

## Agreement

This Agreement (“**Agreement**”) is made on this     day of ~~October~~January, ~~2015–2016~~ (“**Effective Date**”), between Sum (E.B.) 2015 - Limited Partnership, a limited partnership incorporated in Israel (“**Partnership**”), by its general partner, Ergo (E.B. 2014) Ltd., a private company incorporated in Israel (“**General Partner**”) of the one part, and Southern Trust Company, Inc. (“**Southern**”) of the other part.

**WHEREAS** the General Partner and Southern have entered into a certain Non-Recourse Promissory Note, dated March 23, 2015, a copy of which is attached hereto as **Schedule A** (“**Note**”), according to which Southern has provided the General Partner with a loan in the amount of US\$ 1,000,000 (“**Principal Amount**”) to be used by the Partnership to purchase Series A Preferred Shares of Reporty Homeland Security Ltd., a private company incorporated in Israel (“**Reporty**”) in accordance with that certain Series A Preferred Share Purchase Agreement, dated March 29, 2015, between Reporty, the Founders (as such term is defined therein) and the Partnership (“**SPA**”);

**WHEREAS**, the Partnership was registered following that certain Partnership Agreement, dated April 6, 2015, between the General Partner and Cogito (E.B.) 2015 Ltd. (“**Cogito**”), a copy of which is attached hereto as **Schedule B** (“**Partnership Agreement**”); and

**WHEREAS**, the Note, including all rights and all obligations, duties and undertakings of the General Partner under the Note was assigned from the General Partner to the Partnership pursuant to that certain Assignment, dated May 14, 2015, a copy of which is attached hereto as **Schedule C** (“**Assignment**”);

**WHEREAS**, the Partnership and Southern wishes to convert 100% of the Principal Amount, including accrued interest (collectively, “**Loan Amount**”) into Partnership's interest to be allocated to Southern, on such terms and conditions further set forth herein;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein, the Partnership and Southern (“**Parties**”) agree as follows:

1. Conversion.

- 1.1. Upon execution of this Agreement, the Loan Amount and any and all of Southern's rights under the Note shall be fully converted into the right to hold ~~and own 50.0%~~100% of the Preferred Rights of the Partnership's interests and the right to Distribution Preference (as defined below) in the Partnership (~~collectively the~~ “**Conversion**”); such that thereafter, the Note shall become null and void and shall have no further force or effect.
- 1.2. Upon consummation of the Conversion, the holding allocation of the Partnership's interest, each free and clear from any right (including pre-emptive or similar rights) of any third party, shall be as set forth in **Schedule D** attached hereto.
- 1.3. For the purpose of the Conversion, the Parties undertake to make any amendment to the Partnership Agreement required to reflect applicable terms set forth herein and execute, file and/or deliver all notices, filing and documents, needed in order to have Southern joining the Partnership and become a party of the Partnership Agreement.

2. Distribution.

Any distribution of assets and/or proceeds that shall be made in the Partnership to its partners (in the amounts and at the dates that shall be determined by it from time to time in accordance with the applicable law), shall be subject to the following (each, a "Distribution"):

- 2.1. First, and in preference to any right of any partner to such distribution, ~~Southern~~ the holders of Preferred Rights shall be entitled to receive any amounts of such distribution ("~~Southern-Preferred Rights~~ Preferred Amount") up to the aggregate amount provided by ~~it-them~~ to the Partnership ~~pursuant to this Agreement~~ ("~~Southern's Preferred Rights' Contribution~~") plus applicable Interest (as defined below) incurred thereof, less any ~~Southern-Preferred Rights~~ Preferred Amount distributed to ~~the holders of Preferred Rights~~ ~~Southern~~ by Partnership prior to such date;
- 2.2. Second, any distribution amount remaining after the payment in full of the ~~Southern Preferred Rights~~ Preferred Amount (the "Profit"), shall be distributed as follows: (i) 50% of the Profit shall be distributed between all the ~~partners of the Partnership~~ Preferred Rights holders, on a pro rata basis between them, in accordance with their Partnership's interest; and (ii) 50% of the Profit shall be distributed between all the non-Preferred holders, on a pro rata basis between them, in accordance with their Partnership's interest .

For the purpose of this Agreement "Interest" shall mean an annual interest rate of ~~5~~ 5% calculated with respect to any amount of ~~Southern's Preferred Rights' Contribution~~, from the date such amount was actually provided to the Partnership until the date of full repayment of such amount by Partnership following Distribution(s).

### 3. Future Investments in Reporty.

- 3.1. In addition, in the event that the Partnership will not raise an additional investment from other potential partners until the end of January, 2016, Southern hereby irrevocably undertakes to provide the Partnership within ~~5~~ 5 business days ~~prior to the Additional Closing~~ following the request of the General Partner, the Additional Closing Purchase Price (as such terms are defined in that SPA).
- 3.2. It is further agreed that in the event that Partnership shall elect to exercise (i) the Warrant (as defined in the SPA), and/or (ii) any other right that the Partnership may have with respect to the purchase of additional securities of Reporty (subsection (ii) hereinafter "Additional Rights"), it shall first offer ~~Southern~~ the holders of Preferred Rights (on a pro rata basis between them) to provide to the Partnership the applicable exercise price for that purpose, and the holders of Preferred Rights ~~Southern~~ shall have ~~5~~ 5 business days to accept in writing such offer and be committed to the provision of the applicable amount in due time.-.

~~For avoidance of doubt, any amount that shall be provided to Partnership by Southern pursuant to Sections 3.1 to 3.2 above shall be accounted and be deemed included as the Southern's Contribution for all purposes and intent, but shall not entitle Southern to any other right in Partnership including any additional Partnership interest.~~

- 3.3. It is agreed that the Partnership's determination, at its sole discretion, of whether or not to approve that the preconditions of the Additional Closing has been fulfilled (in accordance with their terms) and/or to exercise any Additional Rights, shall be made following reasonable coordination of the Partnership with Southern and for such

purpose, the Partnership will provide Southern with reasonable information and/or documents that it may have in its possession, provided such disclosure is not compromising any applicable confidentiality restriction.

4. General.

- 4.1. Assignment. Neither Party may assign or otherwise transfer this Agreement or any of its rights or obligations under this Agreement, in whole or in part, without the prior written consent of the other Party.
- 4.2. Tax. Each Party shall be responsible for the payment of all taxes that may be levied or assessed upon it in connection with this Agreement.
- 4.3. Authority. Each Party has full corporate power and authority to execute this Agreement and to perform its obligations hereunder; and all corporate action on its part necessary for the authorization, execution, delivery and performance of this Agreement by it have been taken.

The Parties have executed this Agreement as of the first date set forth above.

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Sum (E.B.) 2015 - Limited  
Partnership (By its general partner -  
Ergo (E.B. 2014) Ltd.)

\_\_\_\_\_  
Southern Trust Company, Inc.

We hereby acknowledge and agree to all of the aforesaid:

Cogito (E.B.) 2015 Ltd.