting any rights with respect to winding up or liquidation, in the event of a winding up of the Company, the Company's property distributable among the Shareholders shall be distributed in proportion to the sum paid on account of the nominal value of the shares held by them, of any class, without taking into account premiums paid in excess of the nominal value.

139. Subject to provisions of these Articles to the contrary, if the Company is voluntarily wound up, the liquidators may, with the approval of a resolution in a General Meeting, divide the property as is among the Shareholders, or deposit any part of the Company's property with trustees in escrow for the benefit of Shareholders, as they deem proper.
140. Subject to provisions of these Articles to the contrary, if, at the time of liquidation, the Company's property available for distribution among the Shareholders shall not suffice to return all the paid up capital, and subject to, and without derogating from, any rights or surplus rights or existing restrictions at that time of any special class of shares forming part of the capital of the Company, such property shall be divided so that the losses shall as much as possible be borne by the Shareholders in proportion to the paid up capital or that which shall have been paid at the commencement of the liquidation on the shares held by each of them. If, at the time of liquidation, the Company's property designated for distribution among the Shareholders is in excess of the amount necessary for the return of capital paid up at the beginning of the liquidation, it shall belong and be delivered to the Shareholders pro rata to the amount paid on the nominal value of each share held by each of them at the commencement of the liquidation.

#### **Protective Provisions**

141. Notwithstanding anything to the contrary in these Articles, for so long as the holders of Preferred Shares hold at least 7% of the outstanding share capital of the Company on a fully diluted basis, the consent of the Preferred Shareholders Majority will be required for any of the following actions (whether taken directly or indirectly, by merger, consolidation or otherwise):
  - 141.1. paying any dividend on any share capital;
  - 141.2. any purchase or redemption of any shares other than shares repurchased from former employees or consultants in connection with the cessation of their employment/services, at cost;
  - 141.3. any increase or decrease in the authorized number of shares of Ordinary Shares or Preferred Shares, other than in the context of an equity financing transaction at a price per share no less than the Original Issue Price (a "**Qualified Financing**");
  - 141.4. any action that adversely affects the rights, preferences or privileges of the Preferred Shares, *provided* that the creation or the issuance of a new class of shares shall not be deemed to adversely affect the Preferred Shares;
  - 141.5. any transaction with any officer, director, shareholder, or other interested party or otherwise related directly or indirectly, to any of them; and
  - 141.6. any increase or decrease in the authorized size of the Board, other than in the context of a Qualified Financing.
142. The veto rights listed above in Article 141 shall apply with respect to any action or resolution listed above in Article 141 proposed to be taken or adopted by any subsidiary of the Company.

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