

**SUMMARY OF PROPOSED TERMS OF INVESTMENT FOR
SERIES A PREFERRED SHARES OF
LEVITECTION LTD.**

May [REDACTED], 2016

We are happy to confirm our interest, subject to all terms and conditions herein, to explore the possibility of an investment in Levitection Ltd. This letter summarizes the principal terms of a proposed investment for Preferred A Shares. Except as specifically provided herein, this letter is not intended to be a legally binding agreement but is a statement of intent. It is presented solely for the purpose of discussion.

Company	Levitection Ltd., an Israeli company (the “ Company ”).
Founders	Gideon Levita. <u>[TBD – Raviv Levita's holdings]</u>
Investor	An entity under the control of Mr. Ehud Barak (the “ Investor ”). [Note: Please advise who are the shareholders/members of the entity, if it is not wholly owned by EB; it has implications especially in view of the nature of the product]
Structure of Financing	<p>The Investor shall invest in the Company an amount of US\$ 1,000,000 (the “Initial Investment”) and <u>shall invest in the Company, subject to the terms below</u>, an additional amount of US\$700,000 (the “Deferred Investment”) (the Initial Investment and the Deferred Investment shall be referred to collectively as the “Investment Amount”), against issuance by the Company of Preferred Shares in two tranches, at an Initial Closing and a Deferred Closing, if applicable (as such terms are defined below), at a price per share of [REDACTED] (“PPS”) (representing a pre-money valuation of US\$ [REDACTED], on a Fully Diluted Basis (as defined below)), as follows:</p> <p>€</p> <p>(i) an amount of US\$ 1,000,000 out of the Investment Amount will be provided at the Initial Closing in consideration for the issuance of [REDACTED] Preferred Shares (as defined below), such that immediately following the Initial Closing, the Investor will hold shares of the Company constituting [REDACTED]% of the Company's share capital, on a Fully Diluted Basis; and</p> <p>(ii) Within seven (7) months as of the Initial Closing, subject to the achievement by the Company of the milestone set forth in <u>Exhibit A</u> of this letter (the “Milestone”) (or at the Investor's election, within no more than [REDACTED] such seven (7) months period as of the Initial Closing, at its sole discretion, even if such Milestone is not achieved), the remaining amount of US\$ 700,000 out of the Investment Amount will be also provided in consideration for the issuance of [REDACTED] Preferred Shares (the “Deferred Closing”), such that immediately following the Deferred Closing, the Investor will hold shares of the Company constituting <u>3338.99%</u> of the Company's share capital, on a Fully Diluted Basis (assuming, solely for the purposes of this calculation, that the entire Investment Amount was remitted at the Initial Closing, <u>not including the Warrant(s) (as defined below) to be granted to the Investor</u>). <u>In the event that the Investor will not provide the Company with the Deferred Investment although the Milestone was achieved by the Company, and such breach was not cured within 10 days</u></p>

	<u>from the receipt of a proper written notice from the Company, the Warrants (as defined below) shall immediately expire and shall not be exercisable by the Investor.</u>
Fully Diluted Basis	<p>In this letter, “Fully Diluted Basis” includes, without limitation, all issued and outstanding share capital of the Company, all securities issuable upon the conversion of any existing convertible securities, notes or loans, the exercise of all outstanding warrants, options, adjustments of numbers of securities triggered by this financing (if any), any shares or options to acquire shares issued to any person as a finder's fee or similar arrangement in connection with the Investment and an unallocated option pool for future grants to employees, consultants and directors of the Company, representing 47<u>15.14</u>% of the issued and outstanding share capital of the Company immediately following the Initial-Deferred Closing (“Option Pool”) (assuming the Warrant(s) (as defined below) were not exercised by the Investor).</p> <p>Options out of the Options Pool shall be granted by the Company following the Initial Closing to those certain employees, consultants and/or directors of the Company as detailed in Exhibit B attached hereto, out of which Ehud Barak shall receive options to purchase Ordinary Shares of the Company in such quantity constituting 5% of the issued and outstanding share capital of the Company on a Fully Diluted Basis following the Initial Closing (the “EB Options”). The EB Options shall vest upon the achievement of certain milestones, which will be defined in the Consulting Agreement (as defined below).</p>
Capitalization Table	The detailed pre Initial Closing and post Initial Closing and post Deferred Closing capitalization of the Company is set forth in the Capitalization Table attached hereto as Exhibit C .
Conditions to Closing	Closing of the transaction contemplated hereunder is subject to (i) satisfaction of the parties due diligence requirements, including financial and legal diligence, and (ii) the signing of mutually acceptable Definitive Agreements (as defined below).
Estimated Initial Closing Date	No later than June 19 <u>30</u> , 2016 (the “ Initial Closing ”).
Type of Security	Series A Convertible Preferred Shares (the “ Preferred Shares ”), initially convertible on a one to one basis into Ordinary Shares of the Company (the “ Ordinary Shares ”), subject to adjustment as provided below.
Warrant(s)	At the Initial Closing, the Company will issue: (i) a first warrant to the Investor that will allow it (or any of its assignees) to purchase additional Preferred Shares by investing an additional amount of up to US\$ 1,500,000, at an exercise price of 150% of the PPS (subject to anti-dilutive adjustment <u>as provided herein and standard-recapitalization-adjustments due to a Recapitalization Event (as defined below)</u>), <u>which warrant will be valid and exercisable for a period of 36 months after the Initial Closing</u> ; and, in addition (ii) a second warrant to the Investor that will allow it (or any of its assignees) to purchase additional Preferred Shares by investing an additional amount of up to US\$ 2,000,000, at an exercise price of 225 <u>00</u> % of the PPS (subject to anti-dilutive adjustment <u>as provided herein and standard-recapitalization-adjustments due to a Recapitalization Event</u>), <u>which warrant will be valid and exercisable for a period of 48 months after the Initial Closing</u> (collectively the “ Warrant(s) ”). Each such Warrant will be valid and exercisable for a period of 48 months after the Initial Closing. At the lapse of 12

	<p>months period after the Initial Closing, and at the lapse of each 12 subsequent months period thereafter, the exercise price of each <u>the first</u> Warrant <u>described in subsection (i) above</u> shall be increased by 25% compering to its then existing exercise price. <u>Immediately prior to a Deemed Liquidation event, Exercise of such Warrant(s) may be cashless at the discretion of the Warrant(s) holder. The Company shall notify to the Warrant(s) holder in writing of any Deemed Liquidation event, at least [] days prior to such event. [original language was reinserted and adjusted as discussed]</u></p> <p>A “Recapitalization Event” shall mean any event of share combination or subdivision, distribution of bonus shares or any other similar reclassification, reorganization or recapitalization of the Company’s share capital where the Company’s shareholders retain their proportionate holdings in the Company.</p>
<p>Use of Proceeds</p>	<p>The Investment Amount shall be used by the Company to continue the development of the Company's technology, <u>and</u> know-how and provide general working capital, pursuant to a budget prepared by the Company, agreed by the Investor and attached hereto as <u>Exhibit D</u>.</p>
<p>Liquidation / Dividend Preference</p>	<p>In the event of any liquidation event, Deemed Liquidation (as defined below) and/or distribution of dividends, the holders of the Preferred Shares will be entitled to receive, prior and in preference to any distribution of any of the Company’s assets or funds to all other equity securities of the Company (in cash, cash equivalents, or, if applicable, securities) <u>(the “Distributed Assets”)</u>, for each Preferred Share, an amount equal to: (i) 100% of the price per share paid for such Preferred Share, plus (ii) <u>67%</u> annual interest on that amount, compounded annually, from the date of issuance of such Preferred Share, up to an amount equal to 150% the price per share paid for each Preferred Share (adjusted for Recapitalization Events and anti-dilutions adjustments as provided herein); prior to any payments to the holders of Ordinary Shares or any other securities (together, the “Preference A Amount”).</p> <p>Any surplus of assets or funds remaining (if any) after the payment in full of the Preference A Amount less any amounts paid as preferential dividends prior to that date, will then be distributed pro rata among all the shareholders of the Company, including the holders of Preferred Shares, on an as-converted basis.</p> <p><u>Notwithstanding the foregoing, if, in a liquidation event, Deemed Liquidation and/or distribution of dividends, the distribution of the Distributed Assets, on a pari passu, pro rata, as converted and no preference basis to all shareholders of the Company (i.e without applying the distribution preference described above), will result in the holders of the Preferred Shares receiving, for each issued and outstanding Preferred Share held by them, an amount which is equal or more than five (5) time the PPS paid for such Preferred Shares (subject to anti-dilutive adjustment as provided herein and adjustments due to a Recapitalization Event), then the distribution preference described above shall be disregarded and the Distributed Assets shall be distributed pro rata among all the Shareholders of the Company, including the holders of Preferred Shares, on a pari passu, pro rata, as converted and no preference basis.</u></p> <p>A “Deemed Liquidation” shall mean any of the following transactions: an acquisition of the Company or a merger between the Company and another non-affiliated entity in which the shareholders of the Company do not own a majority of the shares of the surviving entity, the sale of all or substantially all of the Company's assets, or of the shares of the Company, an exclusive, irrevocable or perpetual license of all or substantially all of the Company's intellectual property to a third party, <u>or any other transaction in which control of the Company (at least</u></p>

	<u>50% of the voting rights or equity) is transferred (other than a IPO or other bona fide financing transaction of the Company where the change of control was due to an issuance of shares by the company).</u>
Conversion	Each holder of Preferred Shares shall have the right to convert its shares at any time into Ordinary Shares at an initial conversion rate of 1:1, subject to proportional adjustment for share splits, dividends or Recapitalization Events or a similar event and any anti-dilution adjustments as provided herein. The Preferred Shares shall automatically convert into Ordinary Shares if (a) the holders of a majority of the Preferred Shares require such conversion or (b) upon the closing of a firmly underwritten public offering of shares of the Company (“IPO”) <u>netting at least \$25 million at a pre-money valuation of the Company of at least \$90 million (a “QIPO”).</u>
Anti-Dilution Provisions	<p>Until an QIPO, if the Company issues New Securities (as defined below) at a price per share lower than the then applicable conversion price of the Preferred Shares (initially, the conversion price shall be equal to the Price Per Share), then in each such event the conversion price of the Preferred Shares shall be adjusted on a “broad-based weighted average” basis for a period of 24 months from the Initial Closing <u>“full ratchet” anti-dilution adjustment.</u></p> <p>“New Securities” shall mean securities issued by the Company, other than: (i) Ordinary Shares or options to purchase Ordinary Shares issued to employees, consultants, officers or directors of the Company or its subsidiaries pursuant to any share option plan or similar incentive plan approved by the Board of Directors; (ii) securities issued pursuant to a Recapitalization Event or anti-dilutive adjustment as provided herein; (iii) securities issued in connection with any credit line or other similar financing, provided that such securities represent less than ten-three <u>four</u> percent (4<u>0</u>%) of the Company’s issued share capital at the time of issuance (as calculated on a Fully-Diluted Basis), in the aggregate; (iv) securities issued to a strategic investor who is an entity which is determined by the Board of Directors to be a strategic investor; (v) securities issued upon the exercise of any warrant or option issued pursuant to the terms of <u>subsection (i) through (v) above; and</u> (vii) securities issued in any IPO; and (vi) a rights offering to the shareholders of the Company.</p>
Protective Provisions	<p>Until the earlier of: (a) successful consummation of <u>Prior to an IPO, or (b) and</u> for as long as the Investor holds at least 15% of the share capital of the Company (on an as-converted, Fully-Diluted Basis), or (c) the conversion of the Preferred Shares into ordinary shares, certain important actions of the Company shall require the consent of the Investor (with respect to resolutions of the shareholders of the Company) or <u>one of the Preferred Directors (with respect to resolutions of the Board in connection with the matters listed in subsections (i) – (x) below) or</u> Ehud Barak, as long as he serves as a director on the Board; (with respect to resolutions of the Board in connection with the matters listed in subsections (xi) – (xv) below), as applicable, for the following matters:</p> <p>(i) authorize or issue any equity security senior to the Preferred Shares with respect to dividend rights or liquidation preferences; and (ii) amendment to its Articles of Association in a manner that would adversely alter or change the rights, preferences or privileges of the Preferred Shares, provided however, that the issuance by the Company of any class of shares having preferences superior</p>

	<p>to or on a parity with the Preferred Shares shall not require the affirmative vote or consent of the Investor or Ehud Barak, as applicable;</p> <p>(iii) redemption of any shares of the Company, including Ordinary Shares, Preferred Shares or any new class or series of shares; (iv) declaring or paying any dividend or other distribution of cash, shares or other assets, other than a bonus shares issuance paid to all of the shareholders of the Company on a pro rata basis; (v) take any action which results in a Deemed Liquidation event or otherwise dissolving, liquidating or winding up the Company where the Company's pre-money valuation in each of these events is less than US\$50,000,000; (vi) effect any material change to the nature of the business of the Company; (vii) subscribe or otherwise acquire or dispose of any shares in the capital of any other company; <u>(viii) affect any interested or related party transactions with the Company;</u> (viii ix) approve the Company's annual operating plan and budget and any deviation of 2010% or more therefrom; (ix) the appointment of new CEO, CFO and CTO (other than Mr. Raviv Levita as the Company's CEO and the Founder as the Company's CTO); <u>(xi) increase the number of shares reserved for issuance to employees and consultants, whether under the Option Pool or otherwise;</u> <u>(xii) grant of options to employees and consultants, whether under the Option Pool or otherwise, on vesting terms different than the vesting terms that shall be defined in the Definitive Agreement (as defined below);</u> <u>(xiii) change the number of Board members or otherwise changing its composition;</u> or <u>(xiv) amend the signatory rights determined under the transaction contemplated hereunder;</u> <u>(xv) create, incur, assume, or be liable for any indebtedness that was not included in the annual budget approved by the Board and exceeding in the aggregate an amount of US\$20,000.</u></p> <p>If the Investor does not remit to the Company the Deferred Investment as provided hereinabove, the restrictive covenants set forth above may not be used to block a financing round by the Company.</p> <p>Prior to an IPO, and for as long as the Founder and his immediate family members hold, in the aggregate, at least 15% of the share capital of the Company (on a Fully-Diluted Basis), the consent of the Founder shall be required for the following matters:</p> <p>(i) any adverse change in any of the rights of the Founder under the incorporation documents or shareholders agreements of the Company (except for such changes affecting proportionally all <u>shareholders of Ordinary Shares of the Company</u>), and (ii) any transaction between the Investor and/or Ehud Barak and the Company (i.e. an Interested Party transaction (as such term is defined in the Israeli Securities Law)).</p>
Voting Rights	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, except as to matters that by law or pursuant to this letter are subject to a class vote. Each Preferred Share shall entitle the holder thereof to such number of votes as if such shares had been converted into Ordinary Shares.
Board of Directors	Immediately following the <u>Initial</u> Closing, the board of directors of the Company (the " Board ") shall consist of a maximum of five (5) members: the holders of Ordinary Shares, collectively, may appoint three (3) directors and the holders of Preferred Shares may appoint two (2) directors <u>(the "Preferred</u>

	<p>Directors”). Upon the exercise by the Investor of the first Warrant described in subsection (i) in the 'Warrant(s)' section above, the Board shall consist of a maximum of five (5) members: the holders of Ordinary Shares, collectively, may appoint two (2) directors and the holders of Preferred Shares may appoint three (3) Preferred Directors. This provision will also apply to any subsidiary of the Company. The Chairman of the Board shall not have an additional or casting vote.</p>
Insurance	<p>The Company will sign an indemnity agreement with each of the directors and will maintain Directors & Officers liability insurance, reasonably satisfactory to the Investor.</p>
Signatory Rights	<p>At or prior to the Initial Closing, the Company shall adopt a resolution effecting the signatory rights which is satisfactory to the Investor and the Founder, to be attached to the Definitive Agreement.</p>
Information and Management Rights	<p>Until a QIPO, each shareholder of the Company holding at least 5% of the issued and outstanding shares of the Company (calculated on an as converted basis, taking into account, for the purpose of calculating the percentage shareholding, the shares held by the shareholder as well as the shares held by his/its Permitted transferees (as defined below)-family members, if applicable) (“Eligible Shareholder”) shall have the right to receive: (i) financial statements within 180 90 days after the end of each fiscal year, which have been audited by one of the "Big Four" accounting firms; (ii) unaudited, <u>but reviewed</u>, quarterly financial statements within 90 45 days after the end of the first, second and third quarters of each fiscal year; (iii) <u>a monthly report in a form which is agreed by the Investor and the Company, within 15 days after the end of each month;</u> (iv) an annual operating plan and budget at least 30 days prior to the first day of the year covered by such plan and (iv) such other information as may be reasonably required by the any Eligible Shareholder.</p> <p>In addition, the Investor shall also be entitled to standard inspection and visitation rights, subject to confidentiality undertakings to be assumed by Investor.</p>
Pre-emptive Right	<p>Until a QIPO, each Eligible Shareholder will have the right, but not an obligation, to participate in any future sales of New Securities by the Company, upon the terms of such round of financing, and to purchase in such round up to its applicable pro rata holdings in the Company's <u>share capital on a Fully Diluted Basis</u> out of the Company's New Securities offered in such sale (without the right to over-allotment).</p> <p><u>The holders of Preferred Shares may assign this right to their Permitted Transferees.</u></p>
Right of First Refusal	<p>Until a QIPO, each Eligible Shareholder shall have a pro-rata right of first refusal with respect to any sale, transfer or disposition of share capital of the Company by any other shareholder of the Company, other than a transfer to Permitted Transferees (“Transfer”).</p> <p><u>The holders of Preferred Shares may assign this right to their Permitted Transferees.</u></p> <p>A "Permitted Transferee", (A) with respect to any Company shareholder <u>which is an incorporation</u>: (i) any entities controlled by, controlling or under common control with such shareholder or, if the shareholder is a partnership, any partners or affiliated partnerships managed by the same manager or</p>

	<p>managing partner or management company, or managed by an entity controlling, controlled by, or under common control with, such manager or managing partner or management company (such entities, “Affiliates”), (B) with respect to any shareholder which is an individual (ii) any corporation wholly owned by such shareholder-, or (iii) a trustee of any trust for the sole benefit of, or the ownership interests of which are owned wholly by, such shareholder, or (iv) any spouse, child or other immediate family member, spouse, child or other member of such shareholder’s immediate family. Any transfer of equity securities to a Permitted Transferee shall only become effective, and any shares shall only be issued, upon (a) a written notice to the Company of such transfer; and (b) a written consent of the transferee to be bound by the Company’s articles of association and any other agreement between the Company and its shareholders, or any of them, to which such transferring Company shareholder is a party, and, if required by the Company, the execution by the transferee of such agreements.</p>
Tag Along Right	<p>Until a QIPO, the holders of Preferred Shares shall have the right, with respect to any Transfer other than Exempted Transfer, to sell, up to all of their Preferred Shares in the Company, prior and in preference to any other shareholder in the Company; on the same general terms and conditions proposed under such Transfer (“Preferred Tag Along Right”).</p> <p><u>The holders of Preferred Shares may assign this right to their Permitted Transferees.</u></p> <p><i>[original language was reinserted and adjusted as discussed]</i></p> <p>“Exempted Transfer” shall mean (i) a Transfer by the Founder of shares of the Company in accordance with the “Restriction on Sale” provisions below constituting 20% or less of the Founder’s aggregate shareholdings in the Company (in one or series of transactions), or (ii) any Transfer by the Founder in consideration for US\$6,000,000 or less (in one or series of transactions).</p>
Registration Rights	<p>Holders of a majority of the Registrable Shares (as defined below) shall have the right, following six (6) months after the closing of an IPO, to two “demand(s)” registration of their shares in the Company, at the Company’s expense. All Shareholders of the Company shall be entitled to unlimited “piggyback” registration rights and one F-3 registration per a calendar year (provided the aggregate offering price in such F-3 registration is at least US\$ 1,000,000) at the Company’s expense. In the case of underwriter cut-backs, the shares of the holders of Registrable Shares shall have priority over all other shares in the Company to be included in any offering in a ratio of 43:1 (1 ordinary share for every 43 Registrable Share of the holders of Registrable Shares). All shareholders agree to a 180-day lock-up after the IPO and 90 day lock up after subsequent offerings of the Company. Registration rights will be freely assignable in connection with any transfer of Registrable Shares. Registration rights expire five (5) years after IPO and would contain other customary terms and provisions. For the purposes of this section, “Registrable Shares” shall mean the shares held by the Investor and the Founder Preferred Shares of the Company and any Ordinary Shares issued upon conversion of the Preferred Shares. Any future registration rights granted by the Company which are superior to those granted to the holders of Registrable Securities will be subject to the approval of the majority of the holders of the Registrable Securities.</p>
Bring Along Rights	<p>In the event that, prior to an QIPO, fifty one [TBD following review of final</p>

	<p><u>Cap Table</u> percent (<u>[TBD] 51%</u>) of the Company's shareholders agree to an offer to sell all their shares to a third party, and such offer is conditional upon the sale of a number of shares of the Company exceeding the number of shares held by such shareholders, all shareholders shall be required to participate in such sale on the same terms and conditions.</p>
Restrictions on Sale:	<p>Until the earlier of an <u>QIPO</u>, a Deemed Liquidation or the lapse of <u>30-months four (4) years</u> as of the Initial Closing, the Founder shall not be entitled to sell any of his shares in the Company, subject to standard exceptions for transfers to Permitted Transferees.</p> <p>Notwithstanding the foregoing, <u>starting after 24 (twenty four) months from the Initial Closing</u>, the Founder may sell up to 10% of his <u>vested shares in the Company (as of the date of the Initial Closing)</u>, <u>each 12-month period per year</u>, but not more than <u>320% of his vested shares</u> in the aggregate <u>of the total number of shares held by the Founder as of the date of the Initial Closing</u>.</p>
Founder's <u>and Key Persons'</u> Undertakings	<p>At or prior to the Initial Closing, the Founder, and <u>Mr. Raviv Levita and additional key persons of the Company to be agreed by the parties</u>, will enter into confidentiality, non-competition, non-solicitation and assignment of IP agreements, and an employment agreements substantially in a form attached hereto as <u>Exhibits E-1 and E-2</u>, and shall agree to devote their entire business time and attention to the Company and not to undertake or engage in any additional activities without the consent of the Board. <u>[we believe that it is better if these agreements will be annexed to the Definitive Agreements in order not to delay the signing of the Term Sheet – for your consideration]</u></p>
Ehud Barak's Undertakings	<p>Ehud Barak shall enter into a consulting agreement with the Company, substantially in a form attached hereto as <u>Exhibit F</u>, which shall include, <i>inter alia</i>, an obligation of Ehud Barak to lead the Company's efforts to go to market, including in the Company's future fundraising efforts and seeking potential strategic customers and confidentiality, non-competition, non-solicitation and assignment of IP undertakings (the "<u>Consulting Agreement</u>"). The Consulting Agreement shall specify the milestones according to which Ehud Barak shall receive the EB Options.</p>
Founders Reverse Vesting	<p>At or prior to the Initial Closing, each of the Founders will enter into an agreement according to which <u>10075%</u> of the shares of such the Founder ("<u>Restricted Shares</u>") will be subject to "reverse vesting" mechanism over a period of <u>4-3</u> years, with a one year cliff, contingent - with regard to the shares of each the Founder - on that Founder's continued employment with the Company. Vesting shall be as follows: <u>1/34</u> of each the Founder's Restricted Shares shall vest upon the first anniversary of the Initial Closing, and the remainder <u>3/42/3</u> of such the Founder's Restricted Shares shall vest on a quarterly basis over the remaining 3 years. <u>Upon termination of a Founder's employment with the Company by the Founder, other than for health reasons, the Company and/or the other shareholders (pro rata between them) shall be entitled to repurchase such Founder's Restricted Shares as of such date of termination. Any unvested shares will immediately vest upon the earlier of (i) an event of [REDACTED] and (ii) an event that the engagement of such Founder with the Company is terminated by the Company not for cause, and/or (iii) an event upon which at least 3 customers of the Company uses the Company's product for at least 6 successive months to their satisfaction.</u></p> <p><u>[original language was reinserted and adjusted as discussed]</u></p>

Documentation and Warranties	<p>Detailed definitive agreements among the Investor, the Founder and the Company shall be drafted by counsel to the Investor and shall include customary covenants, negative covenants, representations and warranties of the Company and the Founder reflecting the provisions set forth herein (provided that the Founder shall be liable solely for direct losses resulting from the breach of his representations and warranties, subject to standard limitation of liability and provided that the liability of the Founder shall be limited to his Ordinary Shares in the Company only and will be triggered only after indemnification from the Company), other provisions customary in venture capital transactions and any other provisions agreed to by the Investor, Founder and the Company (“Definitive Agreements”).</p>
Expenses	<p>The Company shall bear its own fees and expenses, and shall pay at the Initial Closing the legal fees and expenses of the Investor up to an amount of US\$240,000 <u>plus VAT</u>, incurred with respect to the transaction contemplated hereby against a valid tax invoice.</p>
Exclusivity	<p>For a period of 30<u>45</u> days following the execution of this letter, neither the Company or the Founder nor any agent, directly or indirectly, will solicit, consider, negotiate or otherwise discuss a possible merger, sale or other disposition of all or any part of the shares or assets of the Company or an investment in its share capital with any other party. Also, during said 30<u>45</u> day period the Company will not issue any securities of the Company nor will it permit a transfer of any securities of the Company, other than Transfers by the Founder or his family members to other family members.</p> <p>Said period will automatically be extended by <u>additional 15 days if the parties are still negotiating the Definitive Agreements at the conclusion of said 45 day period and may be further extended by</u> an additional period to be agreed by the Company and Investor, if the parties are still negotiating the definitive agreements at the conclusion of said 30<u>60</u> day period.</p>
Confidentiality	<p>Each party agrees to treat this letter confidentially and will not distribute or disclose its existence or contents to third parties without the explicit prior written consent of the other party, except as required to its relevant shareholders and professional advisors.</p>
Ordinary Course	<p>Until the Initial Closing, the Company will conduct its business solely in the ordinary course of business and, among other things, will not declare or make any distribution to shareholders, <u>enter into any related party transaction</u> or sell its assets (other than the Company’s products sold in the ordinary course of business).</p>
Non-binding Effect; Governing Law and Jurisdiction	<p>This letter is not intended to be legally binding, and prepared for discussion purposes only, as a statement of the Investor's present intent, with the exception of this paragraph and the paragraphs entitled ‘Exclusivity’ and ‘Confidentiality’, which are binding upon the parties hereto and shall be governed and construed in accordance with the laws of the State of Israel. The parties hereby irrevocably submit to the jurisdiction of the competent courts of the Tel Aviv District in Israel, and hereby waive any objection regarding jurisdiction or forum.</p>

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Acknowledged and agreed:

INVESTOR:

Print Name: _____

By: _____

Title: _____

Date: _____

FOUNDER:

Mr. Gideon Levita

Date: _____

COMPANY:

Levitection Ltd.

By: _____

Title: _____

Date: _____

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