

הודעה על שינוי בתקנון

(סעיפים 20, 21 לחוק החברות, התשנ"ט - 1999 (להלן: "החוק"))

החברה: **וירקאדו בע"מ**

מספר חברה: **51-443925-6**

שמענה הרשום הוא: **רחוב מוסינזון 16, תל אביב אצל רואי טיגר**

מודיעה בזה כי ביום **7** באוקטובר, 2010, התקבלה החלטה של האסיפה הכללית של החברה בדבר שינוי הוראות תקנון החברה, כדלקמן:

תקנון החברה יוחלף בתקנון בנוסח המצ"ב.

אני מאשר כי האמור בהודעה זו משקף את האמור בפרוטוקול האסיפה הכללית האמורה.

אני מצהיר כי הנני נושא משרה בחברה כאמור בסעיף 39 לחוק.

Vircado Ltd.
514439256
חתימה + חתמת החברה

7/10/2010
תאריך

מנכ"ל
תפקיד בחברה

021353016
מספר זהות

גיא רוזן
שם ממלא הטופס

* אם שונה נוסח של הוראה בתקנון בלא שבטלה ההוראה כולה, ציין את השינוי וכן את הנוסח המלא של ההוראה בתקנון, כתיקונה.
1 מי שאינו בעל תעודת זהות ישראלית, יציין את מספר דרכונו והמדינה בה הוצא, ויצרף לטופס זה העתק כאמור בתקנה 16 לתקנות החברות (דיווח, פרטי רישום וטפסים), התש"ס - 1999.

משרד המשפטים
רשות התאגידים
רשם החברות והשותפויות
הוגש לבדיקה
20-12-2010
הגשת מסמכים אינה מהווה אישור לתקינותם.
בדיקת המסמכים תבוצע לדרשות הדיון,
ובדיקת סטטוס חברה מנלת חוק.
אריאל שמיר



**AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
VIRCADO LTD.**

PRELIMINARY

1. Company Name

The name of the Company is “**Vircado Ltd.**” (the “**Company**”).

2. Purpose

The purpose of the Company is to engage in any lawful act or activity for which companies may be organized under the Israeli Companies Law, 1999, as shall be amended from time to time (the “**Companies Law**”).

3. Interpretation; Definitions

(a) Unless the subject or the context otherwise requires: (i) words and expressions defined in the Companies Law in force on the date when these Articles or any amendment thereto, as the case may be, first became effective shall have the same meanings herein; (ii) words and expressions importing the singular shall include the plural and vice versa; (iii) words and expressions importing the masculine gender shall include the feminine gender; and (iv) words and expressions importing persons shall include bodies corporate.

(b) For purposes of computing shareholdings required for any purposes under these Articles, the holdings of each Shareholder and its Permitted Transferees shall be aggregated.

(c) The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.

(d) The specific provisions of these Articles shall supersede the provisions of the Companies Law to the extent permitted under the Companies Law. With respect to any matter that is not specifically addressed in these Articles, the provisions of the Companies Law shall govern.

(e) The binding version of these Articles shall be the English version.

(f) The following capitalized terms shall have the following meaning:

Affiliate

With respect to any person, any other person controlling, controlled



by, or under common control with such person.

"Articles"	These Articles, as may be amended or replaced from time to time.
"as converted basis"	assuming the theoretical conversion of all outstanding Preferred Shares into Ordinary Shares, at the then applicable conversion ratio.
"business day"	Sunday to Friday, but excluding Israeli holidays and days on which the two largest commercial banks in Israel are both not open for customer service.
"control"	The holding 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.
"Founders"	Guy Rosen and Roi Tiger.
"Magma"	Collectively and severally, Magma Venture Capital II LP, Magma Venture Capital II (Israel) LP, Magma Venture Capital II CEO Fund LP, (and their Permitted Transferees who hold shares in the Company). Each of the above shall be referred to as a "Magma Entity".
"Major Shareholder"	Any Preferred Shareholder holding at least 5% of the Company's issued and outstanding share capital, on an as converted basis and any Founder holding at least 5% of the Company's issued and outstanding share capital, on an as converted basis.
"Preferred Shareholder"	A holder of Preferred Shares.
"Qualified Shareholder"	Preferred Shareholder holding at least 5% of the issued and outstanding shares of the Company, on an as converted basis.
"Recapitalization Event"	means any event of share combination or subdivision, stock dividend or any other reclassification, reorganization or recapitalization of the Company's share capital.
"Share Purchase Agreement"	That certain Share Purchase Agreement dated October [], 2010 by and between the Company, the Founders and Magma.

4. Private Company

The Company is a private company. The following restrictions shall apply:

(a) the number of shareholders of the Company at any time (exclusive of persons who are in the employment of the Company and of persons who having been formerly in the employment of the Company were, while in such employment, and have continued after termination of such employment to be, shareholders of the Company), shall not exceed fifty (50), but where two or more persons jointly own one or more



shares in the Company, they shall, for the purposes of this Article, be treated as a single shareholder;

(b) any offer to the public to subscribe for any shares or debentures of the Company is prohibited; and

(c) the right to transfer shares in the Company shall be restricted as hereinafter provided.

5. Limitation of Liability

The liability of each shareholder for the Company's obligations is limited to the unpaid sum, if any, owing to the Company in consideration for the issuance of the shares held by such shareholder.

SHARE CAPITAL

6. Authorized Share Capital

The share capital of the Company is NIS 100,000 divided into

(a) 8,200,000 Ordinary Shares of a nominal value of NIS 0.01 each (the "Ordinary Shares");

(b) 1,800,000 Series A Preferred Shares, nominal value NIS 0.01 (the "Preferred A Shares" or "Preferred Shares"); and

7. Ordinary Shares

The Ordinary Shares of the Company shall rank pari passu between them and shall confer on the holders thereof:

(a) rights to receive notices of, and to attend, meeting of the shareholders where each Ordinary Share shall have one vote for all purposes,

(b) rights to receive dividends, bonus shares and any other distribution,

(c) subject to the rights and privileges of the holders of Preferred Shares, rights to receive a distribution of assets legally available for distribution to the shareholders upon the occurrence of a Liquidation Event; and

(d) certain other rights all as are specified in these Articles and under applicable law.

8. Preferred Shares

The Preferred Shares confer on the holders thereof all rights accruing to holders of Ordinary Shares in the Company and, in addition, bear the following rights (and such other rights set forth in these Articles):

(a) Every holder of Preferred Shares shall have one vote for each Ordinary Share into which the Preferred Shares held by him of record could be converted (as provided in this Article 8), on every resolution, without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means.

משרד המשפטים
רשות הירוקים
רשם החברות והשקעות
תאריך: 18-10-2010
ח.פ. _____
קוד מסמך _____
מס' שיו' _____



(b) Each Preferred Share shall be (i) convertible into Ordinary Shares at the option of the holder thereof, at any time after the date on which such Preferred Share was issued by the Company (the "**Original Issue Date**"); and (ii) automatically converted into Ordinary Shares simultaneously with the occurrence of the first to occur of (A) the consummation of an initial bona fide underwritten public offering of the Company's Ordinary Shares in Nasdaq (or other reputable stock exchange) pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or equivalent law of another jurisdiction of such other reputable stock exchange, reflecting a pre-money valuation of the Company of no less than one hundred million dollars (\$100,000,000) which results in proceeds of no less than twenty five million dollars (\$25,000,000) (the "**QIPO**"); or (B) the date agreed on in writing by the holders of a majority of the issued and outstanding Preferred Shares, on an as converted basis, electing to convert all Preferred Shares into Ordinary Shares. Additionally, all Initial Closing Shares (as defined in the Share Purchase Agreement) shall be automatically converted into Ordinary Shares upon the failure (if occurs) by the Purchasers (as defined in the Share Purchase Agreement) to pay in full the Final Closing Purchase Price (as defined in the Share Purchase Agreement) when due against the issuance to them of the Final Closing Shares, as such term is defined in the Share Purchase Agreement) (such conversion, a "**Default Conversion**"). Each Preferred Share shall be convertible into such number of fully paid and non-assessable Ordinary Shares as is determined by dividing the applicable Original Issue Price as defined in this Article 8(b) by the applicable Conversion Price (as defined in and subject to adjustment under Article 8(d)) at the time of conversion of such Preferred Share. The "**Original Issue Price**" of each Preferred A Share is U.S.\$ 1 (one dollar), as proportionately adjusted pursuant to the terms of these Articles upon the occurrence of a Recapitalization Event following the Closing Date as a result of which the number of outstanding Preferred Shares of the applicable class of shares held by the Company's shareholders is proportionately increased or decreased.

(c) Before any holder of Preferred Shares shall be entitled (in the case of voluntary conversion) to convert the same into Ordinary Shares, he shall surrender the certificate or certificates therefor, duly endorsed, or present an affidavit that he never received a share certificate or lost the share certificate, and executes an agreement reasonably satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates, at the office of the Company, and shall give a written notice, to the Company, of the election to convert the same. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate representing the Preferred Shares to be converted, and the holder shall be treated for all purposes as the record holder of such Ordinary Shares as of such date. If the conversion is pursuant to an automatic conversion pursuant to Section 8(b)(ii), then the conversion shall take place automatically regardless of whether the certificates representing such shares have been surrendered to the Company, but from and after such conversion any such certificates not tendered to the Company shall be deemed to evidence solely the Ordinary Shares received upon such conversion and the right to receive a certificate for such Ordinary Shares. The Company shall, as soon as practicable after the conversion and surrender of the certificate for the Preferred Shares converted, issue and deliver at such office to such holder, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid.



(d) The initial Conversion Price for the Preferred Shares shall be the Original Issue Price for each such share, respectively (subject to any adjustments under this Article 8(d), the "**Conversion Price**"):

(A) Prior to an initial public offering of Company's securities ("**IPO**"), upon each issuance (or deemed issuance, as described below) by the Company of any New Securities (as defined in Article 1414(b)) at a price per share which is lower than the applicable Conversion Price of the Preferred Shares then in effect immediately prior to the issuance of such New Securities, the Conversion Price then in effect will be reduced to a price equal to a fraction (i) the numerator of which is the sum of (A) the total number of Ordinary Shares outstanding prior to the issuance of such New Securities (on a fully-diluted basis after giving effect to the exercise in full of all options and warrants to purchase Ordinary Shares and assuming the conversion into Ordinary Shares of all convertible securities) multiplied by the applicable Conversion Price, as the case may be, in effect prior to the issuance of such New Securities plus (B) the total amount of the consideration received and/or to be received by the Company for such New Securities and (ii) the denominator of which is the sum of the total number of Ordinary Shares outstanding immediately prior to the issuance of such New Securities (on a fully-diluted basis after giving effect to the exercise in full of all options and warrants to purchase Ordinary Shares and assuming the conversion into Ordinary Shares of all convertible securities) plus the number of such New Securities issued (i.e., a "**broad based weighted average**" adjustment).

The formula can be expressed algebraically as follows:

$$P' = \frac{(N * P) + C}{N + n}$$

where:

P = Conversion Price of the Preferred Shares prior to the dilutive issuance.

P' = New Conversion Price of the Preferred Shares after the dilutive issuance.

N = Total number of Ordinary Shares (on a fully-diluted basis after giving effect to all the exercise in full of all options and warrants to purchase Ordinary Shares and assuming the conversion into Ordinary Shares of all convertible securities) outstanding immediately prior to the dilutive issuance of New Securities.

n = Number of New Securities issued in the dilutive issuance.

C = Total amount of consideration received by the Company for the New Securities issued in the dilutive issuance.

(B) No adjustments of a Conversion Price shall be made in an amount less than one cent (\$0.01) per share. No adjustment of a Conversion Price under Article 8(d)(A) shall be made if it has the effect of increasing the Conversion Price beyond the applicable Conversion Price in effect for such series of Preferred Shares immediately prior to such adjustment.



(C) The consideration for the issuance of New Securities shall be deemed to be the amount of cash received therefor before giving effect to any commissions paid or incurred by the Company for any underwriting in connection with the issuance and sale thereof. In case of issuance of New Securities for a consideration in whole or in part other than cash, the consideration shall be deemed to be the fair market value thereof as shall be determined in good faith by the Board of Directors.

(D) In the case of the issuance of options to purchase or rights to subscribe for Ordinary Shares, or securities, which by their terms are convertible into or exchangeable for Ordinary Shares or options to purchase or rights to subscribe for such convertible or exchangeable securities, other than options to purchase Ordinary Shares granted to the Company's employees, directors, consultants or officers pursuant to a share incentive plan approved by the Board of Directors, the aggregate maximum number of Ordinary Shares deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Ordinary Shares, or upon the exchange or conversion of such security, shall be deemed to have been issued at the time of the issuance of such options, rights or securities, at a consideration equal to the consideration (determined in the manner provided in Subarticle (d)(i)(C)), received by the Company upon the issuance of such options, rights or securities plus any additional consideration payable to the Company pursuant to the term of such options, rights or securities (without taking into account potential antidilution adjustments) for the Ordinary Shares 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(d)(i)(D) 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).

(E) For the purpose of Subarticle (d)(i) hereof, the consideration for any New Securities shall be taken into account at the U.S. Dollar equivalent thereof, on the day such New Securities are issued or deemed to be issued pursuant to Subarticle (d)(i)(D).

(e) If the Company subdivides or combines its Ordinary Shares, the Conversion Price shall be proportionately reduced, in case of subdivision of shares, as at the effective date of such subdivision, or shall be proportionately increased, in the case of combination of shares, as the effective date of such combination.

(f) If the Company at any time pays a dividend, with respect to its Ordinary Shares only, payable in additional shares of Ordinary Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Ordinary Shares, without payment of any consideration thereon or payment of only negligible consideration and without any comparable payment or distribution to the holders of Preferred Shares (hereinafter referred to as "**Ordinary Shares Equivalents**"), then the Conversion Price shall be adjusted as at the date of such payment to that price determined by multiplying the applicable Conversion Price in effect immediately prior to such payment by a fraction, the numerator of which shall be the total number of Ordinary Shares outstanding and those issuable with respect to Ordinary Shares Equivalents prior to the payment of such dividend, and the denominator of which shall be the total number of shares of Ordinary Shares outstanding and those issuable with respect to such Ordinary Shares Equivalents immediately after the payment of such dividend (plus, in the event that



the Company paid cash for fractional shares, the number of additional shares which would have been outstanding had the Company issued fractional shares in connection with such dividend).

(g) In the event the Company declares a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in Sub-article (d)(iv), then, in each such case, the holders of the Preferred Shares shall be entitled to receive such distribution, in respect of their holdings on an as-converted basis as of the record date for such distribution.

(h) If at any time or from time to time there shall be a recapitalization of the Ordinary Shares such that the Ordinary Shares shall be changed into the same or a different number of shares of any other class of shares of the Company (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Article), provision shall be made so that the holders of the Preferred Shares shall thereafter be entitled to receive upon conversion of the Preferred Shares and in lieu of the Ordinary Shares into which such Preferred Shares are convertible, as applicable 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 been entitled had the Preferred Shares been converted immediately prior to such recapitalization. In any such case, appropriate adjustments shall be made in the application of the provisions of this Article 8(d) with respect to the rights of the holders of the Preferred Shares after the recapitalization to the end that the provisions of this Article 8(d) (including adjustments, if necessary, of 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 nearly equivalent as may be practicable to the manner in which they were applied prior to such event.

(i) No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of shares of Ordinary Shares to be issued shall be rounded to the nearest whole share (after aggregating all fractions held by one shareholder).

(j) Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Article 8, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth each adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall furnish or cause to be furnished to such holder a table setting forth (A) such adjustment or readjustment, (B) the Conversion Price at the time in effect, and (C) the number of shares 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.

(k) 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 (including a cash 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 notify each holder of Preferred Shares, at least twenty (20) days prior to the date specified therein, (provided that such notice may be waived or the period for such notice may be shortened by a written consent of the holders of majority of the Preferred Shares, on an as converted basis), a notice specifying the date on which any such record is to be taken for the purpose of such



dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(l) The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, 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 issued and 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, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Share capital to such number of shares as shall be sufficient for such purposes.

9. Increase of Share Capital

Subject to Article 82, the Company may, from time to time, by a resolution in a general meeting, increase its share capital by the creation of new shares. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts, and, such shares shall confer such rights and preferences, and shall be subject to such restrictions, as the resolution approving the creation of such shares shall provide. Except to the extent otherwise provided in the resolution creating such new shares, such new shares shall be subject to all the provisions of these Articles which are applicable to the shares of the original capital.

10. Special Rights; Modifications of Rights

(a) Subject to Article 82, the Company may, from time to time, provide for shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in the resolution pursuant to which such shares are created and Company may convert any part of the issued shares into deferred shares.

(b) (i) Subject to Article 10(b)(iii) below, if at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these Articles, may be modified or abrogated by the Company, subject to the consent in writing of the holders of a majority of the issued shares of such class or the sanction of a resolution passed by majority at a separate General Meeting of the holders of the shares of such class and subject to the provisions of Article 82.

(ii) The provisions of these Articles relating to General Meetings shall, mutatis mutandis, apply to any separate General Meeting of the holders of the shares of a particular class; provided, however, that the requisite quorum at any such separate General Meeting shall be one or more shareholders present in person or proxy and holding not less than a majority of the issued shares of such class and subject to the provisions of Article 82.

(iii) To the maximum extent permitted under applicable law, and unless otherwise provided by these Articles (including Article 82), all shareholders of the Company shall vote together as a single class on any matter presented to the shareholders and all matters shall require the approval by the holders of a majority of the voting power



of the Company represented at the meeting of all shareholders of all classes voting together as a single class, on as converted basis and there will be not requirement for a class vote. The provisions of this Article 10(b)(iii) are specifically intended to override the provisions of Section 20(c) of the Companies Law to the fullest extent permitted by law, such that no class vote shall be required except in such cases where under applicable law class vote is mandatory and cannot be waived in the Articles or otherwise.

(c) This Article 10 shall not derogate from the provisions of Article 82 below.

11. Consolidation, Subdivision, Cancellation and Reduction of Share Capital

(a) The Company may, from time to time, (subject, however, to the provisions of Articles 10(b), 82 and 83 hereof and to applicable law):

(i) consolidate and divide all or any of its issued or unissued share capital into shares of larger nominal value than its existing shares;

(ii) subdivide its shares (issued or unissued) or any of them, into shares of smaller nominal value than is fixed by these Articles (subject, however, to the provisions of the Companies Law), and the resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

(iii) cancel any shares which, at the date of the adoption of such resolution have not been taken or agreed to be taken by any person, and diminish the amount of its authorized share capital by the amount of the shares so cancelled; or

(iv) reduce its share capital in any manner, and with and subject to any incident authorized, and consent required, by law.

(b) With respect to any consolidation of issued shares into shares of larger nominal value, and with respect to any other action which may result in fractional shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, including, inter alia, resort to one or more of the following actions:

(i) determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share of larger nominal value;

(ii) allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(iii) redeem, in the case of redeemable shares, and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(iv) cause the transfer of fractional shares by certain shareholders of the Company to other shareholders thereof so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board of Directors is hereby authorized to act



as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this sub-Article 11(b)(iv).

SHARES

12. Issuance of Share Certificates; Replacement of Lost Certificates

(a) Share certificates shall be issued under the rubber stamp of the Company and shall bear the signature of a Director or of any other person or persons authorized thereto by the Board of Directors.

(b) Each shareholder shall be entitled to one numbered certificate for all the shares of any class registered in his name, and if the Board of Directors so approves, to several certificates, each for one or more of such shares.

(c) A share certificate registered in the names of two or more persons shall be delivered to the person first named in the share register or the Company in respect of such co-ownership.

(d) 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 of Directors may think fit.

13. Registered Holder

Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person.

14. Allotment of Shares; Pre-emptive Rights

(a) Subject to the provisions of Article 82 and 83, the unissued shares of the Company shall be under the control of the Board of Directors, who shall have the power to allot shares or otherwise dispose of them to such persons, on such terms and conditions (including inter alia terms relating to calls as set forth in Article 16(f)), and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of Directors may think fit, and the power to give to any person the option to acquire from the Company any shares, either at par or at a premium, or, subject as aforesaid, at a discount, during such time and for such consideration as the Board of Directors may think fit.

(b) Until the consummation of an IPO, each Major Shareholder has a pre-emptive right to purchase, up to such Major Shareholder's pro-rata share of New Securities (as defined below) that the Company may, from time to time, propose to sell and issue. A Major Shareholder's pro rata share shall be the ratio of the number of shares of the Company's Ordinary Shares, on an as converted basis, held by such Major Shareholder as of the date of the Rights Notice (as defined in sub-article 14(b)(i)), to the



sum of the total number of Ordinary Shares, on an as converted basis, as of such date held by all shareholders in the Company. This pre-emptive right shall be subject to the following provisions:

"New Securities" shall mean any Ordinary Shares or preferred shares of any kind of the Company, whether now or hereafter authorized, and rights, options, or warrants to purchase said Ordinary Shares or preferred shares, and securities of any type whatsoever that are, or may become, convertible into said Ordinary Shares or preferred shares; provided, however, that "New Securities" shall not include (i) securities issuable upon conversion of Preferred Shares; (ii) the exercise of options or warrants existing and outstanding on the Closing date; (iii) securities issued to employees, directors, and service providers of the Company and any affiliates thereof pursuant to incentive plans adopted by the Company; (iv) securities issued to all shareholders of the Company pro rata to their holding (on an as converted basis) in connection with any Recapitalization Event ; (v) securities issued to lending institutions in connection with and incidental to loans provided to the Company; and (vi) securities issued to the public in an IPO.

(i) Before the Company may issue New Securities, it shall give each Major Shareholder written notice (the "**Rights Notice**") of its intention, describing the New Securities, the price, the general terms upon which the Company proposes to issue them, and the number of shares that the Major Shareholder has the right to purchase under this Article 14. Each Major Shareholder shall have fourteen (14) days from delivery of the Rights Notice to agree to purchase all or any part of its pro-rata share of such New Securities 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 New Securities to be purchased.

(ii) If the Major Shareholders elect to purchase only some of the New Securities offered by the Company or fail to elect to exercise the preemptive right set forth herein within the fourteen (14) day period specified in Article 14(b), the Company shall have one hundred and twenty (120) days after delivery of the Rights Notice to sell the unsold New Securities at a price and upon general terms no more favorable to the purchasers thereof than specified in the Company's Rights Notice. If the Company has not sold the New Securities within said one hundred and twenty (120) day period the Company shall not thereafter issue or sell any New Securities without first offering such securities to the Major Shareholders in the manner provided above.

(iii) Notwithstanding the foregoing, if the implementation of the provisions of this Article 14(b) may require, in the opinion of the Board of Directors, the publication of a prospectus under the Israeli Securities Law, as a result of the number of shareholders who are entitled to participate, then the pre-emptive right pursuant to this Article 14(b) shall be in effect only in respect of such number of shareholders which shall not require the preparation of a prospectus (in accordance with the Israeli Securities Law), and the offerees for such purpose shall be such Major Shareholders as satisfy the investor criteria under Section 15 of the Israeli Securities Law and such Major Shareholders who are entitled to purchase the largest pro rata portion among all those Major Shareholders that are entitled to the pre-emptive right hereunder provided however that for this sub-Article 14(iii) and the other provisions of Article 14 and other provisions hereof pertaining to threshold, aggregation shall apply so that each of them shall be deemed as



holding all of such shareholder's shares and all of the shares held by such shareholder's Permitted Transferees.

15. Payment in Installments

If by the terms of allotment of any share, the whole or any part of the price thereof shall be payable in installments, every such installment shall, when due, be paid to the Company by the then registered holder(s) of the share of the person(s) entitled thereto.

16. Calls on Shares

(a) The Board of Directors may, from time to time, make such calls as it may think appropriate upon shareholders in respect of any sum unpaid in respect of shares held by such shareholders which is not, by the terms of allotment thereof or otherwise, payable at a fixed time, and each shareholder shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the person(s) and at the time(s) and place(s) designated by the Board of Directors, as any such time(s) may be thereafter extended and/or such person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board of Directors (and in the notice hereafter referred to), each payment in response to a call shall be deemed to constitute a pro-rata payment on account of all shares in respect of which such call was made.

(b) Notice of any call shall be given in writing to the shareholder(s) in question not less than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the person to whom such payment shall be made; provided, however, that before the time for any such payment, the Board of Directors may, by notice in writing to such shareholder(s), revoke such call in whole or in part, extend such time, or alter such person and/or place. In the event of a call payable in installments, only one notice thereof need be given.

(c) If, by the terms of allotment of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable at such time as if it were a call duly made by the Board of Directors and of which due notice had been given, and all the provisions herein contained with respect to such calls shall apply to each such amount.

(d) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

(e) Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and at such time(s) as the Board of Directors may prescribe.

(f) Upon the allotment of shares, the Board of Directors may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.



17. Prepayment

With the approval of the Board of Directors, any shareholder may pay to the Company any amount not yet payable in respect of such shareholder's shares, and the Board of Directors may approve the payment of interest on any such amount until the same would be payable if it had not been paid in advance, at such rate and time(s) as may be approved by the Board of Directors. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty. Nothing in this Article 17 shall derogate from the right of the Board of Directors to make any call before or after receipt by the Company of any such advance.

18. Forfeiture and Surrender

(a) If any shareholder fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of Directors, may at any time thereafter, so long as the said amount or interest remains unpaid, forfeit all or any of the shares in respect of which said call had been made. Any expense incurred by the Company in attempting to collect any such amount or interest, including, inter alia, attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.

(b) Upon the adoption of a resolution of forfeiture, the Board of Directors shall cause notice thereof to be given to such shareholder, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than fourteen (14) days and which may be extended by the Board of Directors), such shares shall be ipso facto forfeited, provided, however, that, prior to the expiration of such period, the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall stop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

(c) Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

(d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

(e) Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to the provisions of these Articles, may be sold, re-allotted or otherwise disposed of as the Board of Directors thinks fit.

(f) Any shareholder whose shares have been forfeited or surrendered shall cease to be a shareholder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 16(e) above, and the Board of Directors, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall



not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board of Directors, may accelerate the date(s) of payment of any or all amounts then owing by the shareholder in question (but not yet due) in respect of all shares owned by such shareholder, solely or jointly with another, and in respect of any other matter or transaction whatsoever.

(g) The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it thinks fit, but no such nullification shall stop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 18.

19. Lien

(a) Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares that was not paid in full by a shareholder, and upon the proceeds of the sale thereof, in respect of money due to the Company on calls for payment or payable at fixed times. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existent on such shares immediately prior to such transfer.

(b) The Board of Directors may cause the Company to sell any shares subject to such lien when any such debt, liability or engagement has matured, in such manner as the Board of Directors may think fit, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such shareholder, or such shareholder's executors or administrators.

(c) The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such shareholder (whether or not the same have matured), or any specific part of the same (as the Company may determine), and the residue (if any) shall be paid to the shareholder, such shareholder's executors, administrators or assigns.

20. Sale after Forfeiture or Surrender or in Enforcement of Lien

Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board of Directors may appoint some person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Share Register in respect of such shares, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after such purchaser's name has been entered in the Share Register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.



21. Redeemable Shares

Subject to Article 82, the Board of Directors may, subject to the provisions of the Companies Law, issue redeemable shares and redeem the same. Subject to Article 82, the terms of redemptions of such shares shall be set forth in the agreement between the Company and the purchaser of such shares.

TRANSFER OF SHARES

22. Effectiveness and Registration

(a) No transfer of shares in the Company, and no assignment of an option to acquire such shares from the Company, shall be effective unless the transfer or assignment has been approved by the Board of Directors, but the Board of Directors shall not withhold its approval of any such transfer or assignment made in accordance with this Article 22 and Articles 23, 24, 25 and 26.

(b) No transfer of shares, and no assignment of an option to acquire such shares from the Company, shall be registered unless a proper instrument of transfer (in form and substance satisfactory to the Board of Directors) has been submitted to the Company, together with the share certificate(s) (or an affidavit in a form acceptable to the Company that no share certificate was ever received or that a share certificate was lost) and such other evidence of title as the Board of Directors may reasonably require. Until the transferee has been registered in the Share Register in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof. The Board of Directors, may, from time to time, prescribe a reasonable fee for the registration of a transfer.

(c) Any other provision of these Articles to the contrary notwithstanding, prior to the IPO, no transfers of shares in the Company may be made to a competitor of the Company, as deemed by the Board of Directors of the Company, unless approved by the Board of Directors or sold in connection with a sale of all, or substantially all, the Company's shares or assets.

23. Right of First Refusal

Without derogating from the provisions of Article 22, until the consummation of an IPO any transfer of shares in the Company by a shareholder, other than (i) to a Permitted Transferee (as defined below), or (ii) pursuant to Article 28 below, 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 as part of repurchase arrangements between the Company and the transferor relating to the transferor's termination of engagement, shall be subject to the following:

(a) for as long as the Magma Entities hold, in the aggregate, Preferred Shares representing at least 5% of the issued and outstanding shares of the Company on an as converted basis, each of Magma Entities shall have a right of first refusal with



respect to a transfer of all or any of the securities of the Company by any holder of securities of the Company (the "Transferor").

(b) Before any Transferor may transfer all or any of its/his securities (the "Offered Shares") it shall first provide Magma Entities with a written offer (with a copy to the Company) stating the identity of the Transferor and of the transferee and the material terms of the proposed transfer (the "Offer"). Each of the Magma Entities may accept such Offer in respect of any portion of the Offered Shares ("Accepting Magma Entities") by giving the Transferor (with a copy to the Company) a written notice to that effect within fourteen (14) days after being served with the Offer (the "ROFR Period", and an "Acceptances", respectively).

(c) If the Acceptances is in respect of all of, or more than, the Offered Shares, then the Accepting Magma Entities 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 Magma Entity shall be forced to acquire under the provisions of this Article 16 more than the number of Offered Shares initially accepted by such Accepting Magma Entity under the Acceptance, and upon the allocation to it of the full number of Offered Shares so accepted, such Accepting Magma Entities 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 Magma Entities (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.

(d) If the Acceptances are in respect of less than all of the Offered Shares, then the Accepting Magma Entities shall not be entitled to acquire any of the Offered Shares, and the Transferor, at the expiration of the aforementioned fourteen (14) 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, *provided, further*, that any Offered Shares not transferred within ninety (90) days after the expiration of such ROFR Period, shall again be subject to the provisions of this Article 23.

(e) The Transferor shall be bound, upon payment of the offer price, to transfer to the Accepting Magma Entities the Offered Shares which have been allocated to the Accepting Magma Entities pursuant to this Article 23. 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 Magma Entities and, upon execution of such transfer, the Company shall hold the purchase price therefor in trust for the Transferor.

24. Rights of Co-Sale.

(a) Until the consummation of an IPO, each Qualified Shareholder, shall have a right of co-sale with respect to proposed sales or transfers by any Founder of Ordinary Shares (other than (i) a transfer to the Founder's Permitted Transferees, (ii) a transfer to



the Company as part of repurchase arrangements between the Company and the Founder relating to the Founder's termination of engagement, or (iii) a transfer as to which the right of first refusal under Article 23 has been exercised), provided such Qualified Shareholder shall exercise its right of co-sale by delivering a written notice of exercise (the "**Election Notice**") to the respective Founder (with a copy to the Company) within fourteen (14) days following receipt of the notice from the Founder pertaining to his desire to sell or transfer securities of the Company (the "**Founder's Notice**"). It is clarified that the Founder's Notice may be given together with the Offer (as defined in Article 23 above). Each Qualified Shareholder shall specify in the Election Notice the number of shares (up to its pro-rata share based on the number of shares held by the accepting Qualified Shareholder on the one hand and the selling Founder and all Qualified Shareholders on the other hand, on the date of the Founder's Notice) that it desires to sell and, in doing so, will be obligated to the terms agreed upon between the Founder and the buyer.

(b) If at least one Qualified Shareholder elects to exercise its co-sale right, the Founder shall be entitled, subject to the following provisions, to sell to the buyer specified in the Offer, according to the terms set forth in the Founder's Notice, that number of his own shares which equals the difference between the number of the Founder's Ordinary Shares desired to be purchased by the buyer specified in the Founder's Notice, and the number of shares all Qualified Shareholders are entitled to sell pursuant to Article 24 and have elected to sell. If all Qualified Shareholders fail to provide an Election Notice within the aforesaid 14-day period or elect not to exercise its co-sale right, then the Founder shall be free to sell to the buyer any and all of the shares so offered for purchase. If the Founder wishes to transfer any such shares at a price per share which is higher from that set forth in the Founder's Notice, or upon terms which are more favorable to the Founder than those previously set out in the Founder's Notice, or more than 90 days after the expiration of the aforesaid 14-day period, then, as a condition precedent to such transaction, same procedures and time periods set forth above shall apply.

(c) Notwithstanding the aforesaid, in the event that following any proposed transfer or sale by the Founder the transferee would become the holder of at least 50% of the total issued share capital of the Company or of at least 50% of the voting power of the Company, the Qualified Shareholders shall have the right to sell pursuant to such transaction all of the shares they wish to sell, prior to and in preference to the holders of shares of other class of the Company, including the Founder who initiated such transaction.

For the avoidance of doubt, the above provisions shall not derogate from the other rights pursuant to Article 23 above.

25. Founder No-Sale

Until the expiration of 2 years period commencing upon the Initial Closing, as such term is defined in the Share Purchase Agreement (the "**Expiration Date**"), absent the prior written consent of Magma, the Founders (and their Permitted Transferees) shall not sell, assign, transfer, pledge, hypothecate, mortgage or dispose of, by gift or otherwise, or in any way encumber (each of the foregoing being referred to as a "**Disposition**") any of their shares in the Company. After the Expiration Date, each Founder shall be entitled to



sell (subject also to the other restrictions and limitations hereof), in any twelve (12) month period, Ordinary Shares in an amount not to exceed 10% of the total number of Ordinary Shares held by such Founder upon the Initial Closing and in the aggregate not more than 30% of the total number of Ordinary Shares held by the Founder upon the Initial Closing (unless Magma agrees in writing that a Founder shall sell more than such amount). The above shall not derogate from the Founders' other obligations including such obligations pursuant to the Co- Sale rights (Article 24 above). This Article 24 shall not apply to: (i) any transfer of shares to a Permitted Transferee provided however that such Permitted Transferee agrees in writing, in an instrument provided to the Company no later than such transfer, to be bound by the same terms and conditions under which the Founder was bound in respect of restrictions on transfer, and (ii) a transfer to the Company as part of repurchase arrangements between the Company and the Founder relating to the Founder's termination of engagement. This Article 24 shall not apply to transfers as part of, and shall terminate upon the earlier of: (i) an IPO; or (ii) a Liquidation Event or Deemed Liquidation Event.

26. Permitted Transfers

Anything in Articles 23,24 and 25 to the contrary notwithstanding, any of the shareholders may transfer its shares to the following without complying with the shareholders rights specified in Section 23,24 and 25 hereof and without having to obtain the consent of the Board of Directors of the Company, other than if the transfer is to a competitor ("**Permitted Transferees**"):

(i) With respect to the Preferred Shareholders any Affiliate of such Preferred Shareholder or if the Preferred Shareholder is a partnership its partners (whether limited or general partner), and/or affiliated partnerships managed by the same manager or management company or managing partner or general partner or managed by an entity which is an Affiliate of such manager, management company or managing general partner.

(ii) With respect to each Founder or holder of Ordinary Shares: (a) a transferee which is a corporation wholly-owned and controlled by such Founder ("**Controlled Entity**"); (b) such individual's spouse (or widow or widower) and any trust solely for the benefit of such Founder (together, "**Related Parties**"); and (c) any transferee by will or operation of law.

In all cases, provided that such Permitted Transferee has agreed in writing (in a signed document delivered to the Company prior to any transfer) to assume all obligations of the transferors under all agreements involving the Company with respect to the transferred shares and provided that, in respect of transfer by a Founder: then: i) if the transfer is to a Related Party, such person remains a Related Party of such Founder, and ii) if the transfer is to a Controlled Entity, such corporation remains wholly-owned and controlled by such Founder.

27. Suspension of Registration



The Board of Directors may suspend the registration of transfers during the fourteen (14) days immediately preceding the Annual General Meeting.

BRING-ALONG

28. Bring-Along

(a) Prior to the IPO, and notwithstanding anything herein to the contrary, but subject to Articles 82 and 83, in the event shareholders holding at least seventy five percent (75%) of the Ordinary Shares of the Company on an as converted basis, (the "**Proposing Shareholders**"), shall have approved and accepted in writing a transaction or series of related transactions with any person or persons regarding a sale of all of the Company's shares held by such Proposing Shareholders or a sale of all or substantially all of the Company's assets (the "**Transaction**"), then:

(i) 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 other shareholders (such other shareholders, collectively, the "**Remaining Holders**") shall vote all shares of the Company that such Remaining Holders then hold or for which such Remaining Holders otherwise then have voting power (collectively, for the purposes of this Article, the "**Shares**"): (A) in favor of approval of the Transaction and any matter that could reasonably be expected to facilitate the Transaction, and (B) against any proposal for any recapitalization, merger, sale of assets or other business combination (other than the Transaction) between the Company and any person or entity other than the party or parties to the 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 Transaction or which could result in any of the conditions to the Company's obligations under such agreement(s) not being fulfilled;

(ii) if the Transaction is structured as a sale of shares, each Remaining Holder shall agree to sell all of the Shares and rights to acquire shares of the Company held by such Remaining Holder on the terms and conditions approved by the Proposing Shareholders; and

(iii) each Remaining Holder shall take all necessary actions in connection with the consummation of the Transaction as requested by the Company or the Proposing Shareholders and shall, if requested by the Proposing Shareholders, execute and deliver any agreements prepared in connection with such Transaction which agreements are executed by the Participating Holders.

(iv) the proceeds from the Transaction shall be distributed in accordance with Article 80.

(v) The obligations of this Article 28(a) shall apply to the holders of Preferred Shares only if (i) each of them will receive pursuant to such Transaction, for each Preferred Share held by it/him/her an amount equal to at least the Threshold Amount (as defined in Article 80 below) of such Preferred Share, respectively, or (ii) approved by the holders of the majority of the outstanding Preferred Shares, on an as converted basis.



(b) The aforesaid seventy five percent (75%) shareholding requirement is hereby determined also for the purposes of Sections 341 of the Companies Law, and the procedure set forth in Section 341 of the Companies Law regarding the method by which shareholders who do not sign all related documentation shall be forced to sell their securities shall apply, with no need for a separate consent of each class or series of shares.

TRANSMISSION OF SHARES

29. Decedents' Shares

(a) In case of a share registered in the names of two or more holders, the Company may recognize the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 29(b) have been effectively invoked.

(b) Any person becoming entitled to a share in consequence of the death of any person, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of Directors may reasonably deem sufficient that he sustains the character in respect of which he proposes to act under this Article or of his title), shall be registered as a shareholder in respect of such share, or may, subject to the regulations as to transfer herein contained, transfer such share.

30. Receivers and Liquidators

(a) The Company may recognize the receiver or liquidator of any corporate shareholder in winding-up or dissolution, or the receiver or trustee in bankruptcy or in connection with the reorganization of, or similar proceeding with respect to any shareholder or its properties, as being entitled to the shares registered in the name of such shareholder.

(b) The receiver or liquidator of a corporate shareholder in winding-up or dissolution, or the receiver or trustee in bankruptcy or in connection with the reorganization of any shareholder, upon producing such evidence as the Board of Directors may deem sufficient that he sustains the character in respect of which he proposes to act under this Article or of his title, shall with the consent of the Board of Directors (which the Board of Directors may grant or refuse in its absolute discretion), be registered as a shareholder in respect of such shares, or may, subject to the regulations as to transfer herein contained, transfer such shares.

GENERAL MEETINGS

31. Annual General Meeting

An Annual General Meeting shall be held once in every calendar year at such time (within a period of not more than fifteen (15) months after the last preceding Annual



General Meeting) and at such place either within or without the State of Israel as may be determined by the Board of Directors.

32. Extraordinary General Meetings

(a) All General Meetings other than Annual General Meetings shall be called "Extraordinary General Meetings." (Annual General Meetings and Extraordinary General Meetings shall be collectively referred to herein as General Meetings).

(b) The Board of Directors may, whenever it thinks fit, convene an Extraordinary General Meeting at such time and place, within or without the State of Israel, as may be determined by the Board of Directors, and shall be obligated to do so upon requisition in writing in accordance with Sections 63 or 64 of the Companies Law.

33. Notice of General Meetings; Omission to Give Notice

(a) Not less than seven (7) days' prior notice shall be given of every General Meeting (including any Extraordinary General Meetings and the Annual General Meetings). Each such notice shall specify the place and the day and hour of the meeting and the general nature of each item to be acted upon thereat and arrangements for voting by proxy if the matters on the agenda for the meeting include matters in respect of which shareholders may vote by proxy under any law or in accordance with these Articles. Notice shall be given to all shareholders who would be entitled to attend and vote at such meeting, if it were held on the date when such notice is issued. Anything herein to the contrary notwithstanding, with the consent of all shareholders entitled to vote thereon, a resolution may be proposed and passed at such meeting although a lesser notice than hereinabove prescribed has been given.

(b) The accidental omission to give notice of a meeting to any shareholder, or the non-receipt of notice sent to such shareholder, shall not by itself, invalidate the proceedings at such meeting.

PROCEEDINGS AT GENERAL MEETINGS

34. Quorum

(a) Two or more shareholders (not in default in payment of any sum referred to in Article 18(a)), including holders of Preferred Shares holding at least 10% of the total issued share capital of the Company (on an as converted basis) present in person or by proxy and holding shares conferring in the aggregate a majority of the voting power of the Company, shall constitute a quorum at General Meetings. No business shall be transacted at a General Meeting, or at any adjournment thereof, unless the requisite quorum is present when the meeting proceeds to business. General Meetings may be held telephonically or by any other means of communication, provided that each shareholder participating in such meeting can hear all of the other shareholders participating in such meeting and participation in a meeting pursuant to this Article shall constitute presence in person at such meeting.



(b) If within an hour from the time appointed for the meeting a quorum is not present, the meeting, shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the Chairman may determine with the consent of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, any two (2) shareholders (not in default as aforesaid) present in person or by proxy, shall constitute a quorum, and shall be entitled to deliberate and to resolve in respect of the matters for which the meeting was convened.

(c) The provisions of these Articles relating to General Meetings shall, mutatis mutandis, apply to any General Meeting of the holders of a particular class or series of shares.

35. Chairman

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if at any meeting such Chairman is not present within fifteen (15) minutes after the time fixed for holding the meeting or is unwilling to act as Chairman, the shareholders present shall choose someone of their number to be Chairman. The office of Chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairman to vote as a shareholder or proxy of a shareholder if, in fact, he or she is also a shareholder or such proxy).

36. Adoption of Resolutions at General Meetings

Subject to the provisions of Articles 82 and 83 and the Companies Law:

(a) A resolution shall be deemed adopted if approved by the holders of a majority of the voting power represented at the meeting in person or by proxy and voting thereon (excluding abstentions).

(b) Every question submitted to a General Meeting shall be decided by a show of hands, but if a written ballot is demanded by any shareholder present in person or by proxy and entitled to vote at the meeting, the same shall be decided by such ballot. A written ballot may be demanded before the proposed resolution is voted upon or immediately after the declaration by the Chairman of the results of the vote by a show of hands. If a vote by written ballot is taken after such declaration, the results of the vote by a show of hands shall be of no effect, and the proposed resolution shall be decided by such written ballot. The demand for a written ballot may be withdrawn at any time before the same is conducted, in which event another shareholder may then demand such written ballot. The demand for a written ballot shall not prevent the continuance of the meeting for the transaction of business other than the question on which the written ballot has been demanded.

(c) A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be prima facie evidence of the fact



without proof of the number or proportion of the votes recorded in favor of or against such resolution.

37. Resolutions in Writing

A resolution in writing signed by all shareholders of the Company then entitled to attend and vote at General Meetings or to which all such shareholders have given their written consent (by e-mail, facsimile, letter or otherwise) shall be deemed to have been unanimously adopted by a General Meeting duly convened and held.

38. Power to Adjourn

The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.

39. Voting Power

Subject to the provisions of Article 8 and subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every shareholder shall have one vote for each share held by such shareholder of record, on every resolution, without regard to whether the vote hereon is conducted by a show of hands, by written ballot or by any other means.

40. Voting Rights

(a) No shareholder shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls and other sums then payable by such shareholder in respect of such shareholder's shares in the Company have been paid.

(b) A company or other corporate body being a shareholder of the Company may authorize any person to be its representative at any meeting of the Company. Any person so authorized shall be entitled to exercise on behalf of such shareholder all the power that the latter could have exercised if it were an individual shareholder. Upon the request of chairman of the meeting, written evidence of such authorization (in form acceptable to the chairman) shall be delivered to the chairman.

(c) Any shareholder entitled to vote may vote either personally, or by writing or by proxy (who need not be a shareholder of the Company), or, if the shareholder is a company or other corporate body, by a representative authorized pursuant to Article 40(b).

(d) If two or more persons are registered as joint holders of any share, the vote of the senior who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined by the order in which the names stand in the Share Register.



PROXIES

41. Instrument of Appointment

(a) The instrument appointing a proxy shall be in writing (including facsimile) and in any usual or common form or in such other form as may be approved by the Board of Directors, including a form which provides for a continuing proxy until the occurrence of such date or event as is specified in the proxy. It shall be duly signed by the appointor or his duly authorized attorney or, if such appointor is a company or other corporate body, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s).

(b) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its Registered Office, or at its principal place of business or at the offices of its registrar and/or transfer agent or at such place as the Board of Directors may specify) before the time fixed for the meeting at which the person named in the instrument proposes to vote, or presented to the Chairman at such meeting.

42. Effect of Death of Appointer or Revocation of Appointment

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death, liquidation or winding-up of the appointing shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the revocation of the appointment or the transfer of the share in respect of which the vote is cast, provided no written intimation of such death, liquidation, winding-up revocation or transfer shall have been received by the Company or by the chairman of the meeting before such vote is cast and provided, further, that the appointing shareholder may revoke the appointment by means of a written notice to the Board.

BOARD OF DIRECTORS

43. Powers of Board of Directors

The Board of Directors shall determine the Company's policies, oversee the activities of the Chief Executive Officer, and take such other actions as are described in Section 92 of the Companies Law. The authority conferred on the Board of Directors by this Article 43 shall be subject to the provisions of the Companies Law, of these Articles (including Articles 82 and 83) and any regulation or resolution consistent with these Articles adopted from time to time by the Company in a General Meeting, provided, however, that no such regulation or resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such regulation or resolution had not been adopted.

44. Exercise of Powers of Directors



(a) A meeting of the Board of Directors at which a quorum is present shall be competent to exercise all the authorities, powers and discretions vested in or exercisable by the Board of Directors.

(b) Subject to the provisions of Articles 82 and 83, a resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a majority of the Directors present when such resolution is put to a vote, when such directors are entitled to vote and actually vote thereon (without counting abstentions).

(c) Pursuant to Section 103 of the Companies Law, the Board of Directors shall be authorized to approve resolutions without convening a meeting; provided, however, that each Director then entitled to attend and vote at a meeting of the Board of Directors has given consent to approve resolutions without convening a meeting. The Chairman shall prepare written minutes of such a resolution and shall note each Director's vote and the fact that the Directors consented to approve such a resolution without convening a meeting of the Board of Directors.

45. Delegation of Powers

(a) Subject to Section 112 of the Companies Law, the Board of Directors may delegate any or all of its powers to committees, as shall be determined by the Board of Directors and it may from time to time revoke such delegation or alter the composition of any such committee. Any Committee so formed (in these Articles referred to as a "**Committee of the Board of Directors**"), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, mutatis mutandis, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by any regulations adopted by the Board of Directors under this Article. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee of the Board of Directors, such Committee shall not be empowered to further delegate such powers.

(b) Without derogating from the provisions of Article 60, the Board of Directors may, subject to the provisions of the Companies Law, from time to time appoint a Secretary to the Company as the Board of Directors may think appropriate, and may terminate the service of any such person. The Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the terms and conditions of employment, of such person, and may require security in such cases and in such amounts as it thinks appropriate.

(c) The Board of Directors may from time to time, by power of attorney or otherwise, appoint any person, company, firm or body of persons to be the attorney or attorneys of the Company at law or in fact for such purpose(s) and with such powers, authorities and discretions, and for such period and subject to such conditions, as it thinks fit, provided that the powers and discretions shall not exceed those conferred upon the Board of Directors, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board of Directors may think fit, and may also authorize any such attorney to delegate all or any of the powers, authorities and discretions vested in him.



46. Number of Directors

The Board of Directors of the Company shall consist of up to three (3) Directors.

47. Election, Appointment and Removal of Directors

(a) As long as the Magma Entities hold, in the aggregate, Preferred Shares representing at least 10% of the issued and outstanding shares of the Company, on an as converted basis, Magma shall have the right to appoint and remove one director (the: "**Preferred Director**");

(b) Two directors to be appointed and removed by the Founder(s) holding the majority of the shares held by the Founders, for as long as the Founders hold, together, at least 20% of the issued and outstanding shares of the Company, on an as converted basis, or one director for as long as the Founders hold, together, less than 20% but at least 10% of the issued and outstanding shares of the Company, on an as converted basis.

(c) The aforesaid shall apply, mutatis mutandis, with respect to any subsidiary of the Company.

(d) Any Director(s) may only be removed from office (by written notice) by the shareholder(s) that designated such Director, and any vacancy, however created, in the Board of Directors may only be filled (by written notice) by the shareholder that designated the previous incumbent of such vacancy. Any such act shall become effective on the date fixed in such notice, or upon the delivery thereof to the Company, whichever is later.

48. Reserved.

49. Chairman of the Board of Directors

The Chairman of the Board of Directors shall be appointed, removed and replaced by a resolution of the Board of Directors. The Chairman of the Board of Directors shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting, or if the appointed Chairman is unwilling to take the chair, the Directors present shall choose one of their number to be the chairman of such meeting. In the event of a deadlock with respect to any vote by the Board of Directors, the Chairman shall not have an additional (or second or casting) vote for the purposes of resolving the deadlock.

50. Qualification of Directors

No person shall be disqualified to serve as a Director by reason of his not holding shares in the Company or by reason of his having served as a Director in the Company in the past.

51. Continuing Directors in the Event of Vacancies

In the event of one or more vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, and, pending the filling of any vacancy pursuant to the provisions of Article 47, may temporarily fill any such vacancy



(such temporarily appointed Director being automatically deemed to be removed from the Board upon the appointment of a Director to fill the previous vacancy);

52. Vacation of Office

(a) The office of a Director shall be vacated by the Director's written resignation. Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

(b) The office of a Director shall be vacated, ipso facto, upon the occurrence of any of the following: (i) such Director's death, (ii) such Director is convicted of an offense as described in Section 232 of the Companies Law, (iii) such Director is removed by a court of law in accordance with Section 233 of the Companies Law, (iv) such Director becomes legally incompetent, (v) if such Director an individual, such Director is declared bankrupt, or (vi) if such Director is a corporate entity, upon its liquidation, whether voluntary or involuntary.

53. Remuneration of Directors

No Director shall be paid any remuneration by the Company for such Director's services as a member of the Board of Directors, unless such remuneration has been approved pursuant to the provisions of the Companies Law.

54. Conflict of Interests

Subject to the provisions of the Companies Law and Articles 82 and 83 hereof, the Company may enter into any contract or otherwise transact any business with any Director in which contract or business such Director has a personal interest, directly or indirectly; and may enter into any contract or otherwise transact any business with any third party in which contract or business a Director has a personal interest, directly or indirectly.

55. Alternate Directors

(a) A Director may, by written notice to the Company, appoint an alternate for himself (in these Articles referred to as "**Alternate Director**"), remove such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever. The Alternative Director may be a Person who currently serves as a Director or as an Alternative Director. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period, and for all purposes.

(b) Any notice given to the Company pursuant to Article 55(a) shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.



(c) An Alternate Director shall have all the rights and obligations of the Director who appointed him, provided, however, that he may not in turn appoint an alternate for himself (unless the instrument appointing him otherwise expressly provides), and provided further that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present.

(d) Subject to the provisions of the Company's Law, any natural person may act as an Alternate Director.

(e) Without derogating from applicable law, an Alternate Director shall be responsible for his own acts and defaults.

(f) The office of an Alternate Director shall be vacated under the circumstances, mutatis mutandis, set forth in Article 52, and such office shall ipso facto be vacated if the Director who appointed such Alternate Director ceases to be a Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

56. Meetings

(a) The Board of Directors may meet and adjourn its meetings and otherwise regulate such meetings and proceedings as the Board of Directors deems fit. Meetings of the Board of Directors may be held telephonically or by any other means of communication provided that each Director participating in such meeting can hear all of the other Directors participating in such meeting.

(b) The Chairman of the Board of Directors, and in the absence of a Chairman, any Director, may, convene a meeting of the Board of Directors, but not less than two (2) days' written notice shall be given of any meeting, unless such notice is waived in writing by all of the Directors as to a particular meeting.

(c) Upon the receipt of a written request under any of the following circumstances, the Chairman of the Board of Directors shall, and in the absence of a Chairman, any Director receiving such written request shall, convene a meeting of the Board of Directors, but not less than two (2) days' written notice shall be given of any meeting, unless such notice is waived in writing by all of the Directors as to a particular meeting:

- (i) upon the receipt of a written request from any of the Directors;
- (ii) upon the receipt of any written request from the Chief Executive Officer of the Company requesting an action of the Board of Directors; or
- (iii) upon the receipt of a written request from the Accountant Controller or auditors of the Company regarding material flaws in the oversight of the Company's internal accounting methods.

57. Quorum

(a) Until otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence, in person or represented by an Alternate Director, of a majority of the Directors (which



must include also the presence of the Preferred Director if one is serving at such time) then in office who are lawfully entitled to participate in the meeting (as conclusively determined by Chairman of the Board of Directors).

(b) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such time, date and place as the Chairman may determine, provided that not less than two (2) days' written notice shall have been provided to each of the Directors of such meeting. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, any two (2) members of the Board of Directors present in person or represented by an Alternate Director shall constitute a quorum.

58. Validity of Acts Despite Defects

Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meetings or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there were no such defect or disqualification.

MINUTES

59. Minutes

(a) Minutes of each General Meeting and of each meeting of the Board of Directors (or any committee thereof) shall be recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the persons present at the meeting and all resolutions adopted thereat.

(b) Any minutes as aforesaid, if purporting to be signed by the chairman of the meeting or by the Chairman of the next succeeding meeting, shall constitute prima facie evidence of the matters recorded therein.



CHIEF EXECUTIVE OFFICER

60. Chief Executive Officer

(a) The Board of Directors may from time to time appoint one or more persons, whether or not Directors, as Chief Executive Officers(s) of the Company and may confer upon such person(s), and from time to time modify or revoke, such title(s) (including General Manager, Managing Director, Director General or any similar or dissimilar title). The appointment of the Chief Executive Officer(s) may be either for a fixed term or without any limitation of time. The Board of Directors may from time to time remove or dismiss the Chief Executive Officer(s) from office and appoint another or others in the Chief Executive Officer(s)'s place.

(b) The Chief Executive Officer(s) shall manage the business of the Company, subject to the policies established by the Board of Directors, such limitations and restrictions as are explicitly set forth in these Articles or as the Board of Directors may from time to time prescribe, and the provisions of the Companies Law.

(c) The Board of Directors may from time to time determine the Chief Executive Officer's salary and other terms and conditions of the Chief Executive Officer's employment, subject to the provisions of the Companies Law.

INDEMNIFICATION AND INSURANCE

61. Exemption From Duty Of Care

Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Board of Directors may resolve in advance to exempt an "Office Holder" (as such term is defined in the Companies Law) from all or part of such Officer Holder's responsibility or liability for damages caused to the Company due to any breach of such Office Holder's duty of care towards the Company, except for breach of his duty of care in connection with a Distribution (as such term is defined in the Company's Law).

62. Indemnification

(a) Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may indemnify any Office Holder to the fullest extent permitted by the Companies Law.

(b) Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may resolve retroactively to 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:

(i) monetary liability imposed on an Office Holder, or incurred by the Office Holder, in favor of another person pursuant to a judgment, including a judgment



imposed on such Office Holder in a compromise or in an arbitration decision that was approved by a court of law; and

(ii) reasonable legal expenses, including attorney's fees, which the Office Holder incurred due to an investigation or a proceeding instituted against the Office Holder by an authority competent to administrate such an investigation or proceeding, and that was "finalized without the filing of an indictment" (as defined in Section 260(a)(1A) of the Companies Law, 1999) and "without any financial obligation imposed in lieu of criminal proceedings" (as defined in Section 260(a)(1A) of the Companies Law), or that was finalized without the filing of an indictment against the Office Holder but with financial obligation imposed on the Office Holder in lieu of criminal proceedings of an offense that does not require proof of criminal intent.

(iii) reasonable legal expenses, including attorney's fees, which the Office Holder incurred or with which the Officer Holder was charged by a court of law, in a proceeding brought against the Officer Holder, by the Company or by another on behalf of the Company, or in a criminal prosecution in which the Officer Holder was acquitted, or in a criminal prosecution in which the Office Holder was convicted of an offense that does not require proof of criminal intent.

(c) Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may undertake in advance to indemnify the Company's Officer Holders (i) for those liabilities and expenses described in Sub-Article 62(b)(i), provided that the undertaking is limited to events that in the opinion of the Board of Directors are foreseeable in view of the Company's activity at the time of the undertaking and limited in an amount or standard which the Board of Directors determines is reasonable under the circumstances, and (ii) for those liabilities and expenses described in Sub-Articles (ii) or (iii).

63. Insurance

(a) Subject to the provisions of the Companies Law including the receipt of all approvals as required therein or under any applicable law, the Company may enter into an agreement to insure an Office Holder for any liability that may be imposed on such Office Holder in connection with an act performed by such Officer Holder in such Office Holder's capacity as an Officer Holder of the Company, with respect to each of the following:

(i) violation of the duty of care of the Office Holder towards the Company or towards another person;

(ii) breach of the fiduciary duty towards the Company, provided that the Office Holder acted in good faith and with reasonable grounds to assume that the action in question was in the best interests of the Company; and

(iii) a financial obligation imposed on the Office Holder for the benefit of another person.

(b) Articles 61, 62 and 63(a) shall not apply under any of the following circumstances:

(i) a breach of an Office Holder's fiduciary duty, in which the Officer



Holder did not act in good faith and with reasonable grounds to assume that the action in question was in the best interest of the Company;

(ii) a reckless or intentional violation of an Office Holder's duty of care, but not if only committed negligently;

(iii) an intentional action by an Office Holder in which such Officer Holder intended to reap a personal gain illegally; and

(iv) a fine or ransom levied on an Office Holder.

(c) The Company may procure insurance for or indemnify any person who is not an Office Holder, including without limitation, any employee, agent, consultant or contractor, provided, however, that any such insurance or indemnification is in accordance with the provisions of these Articles and the Companies Law.

RIGHTS OF SIGNATURE AND RUBBER STAMP

64. Rights of Signature and Rubber Stamp

The Board of Directors shall be entitled to authorize any person or persons (who need not be Directors) to act and sign on behalf of the Company, and the acts and signature of such person(s) on behalf of the Company, together with the Company's rubber stamp or the Company's name in print or handwriting, shall bind the Company insofar as such person(s) acted and signed within the scope of such person's authority.

DIVIDENDS

65. Declaration of Dividends

Subject to Articles 82 and 83 and the provisions of the Companies Law, the Board of Directors may from time to time declare, and cause the Company to pay to the shareholders, according to their rights and benefits under these Articles, (i) such interim dividend as may appear to the Board of Directors to be justified by the profits of the Company; and (ii) such final dividend in respect of any fiscal period as shall be proposed by the Board of Directors and shall be payable only after the same has been approved by a resolution of the shareholders of the Company. Such resolution may provide for the payment of a final dividend of an amount less than that proposed by the Board of Directors, but no such resolution shall provide for the payment of a final dividend of an amount exceeding that proposed by the Board of Directors, and no such resolution or any failure to approve a final dividend shall affect any interim dividend theretofore declared and paid. The Board of Directors shall determine the time for payment of such dividends, both interim and final, and the record date for determining the shareholders entitled thereto.

66. Dividend Preference

(a) When, as, and if a dividend is declared and distributed in accordance with Article 65, the holders of the Preferred Shares shall be entitled to receive, prior to



any distribution of dividends to the holders of Ordinary Shares, a dividend up to an amount equal in the aggregate, to the Preferred Preference, as defined in Article 80 for each Preferred Share.

(b) After the dividend preferences of the Preferred Shares and has been paid in full, the Preferred Shares will participate pro-rata with the Ordinary Shares in the receipt of any additional dividends on an as-converted basis.

67. Payment in Specie

Upon the recommendation of the Board of Directors approved by a Resolution of the shareholders of the Company, a dividend may be paid, wholly or partly, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or debenture stock of the Company or of any other companies, or in any one or more of such ways.

68. Implementation of Powers under Articles 65 and 66

For the purpose of giving full effect to any resolution under Articles 65 66, the Board of Directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and, in particular, may issue fractional certificates, and may determine the value for distribution of any specific assets, and may determine that cash payments shall be made to any shareholders upon the footing of the value so fixed, or that fractions of less value than the nominal value of one share may be disregarded in order to adjust the rights of all parties, and may vest any such cash, shares, debentures, debenture stock or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board of Directors.

69. Deductions from Dividends

The Board of Directors may deduct from any dividend or other moneys payable to any shareholder in respect of a share any and all sums of money then payable by such shareholder to the Company on account of calls or otherwise in respect of shares of the Company and/or on account of any other matter of transaction whatsoever.

70. Retention of Dividends

(a) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

(b) The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any person is, under Articles 29 and 30, entitled to become a shareholder, or which any person is, under said Articles, entitled to transfer, until such person shall become a shareholder in respect of such share or shall transfer the same.



71. Unclaimed Dividends

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board of Directors for the benefit of the Company until claimed. The payment by the Directors of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of three (3) years from the date of declaration of such dividend, and any such other moneys unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company; provided, however, that the Board of Directors may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

72. Mechanics of Payment

Any dividend or other moneys payable in cash in respect of a share may be paid by check sent through the post to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, to any one of such persons or to his bank account), or to such person and at such address as the person entitled thereto may be writing direct. Every such check shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check shall be sent at the risk of the person entitled to the money represented thereby.

73. Receipt from a Joint Holder

If two or more persons are registered as joint holders of any share, or are entitled jointly thereto in consequence of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable in respect of such share.

CAPITALIZATION OF RESERVED FUND

74. Subject to the provisions of Articles 82 and 83, to the extent applicable, 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 of Directors 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 of Directors may act, and shall have all the powers and authorities, as set forth in Article 68 above, mutatis mutandis.

DONATIONS

75. The Company is permitted, in accordance with any relevant statutory limitations and/or obligations, to donate reasonable sums of money for causes deemed worthy by the Board of Directors of the Company with the consent of the Preferred Director. Such permission shall extend to circumstances in which donations are made without addressing business considerations of maximizing profit.

ACCOUNTS

76. Books of Account

The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable law. Such books of account shall be kept at the Registered Office of the Company, or at such other place or places as the Board of Directors may think appropriate, and they shall always be open to inspection by all Directors. No shareholder, not being a Director, shall, by reason of being a shareholder, have any right to inspect any account or book or other similar document of the Company, except as conferred by law.

77. Fiscal Year

The Company's fiscal year shall commence on January 1st and end on the following December 31st.

78. Auditors

Subject to the provisions of Articles 82 and 83 below:

(a) The shareholders of the Company shall appoint an Auditor(s) of the Company at the Annual General Meeting. Such appointment shall be in force until the end of the fiscal year for which the appointment is made, or for a longer period if so resolved at the Annual General Meeting, but in no event for a period of more than three fiscal years. The shareholders of the Company may remove the Auditor(s) at any time.

(b) The appointment and/or removal, authorities, rights and duties of the Auditor(s) of the Company shall be regulated by applicable law.

(c) The Board of Directors shall determine the remuneration of the Auditor(s) and report to the shareholders on such remuneration at the Annual General Meeting.



NOTICES

79. Notices

(a) Any written notice or other document may be served by the Company upon any shareholder either personally or by sending it by prepaid registered mail (airmail if sent to a place outside Israel) addressed to such shareholder at such shareholder's address as described in the Share Register or such other address as such shareholder may have designated in writing for the receipt of notices and other documents. Such documents may also be sent via fax to fax numbers designated by the Shareholder. Any written notice or other document may be served by any shareholder upon the Company at the principal office of the Company or by sending it by prepaid registered mail (airmail if posted outside Israel) to the Company at its Registered Address. Any such notice or other document shall be deemed to have been served two (2) business days after it has been posted (five (5) business days if sent to a place not located on the same continent as the place from where it was posted), or when actually received by the addressee if sooner than two (2) days or five (5) days, as the case may be, after it has been posted, or when actually tendered in person, to such shareholder (or to the Secretary or the Chief Executive Officer); provided, however, that notice may be sent by e-mail, facsimile or other electronic means and confirmed by registered mail as aforesaid, and such notice shall be deemed to have been given on the first business day following the date that such e-mail, facsimile or other electronic communication has been sent or when actually received by such shareholder (or by the Company), whichever is earlier. If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some respect, to comply with the provisions of this Article 79(a).

(b) All notices to be given to the shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Share Register, and any notice so given shall be sufficient notice to the holders of such share.

(c) Any shareholder whose address is not described in the Share Register, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

LIQUIDATION

80. Liquidation

In the event of liquidation, dissolution or winding up of the Company subject to applicable law (the "**Liquidation**"), all the assets of the Company legally available for distribution among the holders of the Company's shares shall be distributed to them in the following order and preference:

(a) First, each Preferred Share shall entitle its holder to a per share distribution in the amount of (i) the Original Issue Price of such Preferred Share, plus (ii) interest at a rate of 6% per annum of the Original Issue Price, compounded annually from



the date of the actual payment theretofore to the Company for the issuance of such Preferred Share to the date of distribution, plus (iii) declared and unpaid dividends (other than dividends that are paid in preference over Ordinary Shares); less any amount in respect of such Preferred Share which was previously paid, by way of dividend or otherwise, in preference over the Ordinary Shares (the "**Preferred Preference**"). In the event that the assets of the Company available for distribution to its shareholders shall be insufficient to pay the Preferred Preference in full, all of such assets shall be distributed among the holders of the Preferred Shares on a pro rata pari passu basis, in proportion to the full Preferred Preference such holders would otherwise be entitled to receive.

(b) After payment of the full Preferred Preference any remaining assets of the Company available for distribution to its shareholders, if any, shall be distributed pro-rata among all holders of Ordinary Shares and Preferred Shares of the Company, on an as converted basis.

(c) Notwithstanding the foregoing, if the aggregate distribution pursuant to the above Sub-Articles (a) and (b) (aggregating for such purpose all previously paid Preference Amounts) would result in the holders of Preferred Shares receiving an amount per each Preferred Share held by them of at least three (3) times the Original Issue Price of such Preferred Share, then each holder of Preferred Shares shall be entitled to receive in respect of each Preferred Share held by such holder of Preferred Share the higher of (i) an aggregate amount of three (3) times the respective Original Issue Price less any previous Preference Amounts paid in respect of Share (the "**Threshold Amount**"), or (ii) its/his/her pro rata portion (calculated on an as converted basis and without giving effect to the Preferred Preference) of the assets and funds of the Company available for distribution.

81. Deemed Liquidation

In addition to any liquidation, dissolution, or winding up of the Company under applicable law, the Company shall be deemed to be wound up (and the provisions of Articles 80 shall apply to the proceeds paid by the acquirer in the following transaction), unless otherwise agreed in writing by the holders of a majority of the issued and outstanding Preferred Shares, on an as converted basis, in the event of (i) a consolidation or merger of the Company or any other transaction or series of related transactions, provided that following such consolidation, merger or transaction the Company's shareholders do not retain solely by virtue of their pre-transaction shares (or shares received in consideration thereof) voting control of the resulting entity after the transaction, or (ii) a sale of all or substantially all of the Company's assets or a transfer or grant of an exclusive, perpetual and worldwide license to all or substantially all of the Company's assets (other than an exclusive license in the ordinary course of business which does not amount to a de-facto sale of the Company or substantial part thereof), other than to a wholly-owned subsidiary of the Company, and excluding a transaction in which shareholders of the Company prior to the transaction will retain solely by virtue of their pre-transaction shares (or shares received in consideration thereof) voting control of the resulting entity after the transaction; (each a "**Deemed Liquidation Event**" and together with a Liquidation shall be referred to in these Articles as "**Liquidation Event**"). Notwithstanding anything to the contrary in these Articles, the proceeds of any Deemed Liquidation Event, shall be allocated and distributed among the shareholders in accordance with Article 80, whether by dividend or otherwise, such that at the closing of the transaction at which the Company is deemed for purposes of this Article 81 to be wound up, the shareholders shall be entitled to receive in cash, securities, properties or a



combination thereof, an amount equal to the amount per share which would be payable to such shareholders, respectively, pursuant to Article 80 if all consideration being received by the Company and the holders of the Company's shares in connection with such transaction were being distributed in a liquidation of the Company.

MAJOR DECISIONS

82. Until the earlier of an IPO and a Default Conversion, any action or resolution regarding any of the following issues shall, in addition to any action by the Board of Directors pursuant to its authority under the Companies Law or these Articles, require the prior written consent of the holders of a majority of the issued and outstanding Preferred Shares, on an as converted basis (including by way of a consent signed by such majority):

(i) adversely alters or changes the rights, preferences, or privileges of the Preferred Shares; (ii) transfers or grants an exclusive license to all or substantially all of its intellectual property; (iii) effects a merger, reorganization, sale of the Company or all or substantially all of the Company's shares or assets which yields to the holders of the Preferred Shares for each Preferred Share an amount which is less than the Threshold Amount; (iv) declares or pays any dividend or other distribution of cash, shares, or other assets, except in connection with any dividend payable in respect of the Preferred Shares; (v) amends, waives or otherwise modifies the Company's Articles of Association which adversely alters or changes the rights, preferences or privileges of the Preferred Shares; (vi) effects any dissolution, liquidation or other winding up of the Company or any subsidiary or the cessation of all or a substantial part of the business of the Company or any subsidiary; and (vii) any change to the number to the maximum size of the Board of Directors or to the right to elect or remove of the directors.

82A. Any amendment to rights granted specifically by name in these Articles to the Magma Entities shall require the prior written consent of Magma.

83. Until the earlier of an IPO and a Default Conversion, any action or resolution regarding any of the following issues shall require the consent of the Preferred Director and if no Preferred Director is serving at such time, the prior written consent of the holders of the majority of the Preferred Shares shall be required for such actions or resolutions:

(i) effects any interested party transaction (as defined in the Companies Law); (ii) makes any loans or advances to employees other than in the ordinary course of business (such as travel advances); (iii) makes any guarantee for an indebtedness of third party; (iv) creates any mortgage, pledge or other security interest over all or substantially all of the property of the Company or a subsidiary or over any of the intellectual property rights of the Company, (v) take any action to adopt or vary signatory rights of the Company; (vi) vary or make any binding decision relating to the terms of employment or benefits of any of the Founders and of the CEO and the CFO of the Company; (vii) incur any capital expenditure (including obligations under hire-purchase and leasing arrangements) which exceeds the amount of US\$50,000 or (where no items were specified but a general provision made) in relation to any item exceeding US\$50,000; (viii) make any loan or



advance or give any credit (other than in the ordinary course of business) to any person or acquire any loan capital of any corporate body (wherever incorporated); (ix) effectuate an initial public offering at a Company valuation below US\$100 million; (x) approve or make any material deviation from the business plan and annual budget of the Company; (xi) creates or issues Preferred Shares or any class or series of shares or other securities having rights or a preference equal or superior to the Preferred Shares; (xii) appoint or replace the Company's auditors; and (xiii) appointment and replacement of the CEO of the Company

84. The Company shall ensure that the provisions of Articles 82 and 83 shall apply to actions taken by any of the Company's subsidiaries.





משרד המשפטים

מסמך זה הינו העתק שנסרק בשלמותו ביום ובשעה המצוינים,
בסריקה ממוחשבת מהימנה מהמסמך המצוי בתיק,
בהתאם לנוהל הבדיקות במשרד המשפטים.
על החתום

משרד המשפטים (חתימה מוסדית).



אישור שמסמך זה החתום אלקטרונית,
מהווה העתק של מסמך (מקור או העתק) המצוי
ביום החתימה בתיק התאגיד ברשות התאגידים