UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the month of: April 2019 (Report No. 5)

Commission file number: 001-38610

SAFE-T GROUP LTD.
(Translation of registrant's name into English)

8 Abba Eban Ave.
Herzliya, 4672526 Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(1):_____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulations S-T Rule 101(b)(7):_____

CONTENTS

Attached hereto and incorporated by reference herein is the (i) Registrant's Notice of Extraordinary General Meeting of Shareholders to be held on Thursday, May 16, 2019 (the "**Meeting**"), Proxy Statement and Proxy Card for the Meeting, and (ii) voting instruction form which will be sent to holders of American Depositary Shares by The Bank of New York Mellon.

Only shareholders of record who hold Ordinary Shares, no par value, or American Depositary Shares representing Ordinary Shares, of the Registrant at the close of business on April 15, 2019, will be entitled to notice of and to vote at the Meeting and any postponements or adjournments thereof.

Exhibit No.	Description
99.1	Notice of Meeting, Proxy Statement and Proxy Card for the Extraordinary General Meeting of Shareholders to be held on Thursday, May 16, 2019.
99.1.A	Exhibit A to Proxy Statement - Biographical Description for the Proposed Appointments.
99.1.B	Exhibit B to Proxy Statement - U.S. Addendum to the Safe-T Group Global Equity Plan.
99.1.C	Exhibit C to Proxy Statement - Form of Share and Asset Purchase Agreement.
99.1.D	Exhibit D to Proxy Statement - Form of Securities Purchase Agreement.
99.2	Voting Instruction Form for Holders of American Depositary Shares.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Safe-T Group Ltd.
(Registrant)

By /s/ Hagit Gal
Name: Hagit Gal
Title: Corporate Counsel

Date: April 11, 2019

SAFE-T GROUP LTD.
NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that an Extraordinary General Meeting of Shareholders (the "**Meeting**") of Safe-T Group Ltd. ("**Safe-T**" or the "**Company**") will be held at the Company's offices, at 8 Aba Eban Blvd., Herzliya, Israel, on May 16, 2019, at 3:30 p.m. Israel time.

The Company is a Dual Company, as such term is defined in the Israeli Companies Regulations (Relief for Public Companies Traded on Stock Markets Outside of Israel), 4760 – 2000.

The agenda of the Meeting:

1. To appoint Mr. Chen Katz as a member of the Company's Board of Directors.

2. To appoint Ms. Noa Matzliach as a member of the Company's Board of Directors.

3. To approve Mr. Chen Katz's terms of compensation as active Chairman of the Company's Board of Directors.

4. To approve Mr. Amir Mizhar's terms of compensation as set forth in the proxy statement.

5. To re-appoint Mr. Yehuda Halfon for an additional three-year term as an external director of the Company and to approve Mr. Halfon's remuneration terms.

6. To appoint Mr. Moshe Tal as an external director of the Company and to approve Mr. Tal's remuneration terms.

7. To increase the Company's registered share capital, and to amend and restate the Company's articles of association to reflect the same.

8. To adopt, authorize and approve the U.S. Addendum to the Safe-T Group Global Equity Plan, under which incentive stock options may be granted to our U.S. subsidiary employees and to any other employees of any U.S. affiliate of the Company that may be incorporated in the future in accordance with the U.S. Internal Revenue Code of 1986, as amended, as described in the proxy statement.

9. To approve the transactions for the Company's acquisition of NetNut Ltd. ("**NetNut**") and certain assets of DiViNetworks Ltd. ("**NetNut Transaction**" and "**DiVi**", respectively), including (i) approval of a material share and asset purchase agreement with NetNut, whereby the Company will acquire 100% of the outstanding share capital of NetNut and certain assets of DiVi, NetNut's controlling shareholder, which have been deemed necessary for the effective ongoing operations of NetNut; and (ii) approval of a material private offering of the Company's ordinary shares (as such term is defined in Israeli Companies Law, 5799-1999 (the "**Companies Law**")) to the shareholders of NetNut in connection with the NetNut Transaction, including in accordance with Section 328(b) of the Companies Law.

10. To approve the transactions for obtaining by the Company of a convertible loan from certain lenders (the "**CLA Transaction**" and "**Lenders**", respectively), including (i) approval of a material securities purchase agreement with the Lenders, against issuance of convertible debentures and warrants to purchase the Company's ADSs; and (ii) a material private offering of the Company's ordinary shares originating from conversion or exercise of such debentures and warrants in connection with the CLA Transaction, including in accordance with Section 328(b) of the Companies Law.

The Board of Directors unanimously recommends that you vote in favor of all the proposals, which are described in the attached proxy statement.

Shareholders of record at the close of business on April 15, 2019 (the "**Record Date**"), are entitled to notice of and to vote at the Meeting, either in person or by appointing a proxy to vote in their stead at the Meeting (as detailed below).

A form of proxy for use at the Meeting is attached to the proxy statement, and a voting instruction form, together with a return envelope, will be sent to holders of American Depositary Shares representing the Company's Ordinary Shares ("**ADS**"). By appointing "proxies," shareholders and ADS holders may vote at the Meeting whether or not they attend. If a properly executed proxy in the attached form is received by the Company at least 4 hours prior to the Meeting, all of the ordinary shares, no par value, of the Company (the "**Ordinary Shares**") represented by the proxy shall be voted as indicated on the form. ADS holders should return their voting instruction form by the date set forth therein. Subject to applicable law and the rules of the Nasdaq Stock Market, in the absence of instructions, the Ordinary Shares represented by properly executed and received proxies will be voted "FOR" all of the proposed resolutions to be presented at the Meeting for which the Board of Directors recommends a "FOR". Shareholders and ADS holders may revoke their proxies or voting instruction form (as applicable) at any time before the deadline for receipt of proxies or voting instruction form (as applicable) by filing with the Company (in the case of holders of Ordinary Shares) or with the Bank of New York Mellon (in the case of holders of ADSs) a written notice of revocation or duly executed proxy or voting instruction form (as applicable) bearing a later date.

Shareholders registered in the Company's shareholders register in Israel and shareholders who hold Ordinary Shares through members of the Tel Aviv Stock Exchange may also vote through the attached proxy by completing, dating, signing and mailing the proxy to the Company's offices no later than May 13, 2019, at 3:30 p.m. Israel time. Shareholders registered in the Company's shareholders register in Israel and shareholders who hold Ordinary Shares through members of the Tel-Aviv Stock Exchange who vote their Ordinary Shares by proxy must also provide the Company with a copy of their identity card, passport or certification of incorporation, as the case may be. Shareholders who hold shares through members of the Tel Aviv Stock Exchange and intend to vote their Ordinary Shares either in person or by proxy must deliver the Company, no later than May 16, 2019, at 11:30 a.m. Israel time, an ownership certificate confirming their ownership of the Company's Ordinary Shares on the Record Date, which certificate must be approved by a recognized financial institution, as required by the Israeli Companies Regulations (Proof of Ownership of Shares for Voting at General Meeting), 5760 – 2000, as amended. Alternatively, shareholders who hold Ordinary Shares through members of the Tel Aviv Stock Exchange may vote electronically via the electronic voting system of the Israel Securities Authority up to six hours before the time fixed for the Meeting. You should receive instructions about electronic voting from the Tel Aviv Stock Exchange member through which you hold your Ordinary Shares.

ADS holders should return their proxies by the date set forth on their voting instruction form.

If you are a beneficial owner of shares registered in the name of a member of the Tel Aviv Stock Exchange and you wish to vote, either by appointing a proxy, or in person by attending the Meeting, you must deliver to the Company a proof of ownership in accordance with the Companies Law and the Israeli Companies Regulations (Proof of Ownership of Shares for Voting at General Meetings), 5760 - 2000. Detailed voting instructions are provided in the proxy statement.

Sincerely,

Chen Katz
Chairman of the Board of Directors

April 11, 2019

SAFE-T GROUP LTD.
HERZLIYA, ISRAEL

PROXY STATEMENT

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS
May 16, 2019

The enclosed proxy is being solicited by the board of directors (the "**Board of Directors**") of Safe-T Group Ltd. (the "**Company**") for use at the Company's extraordinary general meeting of shareholders (the "**Meeting**") to be held on May 16, 2019, at 3:30 p.m. Israel time, or at any adjournment or postponement thereof. Upon the receipt of a properly executed proxy in the form enclosed, the persons named as proxies therein will vote the ordinary shares, no par value, of the Company (the "**Ordinary Shares**") covered thereby in accordance with the directions of the shareholders executing the proxy. In the absence of such directions, and except as otherwise mentioned in this proxy statement, the Ordinary Shares represented thereby will be voted in favor of each of the proposals described in this proxy statement.

Two or more shareholders present, personally or by proxy, holding not less than 25% (twenty five percent) of the Company's outstanding Ordinary Shares, shall constitute a quorum for the Meeting. If within half an hour from the time the Meeting is convened a quorum is not present, the Meeting shall stand adjourned until May 23, 2019, at 3:30 p.m. Israel time. If a quorum is not present at the second meeting within half an hour from the time appointed for such meeting, any number of shareholders present personally or by proxy shall be deemed a quorum, and shall be entitled to deliberate and to resolve in respect of the matters for which the Meeting was convened. Abstentions and broker non-votes are counted as Ordinary Shares present for the purpose of determining a quorum.

Pursuant to the Israeli Companies Law, 5799-1999 (the "**Companies Law**"), each of Proposals No. 1 through 4 and 7 through 10 described hereinafter, requires the affirmative vote of shareholders present at the Meeting, in person or by proxy, and holding Ordinary Shares of the Company amounting in the aggregate to at least a majority of the votes actually cast by shareholders with respect to such proposals (a "**Simple Majority**").

Pursuant to the Companies Law each of Proposals No. 5 and 6 described hereinafter requires the affirmative vote of the Company's shareholders holding at least a majority of the Company's Ordinary Shares present, in person or by proxy, and voting on the matter, provided that either (i) such a majority includes at least the majority of the votes of shareholders who (a) are not controlling shareholders of the Company and (b) do not have a personal interest in the approval of the election of the external director (other than a personal interest that is not the result of the shareholder's connections with a controlling shareholder) (abstentions will not be taken into account); or (ii) the total number of votes against such proposal among the shareholders mentioned in clause (i) above does not exceed two percent (2%) of the total voting rights in the Company (the "**External Directors Majority**").

For this purpose, "personal interest" is defined under the Companies Law as: (1) a shareholder's personal interest in the approval of an act or a transaction of the Company, including (i) the personal interest of any of his or her relatives (which includes for these purposes foregoing shareholder's spouse, siblings, parents, grandparents, descendants, and spouse's descendants, siblings, and parents, and the spouse of any of the foregoing); (ii) a personal interest of a corporation in which a shareholder or any of his/her aforementioned relatives serve as a director or the chief executive officer, owns at least 5% of its issued share capital or its voting rights or has the right to appoint a director or chief executive officer; and (iii) a personal interest of an individual voting via a power of attorney given by a third party (even if the empowering shareholder has no personal interest), and the vote of an attorney-in-fact shall be considered a personal interest vote if the empowering shareholder has a personal interest, and all with no regard as to whether the attorney-in-fact has voting discretion or not, but (2) excludes a personal interest arising solely from the fact of holding shares in the Company.

For this purpose, a "controlling shareholder" is any shareholder that has the ability to direct the Company's activities (other than by means of being a director or office holder of the Company). A person is presumed to be a controlling shareholder if he or she holds or controls, by himself or together with others, one half or more of any one of the "means of control" of a company; in the context of a transaction with an interested party, a shareholder who holds 25% or more of the voting rights in the company if no other shareholder holds more than 50% of the voting rights in the company, is also presumed to be a controlling shareholder. "Means of control" is defined as any one of the following: (i) the right to vote at a general meeting of a company, or (ii) the right to appoint directors of a company or its chief executive officer.

Shareholders or ADS holders wishing to express their position on an agenda item for this Meeting may do so by submitting a written statement (a "**Position Statement**") to the Company's offices, c/o Mr. Shai Avnit, at 8 Aba Eban Blvd., Herzliya, Israel. Any Position Statement received will be furnished to the U.S. Securities and Exchange Commission (the "**SEC**") on Form 6-K, and will be made available to the public on the SEC's website at www.sec.gov and in addition at www.magna.isa.gov.il or https://maya.tase.co.il/. Position Statements should be submitted to the Company no later than May 6, 2019. A shareholder is entitled to contact the Company directly and receive the text of the proxy card and any Position Statement.

PROPOSAL 1
APPOINTMENT OF MR. CHEN KATZ AS A MEMBER OF THE COMPANY'S BOARD OF DIRECTORS

It is proposed to appoint Mr. Chen Katz to the Board of Directors of the Company until the next annual general meeting of the Company.

Mr. Chen Katz was appointed by the Board of Directors on January 20, 2019 as an additional director pursuant to the Company's articles of association (the "**Articles**"), to hold office until the next annual general meeting of the Company. On the same day and after Mr. Mizhar resigned from his position as chairman, Mr. Katz was also appointed by the Board of Directors to hold the position of Chairman of the Board of Directors.

A brief biographical description for Mr. Chen Katz is attached hereto as **Exhibit A**.

Mr. Katz has provided the Company with declaration in accordance with Section 224b to the Companies Law, pursuant to which Mr. Katz complies with the required qualifications under the Companies Law to serve as a director of the Company and is capable to dedicate the appropriate amount of time for the performance of his role as a member of the Board of Directors.

Mr. Chen Katz's terms of compensation are as set forth in Proposal No. 3 herein.

The shareholders of the Company will be requested to adopt the following resolution at the Meeting:

"**RESOLVED, to appoint Mr. Chen Katz as a member of the Company's Board of Directors, until the next annual general meeting of the Company's shareholders.**"

The approval of this proposal, as described above, requires the affirmative vote of a Simple Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR the above proposal.

PROPOSAL 2
APPOINTMENT OF MS. NOA MATZLIACH AS A MEMBER OF THE COMPANY'S BOARD OF DIRECTORS

It is proposed to appoint Ms. Noa Matzliach to the Board of Directors of the Company until the next annual general meeting of the Company.

Ms. Noa Matzliach has served on our Board of Directors since March 24, 2019. She was appointed as an additional director pursuant to the Articles, to hold office until the next annual general meeting of the Company.

A brief biographical description for Ms. Matzliach is attached hereto as **Exhibit A**.

Ms. Matzliach has provided the Company with declaration in accordance with Section 224b to the Companies Law, pursuant to which Ms. Matzliach complies with the required qualifications under the Companies Law to serve as a director of the Company and is capable to dedicate the appropriate amount of time for the performance of her role as a member of the Board of Directors.

In her capacity as a member of the Company's Board of Directors, Ms. Matzliach shall be entitled to the fees identical to those payable by the Company to other directors who do not hold executive positions with the Company: (i) an annual fee of NIS 30,000 and (ii) an attendance fee of NIS 1,500 per meeting which amounts are less than the maximum amounts set forth in the second and third appendices of the Companies Regulations (Rules concerning Compensation and Expenses of an External Director), 5760-2000 (the "**External Directors Compensation Regulations**").

In addition, in her capacity as a member of the Company's Board, Ms. Matzliach shall be entitled to the same insurance, indemnification and exculpation arrangements, as is currently in effect for the Company's officers and directors; all of which are in accordance with the Articles and the Company's compensation policy as approved by the Company's shareholders on August 8, 2017 (the "**Compensation Policy**").

Our Board of Directors confirmed that Ms. Matzliach possesses financial and accounting expertise under the Companies Law and regulations promulgated thereunder.

The shareholders of the Company will be requested to adopt the following resolution at the Meeting:

"**RESOLVED, to appoint Ms. Noa Matzliach as a member of the Company's Board of Directors, until the next annual general meeting of the Company's shareholders.**"

The approval of this proposal, as described above, requires the affirmative vote of a Simple Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR the above proposal.

PROPOSAL 3
APPROVAL OF THE TERMS OF COMPENSATION OF THE CHAIRMAN

On January 20, 2019, the Company's compensation committee (the "**Committee**") followed by the Board of Directors, resolved that in his capacity as an active chairman of the Company's Board, Mr. Katz will be entitled to the maximum amount of compensation payable to an expert external director in accordance with the External Directors Compensation Regulations (the "**Former Compensation**").

In addition, Mr. Katz was granted the same insurance, indemnification and exculpation arrangements, as is currently in effect for other Company's officers and directors; all in accordance with the Articles and the Compensation Policy.

On March 12, 2019 and March 24, 2019, the Committee and the Board of Directors, respectively, approved the Company's engagement in a service agreement (the "**Service Agreement**") with Mr. Katz. Under the Service Agreement, Mr. Katz shall personally provide the services of a director and an active Chairman of the Company's Board of Directors (the "**Katz Services**"). The Katz Services will include such duties as customary associated with such position and as may otherwise be assigned and/or designated to such position by the Board of Directors and/or any applicable law from time to time.

The shareholders are requested to approve Mr. Katz's terms of compensation as an active Chairman of the Company's Board of Directors as set forth in the Service Agreement (replacing the Former Compensation), effective as of the date of his appointment, dated January 20, 2019, which will replace the Former Compensation, as follows (the "**Proposed Compensation**"):

a) Services Fee. In consideration for the Katz Services, Mr. Katz will be entitled to a monthly payment in the amount of thirty thousand NIS (NIS 30,000) plus VAT, if applicable. The Former Compensation due to Mr. Katz for the period commencing on his appointment date and ending on the date of this Meeting shall constitute a part of the services fee.

b) OTE. Mr. Katz will be eligible to earn on target earnings payments (the "**OTE Payments**"). The entitlement to the OTE Payments shall be based on Mr. Katz's achievement of certain targets and goals as will be set forth in a personal OTE plan for the chairman, the terms of which shall be determined by the Board of Directors in accordance with the Company's annual budget and then in effect compensation policy, subject to any and all required approvals and consents.

c) Equity. Mr. Katz will be entitled to options to purchase Ordinary Shares of the Company (the "**Options**"). The number, exercise price, vesting schedule and other terms and conditions of the Options, shall be determined by the Board of Directors in its sole and absolute discretion and subject to any and all required approvals and consents and the terms of the Company's then in effect compensation policy, the respective equity plan and relevant grant agreement in such form as approved by the Board of Directors. Any tax liability in connection with the Options shall be borne solely by Mr. Katz.

d) Reimbursement of expenses. Mr. Katz will be eligible for reimbursement of reasonable expenses directly related to the Katz Services. Reimbursement shall be made by the Company according to its procedures, as may be amended from time-to-time at Company's sole discretion and its customary accounting and payment procedures. For travels abroad in connection with the performance of his duties, Mr. Katz will be entitled to a payment in the amount of two thousand NIS (NIS 2,000) per each day of such international travel. Other expenses reasonably incurred by Mr. Katz in connection with such travel will be reimbursed by the Company against presentation of supporting documents and in accordance with its applicable policies.

e) Miscellaneous. The Service Agreement may be terminated by either party by giving the other party a 30-day notice, except as otherwise required by applicable laws or in case of breach of the terms defined in the Service Agreement.

The Proposed Compensation is comprehensive and inclusive of any per-meeting or annual payments payable to Mr. Katz in his capacity as a director of the Company, and is in accordance with the Compensation Policy. In making its recommendation to the Company's shareholders, the Committee and the Board of Directors each considered various factors following the presentation of benchmark analysis, including, among others, (a) Mr. Katz's compensation reflects a fair and reasonable value for his services and is considered customary for such positions in companies of similar scopes of activities, inter alia, based on the presented benchmark analysis; and (b) Mr. Katz's position, responsibilities and Former Compensation.

The Committee and the Board of Directors found the Proposed Compensation reasonable under the circumstances, including existing market conditions, and that the approval thereof is in the best interests of the Company and in accordance with the Compensation Policy. The shareholders of the Company are requested to adopt the following resolutions:

"**RESOLVED, to approve Mr. Katz's Proposed Compensation as set forth in the proxy statement, effective as of January 20, 2019.**"

The approval of this proposal, as described above, requires the affirmative vote of a Simple Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR the above proposal.

PROPOSAL 4
APPROVAL OF THE TERMS OF COMPENSATION OF MR. AMIR MIZHAR

On May 8, 2016, the Company's shareholders approved Mr. Amir Mizhar's current terms of compensation as the Company's active chairman of the Board of Directors. In addition Mr. Mizhar has continued to provide the Company with services of Chief Software Architect ("**CTA**").

On January 20, 2019, Mr. Mizhar resigned from his position as chairman of the Board of Directors (Mr. Katz was appointed to hold this position), and was appointed as president of the Company, while continuing to serve as a director and the Company's CTA.

Therefore, on January 20 and March 12, 2019, the Committee, followed by the Board of Directors on March 24, 2019 (collectively, the "**Mizhar Meetings**") examined Mr. Mizhar's changes in responsibilities and roles with the Company, and further to discussions on this matter held in their meetings, re-approved Mr. Mizhar's compensation terms previously approved by the Company's shareholders on May 8, 2016.

Pursuant to the Mizhar Meetings, it was determined that Mr. Mizhar will act in the following functions: (a) director, (b) president, in what shall be mainly of representative nature; and (c) CTA in a capacity that is equal to a full time position (the "**Mizhar Services**"). The Mizhar Services will include general roles associated with such offices, as well as other assignments as may be requested by the Company from time to time.

In consideration for the Mizhar Services, the Company will pay Mr. Mizhar a monthly fee of NIS 55,000 plus VAT (including any per-meeting or annual payments payable to Mr. Mizhar in his capacity as a director of the Company). In addition, Mr. Mizhar will be eligible for bonus payments, 22 days of paid annual leave, and the Company will bear expenses that are incurred for the purpose of the performance of the Mizhar Services, all in accordance with the Compensation Policy.

In making its recommendation to the Company's shareholders, the Committee and the Board of Directors each considered various factors following the presentation of benchmark analysis, including, among others, (a) Mr. Mizhar's compensation reflects a fair and reasonable value for his services and is considered customary for such positions in companies of similar scopes of activities, inter alia, based on benchmark analysis; and (b) Mr. Mizhar's position, responsibilities and previous compensation arrangements.

The Committee and the Board of Directors found the compensation payable to Mr. Mizhar reasonable under the circumstances, including existing market conditions, and that the approval thereof is in the best interests of the Company and in accordance with the Compensation Policy.
The shareholders of the Company will be requested to adopt the following resolution at the Meeting:

"**RESOLVED, to approve Mr. Mizhar's terms of compensation as set forth in the proxy statement, effective as of January 20, 2019.**"

The approval of this proposal, as described above, requires the affirmative vote of a Simple Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR the above proposal.

INFORMATION REGARDING PROPOSALS 5 AND 6

Under the Companies Law, companies incorporated under the laws of Israel whose shares have been offered to the public in or outside of Israel, such as the Company, are required to appoint at least two external directors.

Pursuant to the Companies Law, external directors are required to be elected by the shareholders for an initial term of three years. After such initial term, an external director may generally be re-elected to serve in that capacity for up to two additional three-year terms.

The Companies Law provides that a person is not qualified to serve as an external director if (i) the person is a relative of the controlling shareholder of the company, or (ii) that person or his or her relative, partner, employer, direct or indirect supervisor, or any entity under the person's control, has or had, during the two years preceding the date of appointment as an external director: (a) any affiliation with the company, with any person or entity controlling the company or a relative of such person, or with any entity controlled by or under common control with the company; or (b) in the case of a company with no controlling shareholder, any affiliation with a person serving as chairman of the board, chief executive officer, a substantial shareholder or the most senior office holder in the company's finance department.

The term "relative" is defined as a spouse, sibling, parent, grandparent or descendant; spouse's sibling, parent or descendant; and the spouse of each of the foregoing persons. The term "affiliation" and the similar types of prohibited relationships include (subject to certain exemptions): an employment relationship; a business or professional relationship maintained on a regular basis; control; and service as an office holder.

In addition, no person may serve as an external director if that person's position or professional or other activities create, or may create, a conflict of interest with that person's responsibilities and role as an external director.

All of the external directors of a company must be members of its audit committee and compensation committee and each other committee of a company's board of directors which is authorized to exercise powers of the board of directors must include at least one external director.

PROPOSAL 5
RE-APPOINTMENT OF MR. YEHUDA HALFON AS AN EXTERNAL DIRECTOR OF THE COMPANY AND APPROVAL OF HIS REMUNERATION TERMS

At the Meeting, the Company's shareholders will be requested to re-appoint Mr. Yehuda Halfon as an external director of the Company, for a three-year term commencing on the date of the Meeting.

Mr. Halfon was appointed for a first three-year term as an external director of the Company at the annual general meeting of the Company's shareholders held on March 27, 2016. The term of Mr. Halfon's office expired on March 26, 2019. The Committee and the Board of Directors, in respective meetings held March 12 and March 24, 2019, discussed Mr. Halfon expertise and contribution to the work of the Committee, the Company's Audit Committee, the Company's Financial Statements Review Committee and the Board of Directors, as well as his extensive understanding of the Company's activities and managerial and strategic objectives, his financial expertise and business experience.

The Board of Directors has determined that Mr. Halfon possesses accounting and financial expertise as required under the Companies Law and the regulations promulgated thereunder.

A brief biographical description for Mr. Halfon is attached hereto as **Exhibit A.**

Mr. Halfon has provided the Company with declaration in accordance with requirements of the Companies Law, pursuant to which he complies with the required qualifications under the Companies Law to serve as an external director and is capable to dedicate the appropriate amount of time for the performance of his role as a member of the Board of Directors.

In his capacity as an external director of the Company, Mr. Halfon shall be entitled to (i) an annual fee of NIS 30,000, (ii) an attendance fee of NIS 1,500 per meeting, which amounts comply with the amounts set forth in the second and third appendices of the External Directors Compensation Regulations; and (iii) options to purchase the Company's securities, in accordance with the provisions of the Compensation Policy and the External Directors Compensation Regulations. In addition, Mr. Halfon shall be entitled to the same insurance, indemnification and exculpation arrangements, as currently in effect for the Company's officers and directors; all of which is in accordance with the Articles and the Compensation Policy.

The shareholders of the Company will be requested to adopt the following resolutions at the Meeting:

"**RESOLVED, to re-appoint Mr. Yehuda Halfon for an additional (second) three-year term as an external director of the Company, commencing on the date of the Meeting.**"

"**RESOLVED, to approve the payment of the remuneration set forth in this proxy statement to Mr. Halfon. In the event that during the term of Mr. Halfon's office, the Company grants options to purchase the Company's securities to its directors which do not hold executive positions with the Company, the Company will grant options to Mr. Halfon, on the same terms and in a manner conforming to the External Directors Compensation Regulations and the Compensation Policy. Mr. Halfon will continue to benefit from the same insurance, indemnification and exculpation arrangements, as currently in effect for other Company's officers and directors.**"

The approval of this proposal, as described above, requires the affirmative vote of an External Directors Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR the above proposal.

PROPOSAL 6
APPOINTMENT OF MR. MOSHE TAL AS AN EXTERNAL DIRECTOR OF THE COMPANY AND APPROVAL OF HIS REMUNERATION TERMS

At the Meeting, the Company's shareholders will be requested to appoint Mr. Moshe Tal as an external director of the Company, for a three-year term commencing on the date of the Meeting.

The Board of Directors recommends appointing Mr. Tal as an external director due to his level of professional knowledge, experience and expected contribution to the Company.

The Board of Directors has determined that Mr. Tal possesses accounting and financial expertise as required under the Companies Law and the regulations promulgated thereunder.

A brief biographical description for Mr. Tal is attached hereto as **Exhibit A.**

Mr. Tal has provided the Company with declaration in accordance with requirements of the Companies Law, pursuant to which he complies with the required qualifications under the Companies Law to serve as an external director and is capable to dedicate the appropriate amount of time for the performance of his role as a member of the Board of Directors.

In his capacity as an external director of the Company, Mr. Tal shall be entitled to (i) an annual fee of NIS 30,000, (ii) an attendance fee of NIS 1,500 per meeting which amounts comply with the amounts set forth in the second and third appendices of the External Directors Compensation Regulations; and (iii) options to purchase the Company's securities, in accordance with the provisions of the Compensation Policy and the External Directors Compensation Regulations. In addition, Mr. Tal shall be entitled to the same insurance, indemnification and exculpation arrangements, as currently in effect for the Company's officers and directors; all of which is in accordance with the Articles and the Compensation Policy.

The shareholders of the Company will be requested to adopt the following resolutions at the Meeting:

"**RESOLVED, to appoint Mr. Moshe Tal for a first three-year term as an external director of the Company, commencing on the date of the Meeting.**"

"**RESOLVED, to approve the payment of the remuneration set forth in this proxy statement to Mr. Moshe Tal. In the event that during the term of Mr. Tal's office, the Company grants options to purchase the Company's securities to its directors which do not hold executive positions with the Company, the Company will grant options to Mr. Tal, on the same terms and in a manner conforming to the External Directors Compensation Regulations and the Compensation Policy. Mr. Tal will benefit from the same insurance, indemnification and exculpation arrangements, as currently in effect for other Company's officers and directors.**"

The approval of these proposals, as described above, requires the affirmative vote of an External Directors Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR the above proposal.

PROPOSAL 7
APPROVAL OF THE INCREASE OF THE AUTHORIZED SHARE CAPITAL

The current authorized share capital of the Company is comprised of 1,000,000,000 Ordinary Shares.

Following the approval of Proposals No. 9 and 10 herein, the Company's share capital on fully diluted and as converted basis, including the anti-dilution protection proposed to be granted to the Lenders under Proposal 10, may amount to more than 1,500,000,000 Ordinary shares. Under the Companies Law, a company may not issue shares in excess of its registered share capital.

Therefore, and in order to provide the Company with flexibility for future investment opportunities (subject to obtaining all the consents and approvals required by law), the shareholders of the Company are requested to approve an increase of the authorized share capital of the Company by an additional 4,000,000,000 Ordinary Shares, and to amend and restate the Articles to reflect the same. Subject to the approval of the Company's shareholders, following the proposed increase, the authorized share capital of the Company will be comprised of 5,000,000,000 Ordinary Shares.

The shareholders of the Company are requested to adopt the following resolution:

"**RESOLVED, to increase the Company's registered capital to 5,000,000,000 Ordinary Shares, no par value, and to amend and restate the Company's articles of association to reflect the same.**"

The approval of the above proposal, as described above, requires the affirmative vote of a Simple Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR on the above proposal.

PROPOSAL 8
ADOPTION OF U.S. ADDENDUM TO OUR SAFE-T GROUP GLOBAL EQUITY PLAN

We maintain one equity incentive plan – the Safe-T Group Global Equity Plan (the "**Equity Plan**"), which provides for the grant of options to purchase our Ordinary Shares. A copy of the Equity Plan is attached as Exhibit 10.12 to our Registration Statement on Form F-1, which we filed with the SEC on July 5, 2018, and which we incorporate by reference to this proxy statement. We encourage our employees, directors and key consultants to assume an important role at our Company via programs that link their compensation to equity return. We believe that our personnel can be motivated and retained through such programs, and we therefore utilize option grants as part of our compensation strategy.

We have a U.S. subsidiary, Safe-T USA Inc., employing U.S. residents. Therefore, we seek to broaden the scope of the Equity Plan to enable option grants to employees of the Company or its subsidiaries who are U.S. residents. In order to do so, we adopted an addendum to the Equity Plan, for purposes of U.S. tax laws.

Under the addendum to the Equity Plan, in the form adopted by our Board of Directors in January 2019, substantially in the form attached to this proxy statement as **Exhibit B** (the "**U.S. Addendum**"), pursuant to which the Board of Directors may grant options to purchase Ordinary Shares, including "incentive stock options" ("**ISO**"), to U.S. residents in accordance with the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). In order to grant options to purchase Ordinary Shares pursuant to ISOs, under the applicable provisions of the Code, we are required to obtain our shareholders' approval for the U.S. Addendum to the Equity Plan.

Under the Code, shareholder approval of the U.S. Addendum must relate to a finite number of ordinary shares issuable pursuant to ISOs. However, our Board has determined that it would like to maintain flexibility for potential future grants to U.S. employees, as we cannot predict what portion of our future option grants we will grant to U.S. employees. The U.S. Addendum therefore provides that the number of Ordinary Shares to be available for issuance pursuant to ISOs under the Equity Plan, as supplemented by the U.S. Addendum, shall not exceed 10,000,000 Ordinary Shares.

The shareholders of the Company are requested to adopt the following resolution:

"**RESOLVED, to adopt, authorize and approve the U.S. Addendum to the Safe-T Group Global Equity Plan, under which incentive stock options may be granted to our U.S. subsidiary employees and to any other employees of any U.S. affiliate of the Company that may be incorporated in the future in accordance with the U.S. Internal Revenue Code of 1986, as amended, as described in the proxy statement**."

The approval of the above proposal, as described above, requires the affirmative vote of a Simple Majority (as defined in this proxy statement).

The Board of Directors unanimously recommends a vote FOR on the above proposal.

PROPOSAL 9
APPROVAL OF NETNUT TRANSACTION

On April 4, 2019, and following the Company's Board of Directors approval on March 31, 2019, the Company entered into a share and asset purchase agreement, substantially in the form attached to this proxy statement as **Exhibit C** (collectively with the documents ancillary thereto - the "**Share and Asset Purchase Agreement**"), with NetNut Ltd. ("**NetNut**"), pursuant to which the Company will acquire all (100%) of the fully diluted share capital of NetNut, a private Israeli company engaged in the business proxy network solution industry, and certain assets of DiViNetworks Ltd. ("**DiVi**"), NetNut's controlling shareholder which assets are required for the ongoing operations of NetNut (the "**NetNut Transaction**")[1]. The consideration for the NetNut Transaction will be paid in cash and with Ordinary Shares, as set forth below.

The Companies Law defines a material private placement as an offering of securities by a public company, that is not an offering to the public, (1) to purchase 20% or more of a company's voting rights prior to such offering, in which all or part of the consideration for the offered securities is not payable in cash or securities listed for trade on an Israeli stock exchange, or not at fair market value, and as a result of such offering the holdings of a substantial shareholder of a company will increase, or as a result of which a person will be deemed a substantial shareholder of the company; or (2) as a result of such offering, a person will become a controlling shareholder of a company. Shareholders' approval is required for a material private placement.

Under the Companies Law, a "substantial shareholder" is defined as a person who holds 5% or more of a company's issued and outstanding share capital or voting rights, and for the approval of a material private placement, a "controlling shareholder" is deemed, *inter alia,* a person holding 25% or more of a company's voting rights if no other person holds more than 50% of the company's voting rights.

The NetNut Transaction is subject to approval of our shareholders as (i) it will entitle NetNut shareholders to receive in private placement, and in aggregate, more than 20% of our voting rights as calculated before the NetNut Transaction; (ii) the consideration for such private placement is not in cash, but rather in shares of NetNut - a private company which securities are not listed for trade, which are both non-cash and non-tradable securities consideration; and (iii) as a result of the NetNut Transaction certain shareholders of NetNut shall become substantial shareholders of the Company. In addition, as a result of the NetNut Transaction, DiVi shall become a controlling shareholder of the Company.

[1] On January 29, 2019, the Company announced that it has signed a non-binding letter of intent for the acquisition of NetNut.

The Companies Law also provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of at least 25% of the voting rights in the company. This rule does not apply if there is already another holder of at least 25% of the voting rights in the company. Similarly, the Companies Law provides that an acquisition of shares in a public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company. The above special tender offer requirements of the Companies Law shall not apply if the acquisition (i) occurs in the context of a private offering, on the condition that the shareholders' meeting approved the acquisition as a private offering whose purpose is to give the acquirer at least 25% of the voting rights in the company if there is no person who holds at least 25% of the voting rights in the company, or as a private offering whose purpose is to give the acquirer 45% of the voting rights in the company, if there is no person who holds 45% of the voting rights in the company; (ii) was from a shareholder holding at least 25% of the voting rights in the company and resulted in the acquirer becoming a holder of at least 25% of the voting rights in the company; or (iii) was from a holder of more than 45% of the voting rights in the company and resulted in the acquirer becoming a holder of more than 45% of the voting rights in the company.

Accordingly, in approving the private offering under this Proposal 9, our shareholders will be required to give their consent to the acquisition of our securities as a private offering whose purpose is to give the acquirer at least 25% of the voting rights in the Company, and/or as a private offering whose purpose is to give the acquirer 45% of the voting rights in the Company.

The purpose of the following is to (i) provide shareholders with information regarding the acquisition; (ii) explain the background to and reasons for the NetNut Transaction and why the Board of Directors believes that the NetNut Transaction is in the best interests of the Company and its shareholders as a whole; and (iii) recommend that the shareholders vote in favor of the NetNut Transaction at the Meeting. The Share and Asset Purchase Agreement has been attached as an exhibit to this proxy statement to provide shareholders with information regarding its terms. It is not intended to provide any factual information about the Company or any of the other parties to the Share and Asset Purchase Agreement.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements in this proxy statement contain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions or variations of such words are intended to identify forward-looking statements. Because such statements deal with future events and are based on Safe-T's and NetNut's current expectations, they are subject to various risks and uncertainties and actual results, performance or achievements of Safe-T and NetNut could differ materially from those described in or implied by the statements in this proxy statement. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: the overall global economic environment; the impact of competition and new technologies in NetNut's industry; general market, political and economic conditions in the countries in which NetNut operates; NetNuts projected capital expenditures and liquidity; changes in NetNut's strategy; and any litigation concerning NetNut. The forward-looking statements contained or implied in this proxy statement are subject to other risks and uncertainties, including those discussed under the heading "Risk Factors" in Safe-T's annual report on Form 20-F filed with the SEC on March 26, 2019, and in any subsequent filings with the SEC. Except as otherwise required by law, Safe-T undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

INFORMATION ON NETNUT

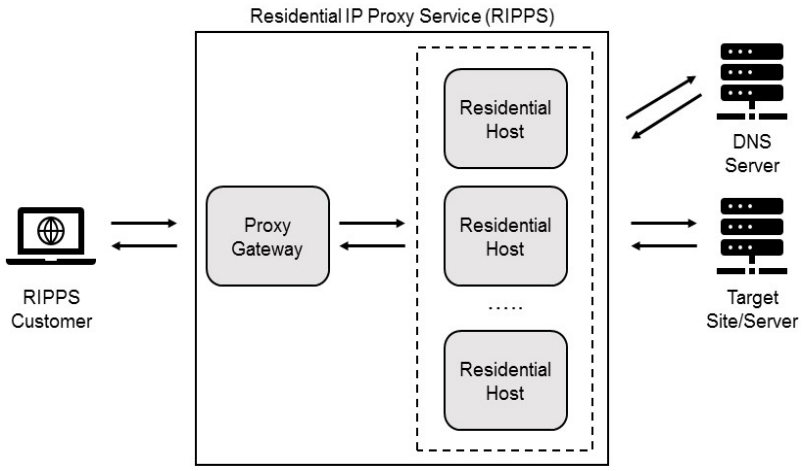
This summary highlights selected information about NetNut.

Business Overview

NetNut operates a residential IP proxy network service for business customers. NetNut enables businesses to gather data over the Internet using residential IP addresses from various localities around the world. Its residential IP proxy network service supports a wide variety of use cases and provides several significant benefits to its business users. For example, advertising or ad networks can view their advertisers' landing pages anonymously to ensure they do not contain malware or improper advertising, online retailers can gather comparative pricing information from competitors, and businesses may utilize these addresses to test their websites from different cities in the world.

How a residential IP proxy network service works

In its simplest form, a residential IP proxy network consists of a proxy gateway and a significant number of residential host IP addresses.

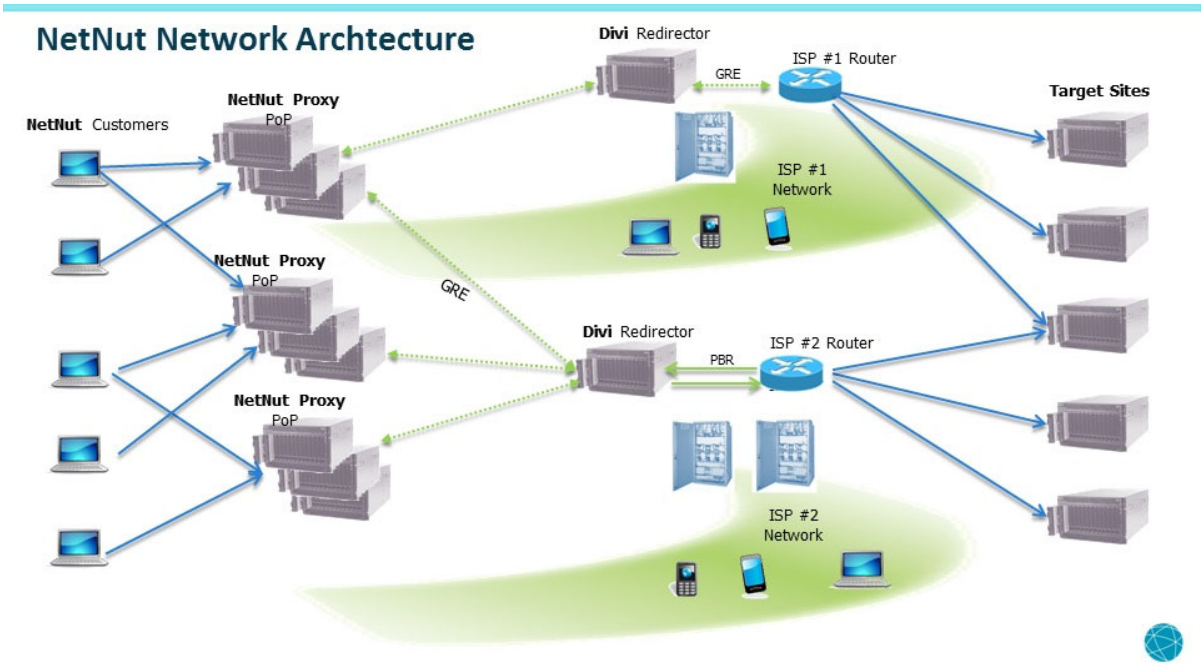


When a business signs up for a residential IP proxy network service, it is provisioned an IP address or URL for accessing the service provider's proxy gateway. The proxy gateway receives requests from the customer's computer or server and forwards them to different residential host IPs managed by the service provider according to certain customer criteria, such as the geolocation of the respective residential host IPs. These residential host IPs in turn forward the customer requests to a target website, receive the responses from the target website, and send them back to the customer through the proxy gateway. The use of the proxy gateway and residential host IPs obfuscates the customer's actual IP address and geographic location. Like traditional proxy services, such as virtual private networks (VPNs) and HTTP/SOCKS proxies, residential IP proxy networks provide customers with anonymity, enhanced security, as well as resilience against a target-site's potential server-side monitoring, information obfuscation, and/or blocking.

Overview of the NetNut business proxy solution and network platform

NetNut operates a residential IP proxy network service that enables its business customers to collect data from any public source on the Internet anonymously, securely, and at a significant scale and speed. NetNut's network is based on partnership agreements and technology which enables its customer to access the internet through tens of Internet service provider (ISP) networks and 12 points of presence (PoPs) across major Internet Exchange Points (IXPs) globally. Its platform's performance and scalability is enhanced by NetNut's proprietary proxy traffic optimization and routing technology.

The uniqueness of NetNut network is based on the fact that not like host-based proxy network (as presented above), which requires installation of software on 3rd party uncontrolled end user devices, its network is based on routing the customers traffic through residential ISP routers which are partners in the NetNut Network as shown below:

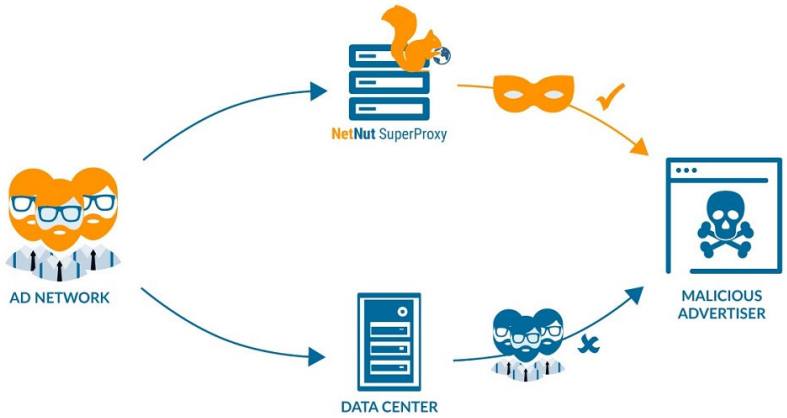


Residential IP proxy network services, such as NetNut, enable multiple business use cases, such as:

- **Online ad verification**
- **Retail price and inventory comparisons**
- **Content/application quality assurance (QA)**
- **Network security penetration and load testing of websites/applications**
- **Other large-scale data mining and analysis**

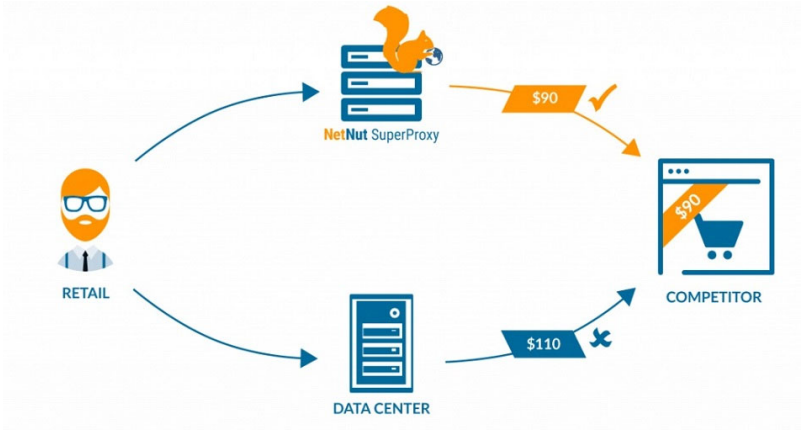
Online ad verification

Ad networks use NetNut to anonymously view their advertisers' landing pages to ensure they do not contain malware, or improper advertising. Fraudsters use various schemes to fake ad traffic and, as a result, many online ads are never seen by actual people. Consequently, residential IP proxies are increasingly being used by ad networks to detect fraud, improve ad performance, and check advertising landing pages anonymously. If ad networks used traditional proxy services, malicious advertisers could more easily detect that they were being monitored and cloak their activities by sending deceptive responses back to the ad network.



Retail price and inventory comparisons

Many online retailers and travel aggregation sites price their products algorithmically relative to competitors' pricing and inventory levels. Large retailers may implement thousands or even millions of price changes per day across their vast inventory. To obtain reliable and up-to-date competitive price and inventory intelligence, online retailers and travel sites can use NetNut to collect this data quickly, reliably, and through an automated process without being blocked or deceived.



Content/application quality assurance (QA)

Brands and digital agencies can use NetNut to QA, validate, and monitor geo-targeted content in various browsers, and in some cases, different applications. An Internet site or campaign targeting a large potential audience, spanning multiple countries and languages requires content to be localized and geo-targeted accordingly. NetNut enables brands and marketers to securely view targeted content as it would appear to users viewing them in unique localities all over the world, as part of their quality assurance testing process.

Security penetration testing of websites/applications

In many cases, malware developers install their malware into public websites. As security (scanning) companies and their servers are well known, malware developers use this publicly available information to hide such malware, which allows malware scanned externally by known security companies to remain hidden.

To address this issue, penetration testing and security audit companies use NetNut network's service to simulate access from real residential users, thereby exposing the code in the infected website.

Network load testing of websites/applications

Customers wishing to perform load testing of their websites and applications may utilize the NetNut network's service to test their website's performance by sending automated browser visits from a multitude of different residential IPs.

Other large-scale data mining and analysis

NetNut enables Web intelligence companies to undertake large-scale Web data extraction from public Internet websites for myriad business purposes. For example, brands and online marketers can use NetNut to extract search engine results page (SERP) data, search volume, or page rank data for any search keyword in order to enhance and continuous refine their SEO strategies.

NetNut's Competitive Strengths

NetNut's proprietary residential IP proxy network has several distinct advantages relative to its competition:

- **Performance.** NetNut's architecture is unique in its ability to provide residential proxies with one hop connectivity to a target site, which results in extremely low latency (typically less than 1ms). In addition, unlike many competing service offerings that utilize peer-to-peer (P2P) network architectures, NetNut does not route traffic through end-users' devices, so customers can be assured there are no implicit performance bottlenecks in their traffic flow.

- **Reliability.** NetNut provides customers with stringent quality of service assurances. All of NetNut's servers are located at major Internet exchanges or at ISP network connectivity points that are securely and exclusively controlled and managed by NetNut. Consequently, Customers can have complete confidence that the service will not be disconnected, interrupted, or its performance degraded.

- **Security.** 100% of customer traffic is encrypted and routed through NetNut's proprietary network and does not employ any third-party infrastructure or service dependencies, which ensures end-to-end security. In addition, traffic sent to target websites originates at NetNut's residential IP addresses, which are not associated and cannot be attributed to a customer's origin IP, which ensures complete anonymity.

- **Global coverage.** NetNut offers residential proxies from every major country in the world.

Description of Property and Facilities

NetNut's corporate headquarters are located at 30 HaArba'a St., Tel Aviv, Israel, where it leases and occupies approximately 292 square meters of office space. The current lease for its office space expires on October 20, 2023. NetNut believes that its facilities are suitable and adequate for its current and future needs. However, should Safe-T and NetNut elect to consolidate office space and employees into a single location, NetNut believes its current office space could be easily subleased on account of its desirable location and considering the relatively low office vacancy rates currently available in Tel Aviv.

Employees

As of April 9, 2019, NetNut has eleven full time employees, consisting of five focused on research and development activities, three focused on sales and marketing, and three on operations, customer support, and administration. Ten of these employees are located in Israel and one in the USA.

None of NetNut's employees are party to any collective bargaining agreements or represented by any labor unions. However, in Israel, NetNut is subject to certain Israeli labor laws, regulations, rulings of Israeli labor courts and certain provisions of collective bargaining agreements that apply to its employees by virtue of extension orders issued by the Israel Ministry of Economy, of which apply to NetNut employees even though they are not members of a union that has signed a collective bargaining agreement. These labor laws and regulations primarily govern the length of the workday, minimum daily wages for professional workers, pension fund benefits for all employees, insurance for work-related accidents, procedures for dismissing employees, determination of severance pay and other conditions of employment. NetNut generally provides NetNut's employees with benefits and working conditions beyond the required minimum. NetNut has never experienced any employment-related work stoppages and believes its relationship with its employees is good.

All of NetNut's employment agreements include employee undertakings with respect to non-competition, confidentiality and the assignment to NetNut of intellectual property rights developed during the course of employment. However, under currently applicable Israeli labor laws, NetNut may not be able to enforce (either in whole or in part) non-compete covenants and therefore may be unable to prevent its competitors from benefiting from the expertise of NetNut's former employees.

Legal Proceedings

NetNut is not a party to any material legal or arbitration proceedings, including any governmental proceedings pending or known by it to be contemplated, that have had in the recent past or, in the opinion of NetNut's management, may have, significant effects on its financial position or profitability.

BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Board of Directors considered the following factors in reaching its conclusion to approve the NetNut Transaction, issue the Company's shares to NetNut's shareholders and to DiVi, in its capacity as a seller of the Purchased Assets (as defined below), as a part of the consideration and to recommend that shareholders vote in favor of the material private offering, all of which the Board of Directors viewed as supporting its decision to approve the Share and Asset Purchase Agreement:

- Our board believes, based in part on the judgment, advice and analysis of members of our senior management (which judgment, advice and analysis were based in part on the business, technical, financial, accounting and legal due diligence investigation performed with respect to NetNut) that the acquisition of NetNut has potential strategic, financial and operational benefits to the Company and its shareholders;

- NetNut operates a residential IP proxy network service for business customers, which appears to have compelling market potential, in part owing to the expected continued growth in digital marketing, e-commerce, and network security;

- the proposed valuation of NetNut is attractive for a company in the cyber security, proxy services, and business focused Internet application and services sectors;

- NetNut's cloud-based platform has the potential to be applied to Safe-T's emerging Software-Defined Access Suite solutions, including enabling Safe-T to offer its business customers a fully managed, cloud-based software defined perimeter security offering, as an alternative to tradition VPN solutions;

- NetNut's proprietary cloud platform is distinct from other business proxy network cloud services in terms of its architecture, performance, security, and extensibility; and

- NetNut's internal research and development team has the potential to generate meaningful value to Safe-T by cloud-enabling certain Safe-T security software solutions, which certain Safe-T customers and prospective customers have expressed interest in.

PRINCIPAL TERMS OF THE TRANSACTION

The Share and Asset Purchase Agreement is dated as of April 4, 2019, and is made and entered into by and amongst (i) the Company, Safe-T Group Ltd., (ii) NetNut, (iii) DiVi and (iv) all of the shareholders of NetNut.

Pursuant to the Share and Asset Purchase Agreement, the Company will purchase and acquire (a) from NetNut shareholders all (100%) of the fully diluted share capital of NetNut ("**Purchased Shares**") as of the date of the Closing (as defined below), and (b) from DiVi certain assets, which are required for the ongoing operation of NetNut (the "**Purchased Assets**").

The maximum purchase price payable by the Company for the Purchased Shares and Purchased Assets is up to USD $14.7 million, subject to certain adjustments, all as set forth below:

1. In consideration for the Purchased Shares, the Company shall pay NetNut's shareholders:

- An amount equal to USD $3,400,000 (the "**Initial Shares Purchase Price**"), out of which (i) a USD $1,614,742 will be paid on Closing in immediate funds (in addition to USD $250,000 down payment paid by the Company upon signing of Share and Asset Purchase Agreement); (ii) USD $175,257 will be deposited in escrow (as set forth below); and (iii) USD $1,360,000 will be paid by issuance of 24,347,410 Ordinary Shares of the Company (based on price per share of NIS 0.2031 which is a per share 30-day average price of the Company's shares on Tel Aviv Stock Exchange Ltd. (the "**TASE**") prior to the date on which the Share and Asset Purchase Agreement was signed (the "**Initial Consideration PPS**")). The Initial Shares Purchase Price was determined based on an assumption that NetNut working capital on the Closing is equal to zero. The parties agreed that the Initial Shares Purchase Price may be increased or decreased on a dollar-for-dollar basis in the event NetNut has a positive or negative working capital (respectively) on the date of the Closing.

- An amount of up to USD $5,000,000 payable in contingent consideration (the "**EarnOut Amount**"), will be paid and distributed to the shareholders of NetNut subject and upon NetNut achieving certain revenue milestones in 2019, hence, the payment of the payable EarnOut Amount will be deferred to the time when the Company financial results for the year 2019 are published (the "**2019 Financial Statements**"). The Company, at its sole discretion, may elect to pay up to fifty percent (50%) of the EarnOut Amount in Ordinary Shares (the "**EarnOut Shares**"), provided that in any event, the amount of the EarnOut Shares will not exceed 44,756,273 Ordinary Shares (representing a quotient of half of the maximum Earn-Out Amount [i.e. USD $2,500,000] divided by the Initial Consideration PPS). The Company shall grant NetNut's shareholders first security interest and pledge in 30% of NetNut shares being purchased, as a security for full and timely payment of the EarnOut Amount (if any).

2. In consideration for the sale, delivery, transfer and assignment of the Purchased Assets, the Company shall pay DiVi at Closing:

- an aggregate amount equal to USD $6,300,000 (the "**Assets Purchase Price**"). The Assets Purchase Price shall be paid as follows:

    - An amount equal to USD $3,455,258 payable at Closing in immediately payable funds;

    - An amount equal to USD $324,742 will be deposited in escrow (as set forth below); and

    - An amount equal to USD $2,520,000, payable at Closing in Ordinary Shares, issued at a per share price equal to the Initial Consideration PPS, i.e. 45,114,327 Ordinary Shares.

3. An aggregate amount equal to USD $500,000 (the "**Escrow Amount**"), comprised of the amounts set forth in Sections 1 and 2 above, shall be deposited with and held by an escrow agent, until the later of the following to occur: (i) twelve (12) month anniversary of the Closing Date, or (ii) the date on which 2019 Financial Statements are executed, for purposes of partly securing and satisfying (i) sellers' indemnification obligations set forth in Share and Asset Purchase Agreement and (ii) the adjustment to the Initial Shares Purchase Price.

4. It was also agreed that during 2019, NetNut shall continue to operate as a standalone entity. During 2019 the Company will extend to NetNut, from time to time, financing for the purposes of its business and activities as a wholly-owned subsidiary of the Company in a manner that commencing June 15, 2019 NetNut's cash reserves shall not be less than UDS $300,000, provided that the aggregate amount of such financing shall not exceed UDS $1,000,000 (any such amounts provided to the Company – the "**Post Closing Financing**"). NetNut will not be required to return the Post Closing Financing or any part thereof to the Company prior to the lapse of 2019.

5. The Company undertook to file with the SEC a registration statement with respect to the portion of the consideration to be paid in Company's Ordinary Shares, within 90 days following the Closing, and to use best efforts to have such registration statement declared effective as promptly as practicable.

6. The Closing of the Transaction is conditional upon certain closing conditions, including the accuracy of representations and warranties of the parties, the delivery of all required documents and approvals, including the Company's shareholder's approval as detailed above, and the securing by the Company of a financing (whether in the form of equity, debt, convertible debt, any combination of the above or any other form) in an aggregate amount sufficient to pay at the Closing of the Transaction the cash component of the Initial Share Purchase Price and the Asset Purchase Price.

In connection with the Transaction, the Company has agreed to pay to certain finders of the Transaction a fee equal to the sum of 3.0% of the total purchase price of the Transaction, and in any event not less than USD $150,000. The Company may elect to pay up to 50% of such fee in equity securities of the Company.

After taking into account the issuance of our Ordinary Shares pursuant to the Share and Assets Purchase Agreement, immediately following the closing of the NetNut Transaction, each of NetNut's shareholders will hold approximately the following portions of our Ordinary Shares, based on 106,814,853 issued and outstanding Ordinary Shares, and 149,613,480 Ordinary Shares on a fully diluted basis, all as of April 9, 2019:

Name of Shareholder	Shares after NetNut Transaction	% after NetNut Transaction on a non-diluted basis	Earn-Out Shares (1)	% after NetNut Transaction including Earn-Out Shares (1)	Shares on fully diluted basis (2)	% on a fully diluted basis
DiViNetworks Ltd.(3)	46,853,455	26.6%	76,616,379	34.7%	76,616,379	29.0%
Barak Avitbul(4)	2,709,103	1.5%	5,557,140	2.5%	5,557,140	2.1%
Aharon Kinderman	2,381,643	1.4%	3,963,329	1.8%	3,963,329	1.5%
Moishe Kremer(5)	1,451,985	0.8%	1,881,251	0.9%	1,881,251	0.7%
Pini Smotny	2,455,398	1.4%	4,086,066	1.8%	4,086,066	1.5%
Baroma AG Ltd.	13,610,153	7.7%	22,113,845	10.0%	22,113,845	8.4%
Current shareholders (6)	106,814,853	60.6%	106,814,853	48.3%	149,613,480	56.7%
Total	**176,276,890**	**100.0%**	**221,032,863**	**100.0%**	**263,831,490**	**100.0%**

(1) Assuming Earn-Out Amount of $5,000,000 and maximum amount of Earn-Out Shares, as set forth above.
(2) Assuming (a) Earn-Out Amount of $5,000,000 and maximum amount of Earn-Out Shares, as set forth above; and (b) exercise of all currently outstanding options and warrants.
(3) In aggregate, both in its capacity as NetNut's shareholder and as a seller of the Purchased Assets.
(4) Directly and through an affiliated entity. Mr. Avitbul is also a shareholder in DiViNetworks Ltd.
(5) Directly and through an affiliated entity. Mr. Kremer is also a shareholder in DiViNetworks Ltd.
(6) Assuming the issuance of 5,669,280 Ordinary Shares upon the exercise of warrants with nominal exercise price.

RISK FACTORS

You should carefully consider the risks described below in evaluating whether to vote for the proposals discussed herein with regards to the Transaction. The risks and uncertainties described below are not the only ones the Company faces and will face following the Transaction, and these factors should be considered in conjunction with general investment risks and other information included in this proxy statement. You should read and consider the risks associated with the business of NetNut because these risk factors will also affect the operations of the Company following the consummation of the Transaction going forward.

For risks related to our business, please refer to the section entitled "Risk Factors" set forth in our Annual Report on Form 20-for the year ended December 31, 2018, filed on March 26, 2019, as well as our other filings with the SEC.

Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Any of these risks could materially and adversely affect our business, financial condition, results of operations and cash flows and could result in a loss of all or part of your investment. In any case, the value of our securities could decline due to any of these risks, and you may lose all or part of your investment in our securities. You should also read and consider the other information in this proxy statement, including the other annexes attached hereto.

The announcement and pendency of the Transaction, whether or not consummated, may adversely affect our business.

The announcement and pendency of the Transaction, whether or not consummated, may adversely affect the trading price of our ordinary shares and/or ADSs, our business or our relationships with customers, suppliers and employees. In addition, pending the completion of the Transaction, the focus and attention of our management and employee resources may be diverted from operational matters during the pendency of the Transaction. Should they occur, any of these matters could adversely affect the businesses of, or harm the financial condition, results of our operations or business prospects or that of NetNut.

We cannot be sure if or when the Transaction will be completed. Failure to complete the Transaction could negatively affect the value of our Ordinary Shares and our future business and financial results.

The closing of the Transaction is subject to the satisfaction or waiver of various conditions, including approval of our shareholders which is being sought at the Meeting. We cannot guarantee that the closing conditions set forth in the Share and Asset Purchase Agreement will be satisfied. If we are unable to satisfy the closing conditions in the NetNut's favor or if other mutual closing conditions are not satisfied, NetNut will not be obligated to complete the Transaction. In the event that the Transaction is not completed, the announcement of the termination of the Share and Asset Purchase Agreement may adversely affect the trading price of our Ordinary Shares and/or ADSs, our business and operations or our relationships with customers, suppliers and employees; we may be subject to reputational harm due to the adverse perception of any failure to successfully complete the acquisition; and we would have to incur certain costs relating to the Transaction, such as legal, accounting, financial advisory, filing and printing fees without completion of the Transaction.

The purchase price is not adjustable based on the market price of our ADSs so the consideration at the closing may have a greater value than at the time the Share and Asset Purchase Agreement was signed.

The Share and Asset Purchase Agreement has set the consideration formula for the NetNut share capital. Any changes in the market price of our ADSs before the completion of the Transaction will not affect the number of ADSs the sellers will be entitled to receive pursuant to the Share and Asset Purchase Agreement. Therefore, if before the completion of the Transaction the market price of our ADSs increases from the market price on the date of the Share and Asset Purchase Agreement, then sellers could receive consideration with substantially more value for their shares of NetNut capital stock than the parties had negotiated for in the establishment of the consideration in the Transaction.

Our shareholders may not realize a benefit from the Transaction commensurate with the ownership dilution they will experience in connection with the Transaction.

If the combined company is unable to realize the strategic and financial benefits currently anticipated from the Transaction, our shareholders will have experienced substantial dilution of their ownership interest without receiving any commensurate benefit. Due to the substantial number of the ADSs (including the EarnOut Shares) being issued to NetNut's shareholders in the Transaction, the ownership stake and relative voting power of each Ordinary Share held by our current shareholders will be significantly reduced. However, significant management attention and resources will be required to integrate and operate the combined company. Delays in this process could adversely affect the combined company's business, financial results, financial condition and price of our Ordinary Shares and/or ADSs following the Transaction. Even if the combined company is able to integrate the business operations successfully, there can be no assurance that this integration will result in the realization of the full benefits of synergies, innovation, and operational efficiencies that may be possible from this integration and that these benefits will be achieved within a reasonable period of time.

Because the lack of a public market for NetNut's capital stock makes it difficult to evaluate the fairness of the Transaction, NetNut's stockholders may receive consideration in the Transaction that is greater than the fair market value of NetNut's capital stock.

The outstanding share capital of NetNut is privately held and is not traded in any public market. The lack of a public market makes it extremely difficult to determine the fair market value of NetNut. Since the percentage of our equity to be issued to NetNut's stockholders was determined based on negotiations between the parties, it is possible that the value of our ADSs to be issued in connection with the Transaction will be greater than the fair market value of NetNut. Alternatively, it is possible that the value of the shares that we will issue connection with the Transaction will be less than the fair market value of NetNut.

We will incur significant expenses in connection with the Transaction, regardless of whether the Transaction is completed.

We expect to incur significant expenses related to the Transaction. These expenses include, but are not limited to, legal fees, accounting fees and expenses, certain employee expenses, filing fees, printing expenses and other related fees and expenses. Many of these expenses will be payable by us regardless of whether the Transaction is completed.

ADSs representing a substantial percentage of our outstanding shares may be issued in the Transaction, which could cause the price of our ADSs and Ordinary Shares* to *decline.

Pursuant to the Transaction, we will issue up to 114,218,010 Ordinary Shares. These issuances and any future sales or issuances of a substantial number of Ordinary Shares or ADSs, or the perception that such sales may occur, could materially adversely affect the price of our Ordinary Shares and ADSs. We cannot predict the effect, if any, that market sales of those Ordinary Shares and ADSs or the availability of those Ordinary Shares and ADSs for sale will have on the market price of our Ordinary Shares and ADSs.

***

The shareholders of the Company are requested to adopt the following resolution:

"**RESOLVED**, **to approve the (i) NetNut Transaction and the entering into, execution, delivery and performance of the Share and Asset Purchase Agreement**, **and (ii) issuance and allocation of Ordinary Shares to be made in connection with the NetNut Transaction to NetNut's shareholders and DiVi, in its capacity as a seller of the Purchased Assets, in accordance with the provisions of the Share and Asset Purchase Agreement, all as set forth in the proxy statement; provided that such issuance and allocation shall be deemed approved as a material private offering, whose purpose is to give the acquirer at least 25% of the voting rights in the Company, and/or as a private offering whose purpose is to give the acquirer 45% of the voting rights in the Company, in accordance with Section 328(b) of the Companies Law.**"

The approval of the above proposal, as described above, requires the affirmative vote of a Simple Majority.

The Board of Directors is of the opinion that the Transaction is in the best interests of the Company and Shareholders as a whole. Accordingly, the Board of Directors recommends that Shareholders vote in favor of the proposed Transaction.

PROPOSAL 10
APPROVAL OF CONVERTABLE LOAN TRANSACTION

On April 9, 2019, and following the Company's Board of Directors approval on April 4, 2019, the Company entered into a securities purchase agreement, substantially in the form attached to this proxy statement as **Exhibit D** (collectively with the documents ancillary thereto, including convertible debentures and warrants to purchase the Company's ADSs - the "**CLA**"), with certain lenders, pursuant to which the Company will obtain a convertible loan in an aggregate amount of USD $6,000,000, against issuance of convertible debentures and warrants (the "**CLA Transaction**").

For the provisions of the Companies Law related to material private placements and tender offers, including the exceptions therefrom, see Proposal 9 above.

BACKGROUND TO AND REASONS FOR THE CLA TRANSACTION

The Company's Board of Directors considered the following factors in reaching its conclusion to approve the CLA Transaction, issue the Company's convertible debentures and warrants to the Lenders, all of which the Board of Directors viewed as supporting its decision to approve the CLA:

- The CLA Transaction will provide the Company with the cash amounts sufficient for the payment of immediate cash proceeds under NetNut Transaction, which is a strategic transaction for the Company;
- The Board believes that other alternatives for financing the NetNut Transaction are less beneficial to the Company and its shareholders, and might jeopardize the consummation of the NetNut Transaction; and
- the provisions of the CLA under given circumstances are reasonable.

PRINCIPAL TERMS OF THE CLA TRANSACTION

The Company shall issue to the Lenders in the aggregate USD $6,000,000 convertible debentures (the "**Debentures**"), which will have an 18 month term from issuance and bear interest at 8% per annum payable quarterly in cash or ADSs. The Debentures are convertible at $2.05 per ADS, provided that if 80% of the five day daily volume weighted average price ("**VWAP**") of the ADSs on Nasdaq on the effective date of the resale Registration Statement (as defined below) is less than $2.05, the conversion price shall be reset to equal the greater of (i) $1.65, and (ii) 80% of the five day VWAP on the effective date.

The conversion price of the Debentures will be reset, but not below $0.40 per ADS, if there is a subsequent issuance of the Company's securities below the conversion price, to the price of the subsequent issuance, and the Debentures contain other customary anti-dilution features, with the Black-Scholes value of the Debentures payable upon the occurrence of a fundamental transaction. The Company can redeem the Debentures after the effective date of the Registration Statement upon 20 trading days prior notice to the Lenders at 120% of the principal amount of the Debentures, plus accrued interest.

The Company shall also issue to the Lenders warrants to purchase ADSs, at an exercise price equal to 115% of the Debentures conversion price (the "**Warrant**"), with 100% Warrant coverage to the value of the Debentures. The Warrants have a five year term and will be exercisable for cash or on a cashless basis if no Registration Statement available for resale of the ADSs issuable upon exercise of the Warrants. The exercise price of the warrants will be reset, but not below $0.40, if within 18 months from the issuance of the Warrants there is a subsequent issuance of the Company's securities below the exercise price, to the price of the subsequent issuance, and the Warrants contain other customary anti-dilution provisions, with the Black-Scholes value of the Warrants payable upon the occurrence of a fundamental transaction.

The Company will file a resale registration statement with the SEC to register the resale of all securities issuable under the Debentures and Warrants (as defined below) at the floor prices ($0.40) (the "**Registration Statement**").

$1,000,000 of the Debentures will be provided by the Lenders in advance and the remaining $5,000,000 will close after shareholder approval of the CLA Transaction and Net Nut Transaction and effectiveness of the Registration Statement. The Lenders will be granted a 12-month participation right in a subsequent financing, up to the amount equal to 50% of the subsequent financing. The Company will not effect, without prior consent of the Lenders, any subsequent equity sales until the later of 10 trading days from the effective date of the Registration Statement or June 15, 2019. The Lenders have a right to purchase additional Debentures on the same terms until September 30, 2019 (the "**Additional Debentures**"). The Lenders have a most favored nation right for a subsequent financing on better terms such that the Lenders can convert into the subsequent financing on a one for one basis. Safe-T Data A.R, the wholly owned Israeli subsidiary of the Company, guarantees, and subject to the consummation of the NetNut Transaction, NetNut shall guarantee, the obligations under the Debentures.

The Debentures and the Warrants contain customary beneficial ownership blockers for the Lenders, which will prevent a Lender from acquiring a control block in the Company. Nevertheless, and for the sake of good order, in approving the private offering transactions under this Proposal 10, our shareholders will be deemed to have given their consent to the acquisition of our securities as a private offering whose purpose is to give the acquirer at least 25% of the voting rights in the Company, and as a private offering whose purpose is to give the acquirer 45% of the voting rights in the Company. The CLA (including non-confidential ancillary agreements, exhibits and schedules) has been attached as an exhibit to this Proxy Statement to provide shareholders with information regarding its terms. It is not intended to provide any factual information about the Company or any of the other parties to the CLA.

After taking into account the issuance of our Ordinary Shares pursuant to the Share and Asset Purchase Agreement and our Ordinary Shares pursuant to the Debentures and Warrants, immediately following the closing of the NetNut Transaction and CLA Transaction, respectively, each of NetNut's shareholders and the Lenders will hold approximately the following portions of our Ordinary Shares, based on 106,814,853 issued and outstanding Ordinary Shares (assuming the issuance of 5,669,280 Ordinary Shares issuable upon the exercise of warrants with nominal exercise price), and 149,613,480 Ordinary Shares on a fully diluted basis, all as of April 9, 2019:

Name of Shareholder	Shares after NetNut Transaction	% after NetNut Transaction on a non-diluted basis	Earn-Out and Debenture Shares (1)	% of Earn-Out and Debenture Shares (1)	Shares on fully diluted basis (2)	% on a fully diluted basis
DiviNetworks Ltd.(3)	46,853,455	27.5%	76,616,379	16.8%	76,616,379	8.8%
Barak Avitbul(4)	2,709,103	1.6%	5,557,140	1.2%	5,557,140	0.6%
Aharon Kinderman	2,381,643	1.4%	3,963,329	0.9%	3,963,329	0.5%
Moishe Kremer(5)	1,451,985	0.9%	1,881,251	0.4%	1,881,251	0.2%
Pini Smotny	2,455,398	1.4%	4,086,066	0.9%	4,086,066	0.5%
Baroma AG Ltd.	13,610,153	8.0%	22,113,845	4.8%	22,113,845	2.5%
Alpha Capital Anstalt(6)	4,560,880	2.7%	122,500,274	26.8%	313,166,941	35.5%
Anson Investments Master Fund LP(7)	2,733,795	1.6%	120,673,189	26.4%	311,339,856	35.3%
Current shareholders	99,520,178	55.0%	99,673,178	21.8%	142,318,805	16.2%
Total	**176,276,590**	**100.0%**	**456,911,651**	**100.0%**	**881,043,611**	**100.0%**

(1) Assuming (a) Earn-Out Amount of $5,000,000 and maximum amount of Earn-Out Shares, as set forth above; (b) conversion of the loan principal and 18 month accrued interest, at a conversion price per ADS of $1.65.

(2) Assuming (a) Earn-Out Amount of $5,000,000 and maximum amount of Earn-Out Shares, as set forth above; (b) conversion of the loan principal and 18 month accrued interest, at a conversion price per ADS of $1.65; (c) conversion of Additional Debentures loan principal (additional amount of $6,000,000) and 18 month accrued interest, at a conversion price per ADS of $1.65; (d) exercise of Warrants, number of which was calculated based on the Debentures' conversion price per ADS of $1.65; (e) exercise of all currently outstanding options and warrants.

(3) In aggregate, both in its capacity as NetNut's shareholder and as a seller of the Purchased Assets.

(4) Directly and through an affiliated entity. Mr. Avitbul is also a shareholder in DiViNetworks Ltd.

(5) Directly and through an affiliated entity. Mr. Kremer is also a shareholder in DiViNetworks Ltd.

(6) Does not take into account: (i) a blocker provisions limiting the exercise of certain warrants and conversion of certain debentures if, thereafter, the shareholder would beneficially own in excess of either 4.99% or 9.99% of our outstanding Ordinary Shares, as applicable; (ii) anti-dilution protections; and (iii) a most favored nation right for a subsequent financing on better terms and a right to participate in subsequent financing.

(7) Does not take into account: (i) a blocker provisions limiting the exercise of certain warrants and conversion of certain debentures if, thereafter, the shareholder would beneficially own in excess of either 4.99% or 9.99% of our outstanding Ordinary Shares, as applicable; (ii) anti-dilution protections; and (iii) a most favored nation right for a subsequent financing on better terms and a right to participate in subsequent financing.

The shareholders of the Company are requested to adopt the following resolution:

"**RESOLVED**, **to approve the (i) CLA Transaction and the entering into, execution, delivery and performance of the CLA**, **and (ii) issuance and allocation of the Debentures and Warrants to the Lenders as well as the ADSs, and the Ordinary Shares underlying same, originating from conversion or exercise of such Debentures and Warrants, in accordance with the provisions of the CLA, all as set forth in the proxy statement; provided that such issuance and allocation shall be deemed approved as a material private offering, whose purpose is to give the acquirer at least 25% of the voting rights in the Company, and as a private offering whose purpose is to give the acquirer 45% of the voting rights in the Company, in accordance with Section 328(b) of the Companies Law.**"

The approval of the above proposal, as described above, requires the affirmative vote of a Simple Majority.

The Board of Directors is of the opinion that the CLA Transaction is in the best interests of the Company and Shareholders as a whole. Accordingly, the Board of Directors recommends that Shareholders vote in favor of the proposed CLA Transaction.

Your vote is important! Shareholders are urged to complete and return their proxies promptly in order to, among other things, ensure action by a quorum and to avoid the expense of additional solicitation. If the accompanying proxy is properly executed and returned in time for voting, and a choice is specified, the shares represented thereby will be voted as indicated thereon. EXCEPT AS MENTIONED OTHERWISE IN THIS PROXY STATEMENT, IF NO SPECIFICATION IS MADE, THE PROXY WILL BE VOTED IN FAVOR OF EACH OF THE PROPOSALS DESCRIBED IN THIS PROXY STATEMENT. Shareholders who hold shares of the Company through members of the Tel Aviv Stock Exchange and who wish to participate in the Meeting, in person or by proxy, are required to deliver proof of ownership to the Company, in accordance with the Israeli Companies Regulations (Proof of Ownership of a Share For Purposes of Voting at General Meetings), 5760-2000. Such shareholders wishing to vote by proxy are requested to attach their proof of ownership to the enclosed proxy.

Proxies and all other applicable materials should be sent to the Company's office at 8 Aba Eban Blvd., Building A, 1st floor, Herzliya 4672526, Israel.

ADDITIONAL INFORMATION

We are subject to the informational requirements of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), as applicable to foreign private issuers. Accordingly, we file reports and other information with the SEC. Shareholders may read and copy any document we file at the SEC's public reference rooms at 100 F Street, N.E., Washington, D.C. 20549.

Shareholders can call the SEC at 1-800-SEC-0330 for further information on using the public reference room. All documents which we will file on the SEC's EDGAR system will be available for retrieval on the SEC's website at http://www.sec.gov. As a Dual Company (as defined in the Israeli Companies Regulations (Concessions for Public Companies Traded on Stock Markets Outside of Israel), 5760- 2000) we also file reports with the Israel Securities Authority. Such reports can be viewed on the Israel Securities Authority distribution website at http://www.magna.isa.gov.il and the Tel Aviv Stock Exchange website at http://www.maya.tase.co.il.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing certain disclosure and procedural requirements for proxy solicitations. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. The Notice of the Extraordinary General Meeting of Shareholders and the proxy statement have been prepared in accordance with applicable disclosure requirements in the State of Israel.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROXY STATEMENT OR THE INFORMATION FURNISHED TO YOU IN CONNECTION WITH THIS PROXY STATEMENT WHEN VOTING ON THE MATTERS SUBMITTED TO SHAREHOLDER APPROVAL HEREUNDER. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT FROM WHAT IS CONTAINED IN THIS DOCUMENT. THIS PROXY STATEMENT IS DATED APRIL 11, 2019. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS DOCUMENT IS ACCURATE AS OF ANY DATE OTHER THAN APRIL 11, 2019, AND THE MAILING OF THIS DOCUMENT TO SHAREHOLDERS SHOULD NOT CREATE ANY IMPLICATION TO THE CONTRARY.

By Order of the Board of Directors
Safe-T Group Ltd.
Chen Katz, Chairman of the Board of Directors

SAFE-T GROUP LTD.

PROXY

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints, Mr. Shachar Daniel, Chief Executive Officer and Director, Mr. Shai Avnit, Chief Financial Officer, and each of them, agents and proxies of the undersigned, with full power of substitution to each of them, to represent and to vote on behalf of the undersigned all the Ordinary Shares of Safe-T Group Ltd. (the "**Company**") which the undersigned is entitled to vote at the Extraordinary General Meeting of Shareholders (the "**Extraordinary Meeting**") to be held at the Company's offices at 8 Aba Eban Blvd., Building A, 1st floor, Herzliya 4672526, Israel, on May 16, 2019, at 3:30 p.m. Israel time, and at any adjournments or postponements thereof, upon the following matters, which are more fully described in the Notice Extraordinary General Meeting of Shareholders and proxy statement relating to the Extraordinary Meeting.

This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned. If no direction is made with respect to any matter, this Proxy will be voted FOR such matter. Any and all proxies heretofore given by the undersigned are hereby revoked.

(Continued and to be signed on the reverse side)

SAFE-T GROUP LTD.
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Date of Meeting: May 16, 2019

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE ☒

1. To appoint Mr. Chen Katz as a member of the Company's Board of Directors, until the next annual general meeting of the Company's shareholders.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

2. To appoint Ms. Noa Matzliach as a member of the Company's Board of Directors, until the next annual general meeting of the Company's shareholders.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

3. To approve Mr. Katz's Proposed Compensation as set forth in the proxy statement, effective as of January 20, 2019.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

4. To approve Mr. Mizhar's terms of compensation as set forth in the proxy statement, effective as of January 20, 2019.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

5. To re-appoint Mr. Yehuda Halfon for an additional (second) three-year term as an external director of the Company, commencing on the date of the Meeting; and

   To approve the payment of the remuneration set forth in this proxy statement to Mr. Halfon. In the event that during the term of Mr. Halfon's office, the Company grants options to purchase the Company's securities to its directors which do not hold executive positions with the Company, the Company will grant options to Mr. Halfon, on the same terms and in a manner conforming to the External Directors Compensation Regulations and the Company's Compensation Policy. Mr. Halfon will continue to benefit from the same insurance, indemnification and exculpation arrangements, as currently in effect for other Company's directors and officers.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

   Are you a controlling shareholder of the Company and or have a personal interest (as such terms are defined in the Companies Law and in the proxy statement, other than a personal interest that is not the result of the shareholder's connections with a controlling shareholder) in the re-appointment of Mr. Halfon as an external director of the Company and/or approval of his remuneration?*

   ☐ **YES** ☐ **NO**

   * If you do not mark either Yes or No, your shares will not be voted for Proposal No. 5.

6. To appoint Mr. Moshe Tal for a first three year term as an external director of the Company, commencing on the date of the Meeting; and

   To approve the payment of the remuneration set forth in this proxy statement to Mr. Tal. In the event that during the term of Mr. Tal's office, the Company grants options to purchase the Company's securities to its directors which do not hold executive positions with the Company, the Company will grant options to Mr. Tal, on the same terms and in a manner conforming to the External Directors Compensation Regulations and the Company's Compensation Policy. Mr. Tal will benefit from the same insurance, indemnification and exculpation arrangements, as currently in effect for other Company's directors and officers.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

   Are you a controlling shareholder of the Company and or have a personal interest (as such terms are defined in the Companies Law and in the proxy statement, other than a personal interest that is not the result of the shareholder's connections with a controlling shareholder) in the appointment of Mr. Tal as an external director of the Company and/or approval of his remuneration?*

   ☐ **YES** ☐ **No**

   * If you do not mark either Yes or No, your shares will not be voted for Proposal No. 6.

7. To increase the Company's registered capital to 5,000,000,000 Ordinary Shares, no par value, and to amend and restate the Company's articles of association to reflect the same.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

8. To adopt, authorize and approve the U.S. Addendum to the Safe-T Group Global Equity Plan, under which incentive stock options may be granted to our U.S. subsidiary employees and to any other employees of any U.S. affiliate of the Company that may be incorporated in the future in accordance with the U.S. Internal Revenue Code of 1986, as amended, as described in the proxy statement.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

9. To approve the (i) NetNut Transaction and the entering into, execution, delivery and performance of the Share and Asset Purchase Agreement, and (ii) issuance and allocation of Ordinary Shares to be made in connection with the NetNut Transaction to NetNut's shareholders and DiVi, in its capacity as a seller of the Purchased Assets, in accordance with the provisions of the Share and Asset Purchase Agreement, all as set forth in the proxy statement; provided that such issuance and allocation shall be deemed approved as a material private offering, whose purpose is to give the acquirer at least 25% of the voting rights in the Company, and/or as a private offering whose purpose is to give the acquirer 45% of the voting rights in the Company, in accordance with Section 328(b) of the Companies Law.

   ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

10. To approve the (i) CLA Transaction and the entering into, execution, delivery and performance of the CLA, and (ii) issuance and allocation of the Debentures and Warrants to the Lenders, as well as the ADSs, and the Ordinary Shares underlying same, originating from conversion or exercise of such Debentures and Warrants, in accordance with the provisions of the CLA, all as set forth in the proxy statement; provided that such issuance and allocation shall be deemed approved as a material private offering, whose purpose is to give the acquirer at least 25% of the voting rights in the Company, and as a private offering whose purpose is to give the acquirer 45% of the voting rights in the Company, in accordance with Section 328(b) of the Companies Law.

    ☐ **FOR** ☐ **AGAINST** ☐ **ABSTAIN**

In their discretion, the proxies are authorized to vote upon such other matters as may properly come before the Extraordinary Meeting or any adjournment or postponement thereof.

_____;	_____	_____
NAME	SIGNATURE	DATE
_____;	_____	_____
NAME	SIGNATURE	DATE

Please sign exactly as your name appears on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, trustee or guardian, please give full title as such. If the signed is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

EXHIBIT A
BIOGRAPHICAL DESCRIPTION FOR THE PROPOSED APPOINTMENTS

Chen Katz, Chairman of the Board of Directors

Mr. Chen Katz has served as our Chairman of the board of directors since January 20, 2019. Since 2006, Mr. Katz has been the chief executive officer of TechnoPlus Ventures Ltd., an Israeli publicly traded investment firm. Mr. Katz currently sits on the board of Nanomedic Technologies Ltd. and Nicast Ltd. where he serves as the chairman of the board of directors, Aminach Furniture and Mattresses Industry Ltd., CompuLap Ltd., and RapiDx Ltd. From 2010 to 2018 Mr. Katz served on the board of directors of D-Led Illumination Technologies Ltd. Mr. Katz is a member of the Israel Bar Association. Mr. Katz holds a European Master in Law and Economics (EMLE) from the Complutense University of Madrid and an LL.B. from the University of Haifa.

Noa Matzliach, Director

Ms. Noa Matzliach has served on our board of directors since March 24, 2019. Since 2018 Ms. Matzliach serves as Director of Finance at Nextage Ltd., a leading financial services firm specializing in the high-tech business, providing financial services to several high-tech and start-up companies. From 2011 to 2018 Ms. Matzliach served as Controller and Chief Financial Officer at TechnoPlus Ventures Ltd., an Israeli Investment company, publicly traded on the TASE (TNVP). From 2010 to 2011 Ms. Matzliach served as a Controller at Automotive Equipment and Vehicles (2004) Ltd. From 2005 to 2010 Ms. Matzliach served as a Manager in the Assurance Services Department, at Ernst & Young Israel (Kost Forer Gabbay and Kasierer). Ms. Matzliach holds a B.A. in Accounting, Economics and Management and an MBA with a major in Financial Management, both from Tel Aviv University. Ms. Matzliach is a CPA and is a member of the Institute of Certified Public Accountants in Israel

Yehuda Halfon, External Director

Mr. Yehuda Halfon has served on our board of directors since March 2016 as an external director in accordance with the Companies Law. Since 2009, Mr. Halfon has served as the chief executive officer at Cooperica property Ltd., which owns and manages a large geriatric center and other real estate properties in Israel. In addition, and since 2011, Mr. Halfon has served as the chief financial officer of Local Developing Germany GmbH, which owns a large portfolio of residential assets in Germany. Mr. Halfon holds a B.A. in Accounting & Economics from the Hebrew University in Jerusalem. Mr. Halfon is a certified CPA in Israel.

Moshe Tal, External Director

Mr. Moshe Tal serves as a partner with Shtainmetz Aminoach & Co. accounting, a CPA (Isr) Israeli Certified Public Accountant, Investment and Consulting firm. Mr. Tal is also a lecturer at the College of Management, Academic Studies and Department of Accounting at the Interdisciplinary Center in Herzliya. Mr. Tal served in the Israeli tax Authority for 13 years and has vast experience with tax regulations and laws, both in Israel and outside of Israel. Between 2011 and 2013 Mr. Tal served as a director of Dash Ipax Holdings Ltd. and from 2010 until 2018 as a director at Netz Group Ltd. Mr. Tal is a certified Israeli public accountant.

EXHIBIT B
Terms of Grant of Options to United States Employees

U.S. SUB-PLAN TO THE
SAFE-T GROUP LTD. GLOBAL EQUITY PLAN

Established by Resolution of the Board on January 20, 2019

1. PURPOSE

The Board of Safe-T Group Ltd. (the "Company") established the Safe-T Group Ltd. Global Equity Plan (the "Plan"). Through the Plan, the Company established a framework to aid the Company in attracting and retaining the best available individuals for positions of substantial responsibility, and to promote the success of the Company's and Affiliate's business by aligning the financial interests of individuals providing services to the Company and Affiliates with long-term shareholder value.

The Board determined that it was necessary and desirable to establish a sub-plan of the Plan for the purpose of granting Restricted Stock Units or Options to Eligible Persons who are residents of the United States or who are or may become subject to U.S. tax (i.e., income tax, social security and/or withholding tax ("U.S. Participants")), with such Options qualifying as either Incentive Stock Options or Non-Statutory Stock Options within the meaning of Section 422 of the Code, to cause all Restricted Stock Units and Options under the Plan to be exempt from or comply with Section 409A of the Code, and to cause all Restricted Stock Units and Options to comply with certain other provisions and exemptions under U.S. law. The terms of the Plan, as amended from time to time, shall, subject to the provisions hereof, constitute this U.S. Sub-Plan of the Plan (this "U.S. Sub-Plan"). This U.S. Sub-Plan supplements, and shall be read in conjunction with the Plan, and is subject to the terms and conditions of the Plan; provided, that to the extent that the terms and conditions of the Plan differ from or conflict with the terms or conditions of this U.S. Sub-Plan, the terms and conditions of this U.S. Sub-Plan shall prevail.

2. INTERPRETATION

For the purposes of this U.S. Sub-Plan, the definitions set out in the Plan shall apply to this U.S. Sub-Plan as such definitions apply to the Plan and in addition the following terms shall have the following meanings (unless the context requires otherwise):

2.1 "***Beneficiary***" means the legal representatives of the U.S. Participant's estate entitled by will or the laws of descent and distribution to receive the benefits under a U.S. Participant's Option upon a U.S. Participant's death, provided that, if and to the extent authorized by the Board, a U.S. Participant may be permitted to designate a Beneficiary by separate written designation hereunder, in which case the "Beneficiary" instead will be the person, persons, trust or trusts (if any are then surviving) which have been designated by the U.S. Participant in his or her most recent written beneficiary designation filed with the Board to receive the benefits specified under the U.S. Participant's Option upon such U.S. Participant's death. Unless otherwise determined by the Board, any designation of a Beneficiary other than a U.S. Participant's spouse shall be subject to the written consent of such spouse.

2.2 *"**Board**"* means the board of directors of the Company.

2.3 *"**Code**"* means the United States Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation, and regulations thereto.

2.4 "***Date of Grant***" means, with respect to Non-Statutory Stock Options, the date specified in Treasury Regulation Section 1.409A-1(b)(5)(vi)(B) and with respect to Incentive Stock Options, the date specified in Treasury Regulation Section 1.422-1(c).

2.5 ***"Eligible Person"*** has the meaning specified in Section 3.1.1;

2.6 ***"Employee"*** has the meaning specified in Section 3.1.1.

2.7 "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended.

2.8 ***"Fair Market Value"*** means the value of a Share determined according to the following rules:

(a) If the Share is not at the time listed or admitted to trading with an established securities market, then Fair Market Value shall be determined in good faith by the Board, which may take into consideration (i) the price paid for the Share in the most recent trade of a substantial number of Shares known to the Board to have occurred at arm's length between willing and knowledgeable investors, (ii) an appraisal by an independent party, or (iii) any other method of valuation undertaken in good faith by the Board, or some or all of the above as the Board shall in its discretion elect; or

(b) If the Share is at the time listed or admitted to trading with an established securities market, then Fair Market Value shall mean the closing price of the Company's Share on such established securities market for the last trading day before the Date of Grant of such Option.

2.9 ***"Incentive Stock Option"*** means an Option intended to be (as set forth in the Grant Letter) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

2.10 *"**Non-Statutory Stock Option**"* means an Option not intended to be (as set forth in the Grant Letter) or which does not qualify as an Incentive Stock Option.

2.11 "***Qualified Member***" means a member of the Board who is a "Non-Employee Director" within the meaning of Rule 16b-3(b)(3) under the Exchange Act.

2.12 "***Restricted Stock Units***" means grants of a right to receive one Share or, in lieu thereof, the Fair Market Value of such Share in cash, which shall be contingent upon the vesting. Any reference in the Plan to a "Grant of Shares," "Share Grant," or "Granted Shares" shall refer to Restricted Stock Units for purposes of this U.S. Sub-Plan.

2.13 "***Rule 16b-3***" means Rule 16b-3, as from time to time in effect and applicable to U.S. Participants, promulgated by the U.S. Securities and Exchange Commission under Section 16 of the Exchange Act.

2.14 "***Securities Act***" means the U.S. Securities Exchange Act of 1933, as amended.

2.15 ***"Subsidiary"*** means a corporation, company, partnership or other form of business organization of which the Company owns, directly or indirectly through an unbroken chain of ownership, fifty percent or more of the total combined voting power of all classes of stock or other form of equity ownership or has a significant financial interest, as determined by the Board.

2.16 "***Ten Percent Shareholder*"** means a person who, at the time an Option is granted to such person, owns shares possessing more than ten percent (10%) of the total combined voting power *(as defined under applicable U.S. law and after application of the attribution rules of Section 424(d) of the Code)* of all classes of shares of the Company or any ISO Subsidiary within the meaning of Section 422(b)(6) of the Code.

3. TERMS

Restricted Stock Units, Incentive Stock Options and Non-Statutory Stock Options shall be governed by the terms of the Plan to the extent not otherwise provided for in this U.S. Sub-Plan.

3.1 **Eligibility and Certain Option Limitations**.

3.1.1 **Eligibility**. Non-Statutory Stock Options and Restricted Stock Units may be granted under the U.S. Sub-Plan only to Eligible Persons. For purposes of the U.S. Sub-Plan, an "Eligible Person" means (i) an employee of the Company or any Subsidiary, which term shall include any common-law employee as well as any person whom the Company or Subsidiary classifies as an employee (including any officer who is an employee) for employment tax purposes (whether or not such classification is correct), and any person who has been offered employment by the Company or a subsidiary or Subsidiary, provided that such prospective employee may not receive any payment or exercise any right relating to an Option until such person has commenced employment with the Company or Subsidiary (each, an "employee"), (ii) a non-employee executive officer or non-employee director of the Company or Subsidiary, or (iii) a consultant, advisor or other independent contractor of the Company or Subsidiary. Incentive Stock Options may be granted only to an Eligible Person who is an employee (as determined under the statutory option rules of Section 421 et seq. of the Code) of the Company or of a "parent corporation" or "subsidiary corporation" (as those terms are defined in Section 424 of the Code and such subsidiary being an "ISO Subsidiary") with respect to the Company. A person shall not cease to be an employee in the case of (i) any military, sick leave or other bona fide leave of absence approved by the Company or (ii) transfers between locations of the Company or between or among the Company, and its Subsidiaries, or any successor. For purposes of Incentive Stock Options, no such leave may exceed ninety days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If the period of leave exceeds ninety (90) days and reemployment upon expiration of such leave is not so guaranteed, any Incentive Stock Option held by the grantee shall cease to be treated as an Incentive Stock Option on the 180th day following the first day of such leave and shall thereafter be treated for tax purposes as a Non-Statutory Stock Option. Neither service as a director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company for purposes of the U.S. Plan.

3.1.2 **Term of Options**. (a) The Board shall determine the term of each Option, provided that in no event shall any Option be exercisable after the expiration of ten (10) years after the effective Date of Grant of such Option and (b) no Incentive Stock Option granted to a Ten Percent Shareholder shall expire later than five years from its Date of Grant.

3.1.3 **Exercise Price**. The exercise price per share for an Option shall be determined by the Board; provided that such exercise price shall be not less than the Fair Market Value of a Share on the effective Date of Grant of the Option. No Incentive Stock Option granted to a Ten Percent Shareholder shall have an exercise price per share less than one-hundred ten percent (110%) of the Fair Market Value of a Share on the effective Date of Grant of the Option.

3.1.4 **Exercise Payment**. Shares purchased upon the exercise of an Option granted under the Plan shall be paid for as follows: (a) in cash or by check, payable to the order of the Company; (b) by payment in cash or by check, payable to the order of the Company, of the par value of the Shares to be acquired and by payment of the balance of the exercise price in whole or in part by delivery of the Participant's recourse promissory note, in a form specified by the Board and to the extent consistent with applicable law, secured by Shares acquired upon exercise of the Option and such other security as the Board may require; (c) except as may otherwise be provided in the applicable Grant Letter or approved by the Board, in its sole discretion, by (1) delivery of an irrevocable and unconditional undertaking by a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding or (2) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a creditworthy broker to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding; (d) by delivery (either by actual delivery or attestation) of Shares owned by the Participant valued at their Fair Market Value, provided (1) the method of payment is then permitted under applicable law, (2) the Shares, if acquired directly from the Company, was owned by the Participant for a minimum period of time, if any, as may be established by the Board in its sole discretion, and (3) the Shares are not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements; (e) in the case of a Non-Statutory Stock Option, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would receive (1) the number of shares underlying the portion of the Option being exercised less (2) such number of shares as is equal to (i) the aggregate exercise price for the portion of the Option being exercised divided by (ii) the value of the Common Stock on the date of exercise and, at the election of the Participant, less (iii) such number of shares as is equal in value to the withholding obligation (if any); (f) to the extent permitted by applicable law and provided for in the applicable Grant Letter or approved by the Board in its sole discretion, by payment of such other lawful consideration as the Board may determine; or (g) by any combination of the above permitted forms of payment.

3.1.5 **Exercise Restrictions.** The exercise restrictions in Section 7.7 of the Plan shall apply to the extent allowed under U.S. federal or state law.

3.1.6 **Adjustments**. Notwithstanding any provision in Article 4 of the Plan, no adjustment shall be made to the terms or conditions of an Option or Restricted Stock Unit under the terms of the Plan unless the adjustment would not otherwise cause adverse tax consequences to the Grantee under Code Section 409A or result in the loss of Incentive Stock Option status under Code Section 424 (without the Grantee's consent).

3.1.7 **Limits on Transferability.** An Option shall not be assignable or transferable by the Participant except by will or by the laws of descent and distribution. During the life of the Participant, an Option shall be exercisable only by him, by a conservator or guardian duly appointed for him by reason of his incapacity or by the person appointed by the Participant in a durable power of attorney acceptable to the Company's counsel. Notwithstanding the preceding sentences, the Board may in its discretion permit the Participant of an Non-Statutory Stock Option to transfer the Non-Statutory Stock Option to a member of the Immediate Family (as defined below) of the Participant, to a trust solely for the benefit of the Participant and the Participant's Immediate Family or to a partnership or limited liability company whose only partners or members are the Participant and members of the Participant's Immediate Family. "Immediate Family" shall mean, with respect to any Participant, the Participant's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and shall include adoptive relationships.

3.1.8 **No Rights as Shareholder.** A Participant shall have no rights as a stockholder with respect to any Shares covered by an Option or a Restricted Stock Unit until the date of issuance of a stock certificate to him or her for the Shares. Notwithstanding Section 13.3 of the Plan, with respect to Option grants, U.S. Participants shall not receive, either directly or indirectly, any dividend payment for dividends accrued on Underlying Shares. With respect to Restricted Stock Unit grants, the Board, at its sole discretion, may grant a dividend equivalent unit to any Participant upon such terms and conditions as it may establish. Each dividend equivalent unit will entitle the Participant, at the time of the settlement of the Restricted Stock Unit, to an additional payment equal to the dividends the Participant would have received if the Participant had been the actual record owner of the underlying Shares on each dividend record date prior to settlement. The dividend equivalent unit may be settled in Shares or cash or a combination thereof.

3.2 **Incentive Stock Options.**

The following provisions shall control any grants of Options that are denominated as Incentive Stock Options.

3.2.1 **Grant of Incentive Stock Options**. Each Option that is intended to be an Incentive Stock Option must be designated in the Option Agreement as an Incentive Stock Option, provided that any Option designated as an Incentive Stock Option will be a Non-Statutory Stock Option to the extent the Option fails to meet the requirements of Code Section 422.

3.2.2 **Maximum ISO Limit.** The maximum aggregate number of Shares that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed 10M Shares (the ***"ISO Share Limit"***) (subject to adjustment as provided in section 4 of the Plan), and shall be determined to the extent required under the Code, by reducing the number of Shares designated under section 3 of the Plan by the number of Shares issued pursuant to Options, provided that any Shares that are subject to Options issued under the Plan and forfeited back to the Plan before an issuance of Shares shall be available for issuance pursuant to future ISO Options. The maximum aggregate number of Shares that may be issued under the Plan pursuant to all Options other than Incentive Stock Options shall not be limited and shall be in accordance with section 3 of the Plan.

3.2.3 **Exercise Limitation.** To the extent that Options that are intended to qualify as Incentive Stock Options (granted under all Shares plans of the Company, including the Plan) become exercisable by a U.S. Participant for the first time during any calendar year for Shares having a Fair Market Value greater than one-hundred thousand dollars ($100,000), the portion of such Options which exceed such amount shall be treated as Non-Statutory Stock Options. For purposes of this Section 3.2.4, Options intended to qualify as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of Shares shall be determined as of the time the option with respect to such Shares is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Non-Statutory Stock Option in part by reason of the limitation set forth in this Section, the U.S. Participant may designate which portion of such Option the U.S. Participant is exercising. In the absence of such designation, the U.S. Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise of the Option, Shares issued pursuant to each such portion shall be separately identified.

3.2.4 **Post-Termination Exercise**. An Incentive Stock Option shall remain exercisable following a termination of employment (including Retirement) from the Company or an ISO Subsidiary, to the extent the Employee was entitled to exercise such Option at the date of termination of employment, only until the expiration of (A) three months after the termination of employment from the Company and an ISO Subsidiary for any reason, including any change in a U.S. Participant's engagement status between Employee and a consultant, but other than his or her death or disability (within the meaning of Code Section 22(e)(3)), and (B) one year after the termination of employment from the Company and any ISO Subsidiary on account of his or her death or disability (as defined above). In the case of the death of the U.S. Participant, the Option may be exercised by the U.S. Participant's estate or by a person who acquires the right to exercise the Option by bequest or inheritance. If such disability is not a "disability" as such term is defined in Section 22(e)(3) of the Code, in the case of an Incentive Stock Option, such Incentive Stock Option shall automatically cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Non-Statutory Stock Option on the day three months and one day following a termination of employment from the Company and any ISO Subsidiary on account of disability. Notwithstanding Section 10.4 of the Plan, the Administrator shall be permitted to extend any of the periods stated in Sections 10.1-10.3 of the Plan only to the extent such extension is compliant with the Code and any applicable any federal or state law, rule or regulation.

3.2.5. **Modification**. If an Incentive Stock Option is modified, extended or renewed (within the meaning of Code Section 424(h)), such Option will thereupon cease to be treated as an Incentive Stock Option

3.2.6 **Notice of Disposition**. The U.S. Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Stock Option within (a) two (2) years from the Date of Grant of such Incentive Stock Option or (b) one (1) year after the transfer of such Shares to the U.S. Participant.

3.3 **Restricted Stock Units.**

The following provisions shall control any grants of Restricted Stock Units

3.3.1 **Number of Shares and Other Terms**. The number of Shares subject to a Restricted Share Unit Award and the vesting period shall be determined by the Board or pursuant to the Plan.

3.3.1 **Purchase Price**. Notwithstanding Section 7.1 of the Plan, U.S. Participants shall not be required to pay any consideration including the Purchase Price to receive Shares upon vesting of a Restricted Stock Unit.

3.3.1 **Settlement and Delivery**. Delivery of Shares in settlement of a Restricted Share Unit Award that vests shall occur as soon as administratively practicable following vesting, but in no event later than the fifteenth day of the third month following the close of the year in which vesting occurs.

3.3.1 **Release**. Notwithstanding Section 7.5 of the Plan, U.S. Participants shall not be required to provide to the Company documentation evidencing the payment of taxes by the U.S. Participant as a condition to receiving any Shares or any other compensation or benefit under either the Plan or this U.S. Sub-Plan.

4. ADMINISTRATION OF U.S. SUB-PLAN

4.1 **Manner of Exercise of Board Authority**. At any time that a member of the Board is not a Qualified Member, any action of the Board relating to an Option intended to be covered by an exemption under Rule 16b-3 under the Exchange Act may be taken by a committee or subcommittee, designated as the "U.S. Sub-Committee," composed solely of two or more Qualified Members or may be taken by the Board or the U.S. Sub-Committee but with each such member who is not a Qualified Member abstaining or recusing himself or herself from such action, provided that, upon such abstention or recusal, the Board or U.S. Sub-Committee remains composed of at least two or more Qualified Members. Such action, authorized by the U.S. Sub-Committee or by the Board upon the abstention or recusal of such non-Qualified Member (s), shall be the action of the Board for purposes of the Plan. The express grant of any specific power to the Board, and the taking of any action by the Board, shall not be construed as limiting any power or authority of the Board. To the fullest extent authorized under applicable law, the Board may delegate to officers or managers of the Company or any Affiliate, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, including administrative functions, as the Board may determine, to the extent that such delegation will not cause Options intended to qualify for an exemption under Rule 16b-3 under the Exchange Act to fail to so qualify.

4.2 **Exemptions from Section 16(b) Liability**. With respect to a U.S. Participant who is then subject to the reporting requirements of Section 16 (a) of the Exchange Act in respect of the Company, the Board shall implement transactions under the Plan and administer the Plan in a manner that will ensure that each transaction with respect to such a U.S. Participant is exempt under Rule 16b-3 (or satisfies another exemption under Section 16(b)), except that this provision shall not limit sales by such a U.S. Participant, and such a U.S. Participant may engage in other non-exempt transactions with respect to shares delivered under the Plan.

4.3 **Compliance with Legal and Other Requirements**. The Company may, to the extent deemed necessary or advisable by the Board, postpone the issuance or delivery of Shares until completion of such registration or qualification of such Shares or other required action under any federal or state law, rule or regulation or listing or other required action with respect to any stock exchange or automated quotation system upon which the Shares or other securities of the Company are listed or quoted, as the Board may consider appropriate, and may require any U.S. Participant to make such representations, furnish such information and comply with or be subject to such other conditions as it may consider appropriate in connection with the issuance or delivery of in compliance with applicable laws, rules, and regulations or listing requirements. Specifically, in connection with the Securities Act, upon the exercise of any Option or settlement of a Restricted Stock Unit, the Company shall not be required to issue shares unless the Board has received evidence satisfactory to it to the effect that the Participant will not transfer the shares except pursuant to a registration statement in effect under the Securities Act or unless an opinion of counsel satisfactory to the Company has been received by the Company to the effect that such registration is not required. Any determination in this connection by the Board shall be conclusive. The Company shall not be obligated to take any other affirmative action in order to issue any shares upon the exercise of any Option or to settle any Restricted Stock Unit to comply with any law or regulations of any governmental authority, including, without limitation, the Securities Act or applicable state securities laws/ any applicable securities laws.

5. TAX PROVISIONS

5.1 **Section 409A Compliance.** The Company intends that Options and Restricted Stock Units granted pursuant to the Plan to U.S. Participants be exempt from or comply with Section 409A of the Code (including any amendments or replacements of such section), and the Plan shall be so construed. Notwithstanding other provisions of this U.S. Sub-Plan or any Grant Letters hereunder, unless otherwise determined by the Board in its sole and absolute discretion, no Option or Restricted Stock Unit shall be granted, deferred, accelerated, extended, settled, paid out or modified under this U.S. Sub-Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a U.S. Participant. In the event that it is reasonably determined by the Board that, as a result of Section 409A of the Code, payments in respect of any Option or Restricted Stock Unit under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Grant Letter, as the case may be, without causing the U.S. Participant holding such Option or Restricted Stock Unit to be subject to taxation under Section 409A of the Code, including as a result of the fact that the U.S. Participant is a "specified employee" under Section 409A of the Code, the Company will make such payment on the first day that would not result in the U.S. Participant incurring any tax liability under Section 409A of the Code. The Company shall use commercially reasonable efforts to implement the provisions of this Section 5.1 in good faith; provided, that neither the Company, the Board nor any of the Company's employees, directors or representatives shall have any liability to U.S. Participants with respect to this Section 5.1. Without limiting the foregoing, unless otherwise determined by the Board in its sole and absolute discretion, the terms of Section 4 of the Plan as they relate to U.S. Participants shall be subject to the requirements and limitations of Section 409A of the Code. Notwithstanding any provision of the Plan to the contrary, in the event that following such effective date the Board determines that any Option or Restricted Stock Unit may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after such effective date), the Board may adopt such amendments to the Plan and the applicable Grant Letter or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Board determines are necessary or appropriate to (a) exempt the Option or Restricted Stock Unit from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Option or Restricted Stock Unit, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance and thereby avoid the application of any penalty taxes under such Section.

5.2 **Withholding Taxes**. To the extent required by law, the Company may withhold or cause to be withheld income and other taxes with respect to any income recognized by a Participant by reason of the exercise of an Option or settlement of a Restricted Stock Unit, and as a condition to the receipt of any Option or Restricted Stock Unit the Participant shall agree that if the amount payable to him or her by the Company or any Affiliate employing the Participant in the ordinary course is insufficient to pay such taxes, then the Participant shall upon the request of the Company pay to the Company an amount sufficient to satisfy its tax.

6. LIMITATION ON RIGHTS CONFERRED UNDER U.S. SUB-PLAN

Neither this U.S. Sub-Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or U.S. Participant the right to continue as an Eligible Person or U.S. Participant or in the employee or service of the Company or a Subsidiary or Affiliate, (ii) interfering in any way with the right of the Company or a Subsidiary or Affiliate to terminate any Eligible Person's or U.S. Participant's employment or service at any time, (iii) giving an Eligible Person or U.S. Participant any claim to be granted any Option or Restricted Stock Unit under the Plan or to be treated uniformly with other U.S. Participants and employees, or (iv) conferring on a U.S. Participant any of the rights of a shareholder of the Company unless and until the U.S. Participant is duly issued or transferred Shares in accordance with the terms of an Option or Restricted Stock Unit, or an Option is duly exercised or the Restricted Stock Unit is settled. Except as expressly provided in this U.S. Sub-Plan and a Grant Letter, neither this U.S. Sub-Plan nor any Grant Letter shall confer on any person other than the Company and the U.S. Participant any rights or remedies thereunder.

7. AUTHORIZATION OF SUB-PLAN

7.1 **Effectiveness**. This U.S. Sub-Plan shall become effective upon its adoption by the Board (the "Effective Date"). It shall continue in effect for a term of ten years from such date or from the date of its approval by the Shareholders, whichever is earlier, unless sooner terminated under the terms of the Plan. The Board may at any time amend the Plan; *provided*, *however*, that if Incentive Stock Options are granted under the Plan, without approval of the Company's shareholders there shall be no: (a) increase in the total number of Shares available to be issued as Incentive Stock Options, except by operation of the provisions of Section 4 of the Plan and Section 3.1.6 of this U.S. Sub-Plan or (b) change in the class of persons eligible to receive Incentive Stock Options under the Plan; and *provided*, *further,* that there shall be no other change in the Plan that requires shareholder approval under applicable law unless such approval is obtained. Except as otherwise provided in the Plan or an Option agreement or Restricted Stock Unit agreement, no amendment shall adversely affect outstanding Options or Restricted Stock Units without the consent of the Participant. The Plan may be terminated at any time by action of the Board, but any such termination will not terminate Options or Restricted Stock Units then outstanding, without the consent of the Participant.

7.2 **Shareholder Approval**. Continuance of the Plan and this U.S. Sub-Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan and this U.S. Sub-Plan are adopted. Any Incentive Stock Options granted under this U.S. Sub-Plan before shareholder approval is obtained must be rescinded if shareholder approval is not obtained within twelve (12) months before or after the Plan and this U.S. Sub-Plan are adopted.

7.3 **Nonexclusivity of the Plan**. Neither the adoption of this U.S. Sub-Plan by the Board nor its submission to the shareholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements, apart from the Plan or this U.S. Sub-Plan, as it may deem desirable, and such other arrangements may be either applicable generally or only in specific cases.

8. GOVERNING LAW

This U.S. Sub-Plan shall in all respects be governed by and be construed in accordance with the laws of the State of Delaware, without giving effect to the principals of conflicts of laws, and applicable provisions of U.S. federal law. The state and federal courts located within the State of Delaware shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this U.S. Sub-Plan and accordingly any proceedings, suit or action arising out of this U.S. Sub-Plan shall be brought in such courts.

EXHIBIT C
SHARE AND ASSET PURCHASE AGREEMENT

THIS SHARE AND ASSET PURCHASE AGREEMENT (this "**Agreement**") dated as of April 4, 2019, is made and entered into by and among (i) Safe-T Group Ltd., a public company organized under the laws of the State of Israel (the "**Purchaser**"), (ii) NetNut Ltd., a corporation organized under the laws of the State of Israel (the "**Company**"), (iii) DiViNetworks Ltd., a corporation organized under the laws of the State of Israel ("**DIVI**") and (iv) the parties listed on Schedule A, being all of the shareholders of the Company, beneficially and/or of record (individually, a "**Shareholder**", and collectively the "**Shareholders**"). Each of the Purchaser, the Company, DIVI and the Shareholders may also be referred to herein, individually, as a "**Party**", and collectively, as the "**Parties**".

Unless otherwise expressly defined herein or the context otherwise require, the capitalized terms used, but not defined in this Agreement shall have the meanings set forth in Exhibit A hereto.

WHEREAS, the Company is engaged in the business of the development, marketing and sale of business proxy network software and services (the "**Business**"); and

WHEREAS, the Shareholders own, beneficially and of record, all of the issued and outstanding share capital of the Company, and the Purchaser wishes to purchase, and the Shareholders wish to sell, all of the issued and outstanding share capital of the Company, comprised of ordinary shares and Series A ordinary shares, par value NIS 0.01 each (the "**Shares**"), upon the terms and conditions set forth in this Agreement; and

WHEREAS, DIVI wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the DIVI, certain assets as specified herein;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Parties hereby agree as follows:

1. SALE AND PURCHASE OF SHARES

1.1. **Sale and Purchase of Shares.** Subject to the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties herein set forth, at the Closing, each of the Shareholders shall sell, transfer, convey, assign and deliver to the Purchaser, and the Purchaser shall purchase from each of the Shareholders, all of their rights, title and interest in and to the share capital of the Company owned by each of the Shareholders, with the number of Shares owned by each Shareholder set forth opposite such Shareholder's name under the columns entitled "Shares" on Schedule A, free and clear of any and all Encumbrances, other than the Pledge, as hereinafter set forth.

1.2. **Shares Purchase Price.** The aggregate purchase price for the Shares shall be up to USD $ 8,400,000 (the "**Aggregate Shares Purchase Price**"), subject to adjustment as set forth in Section 1.4 and Section 6. The Aggregate Shares Purchase Price shall consist of, and each Shareholder shall receive its or his Shareholder's Portion of Purchase Price set forth opposite its or his name on Schedule A, of the following aggregate amounts:

1.2.1. The amount in U.S. dollars equal to USD $ 3,400,000 (the amount actually due and payable to the Shareholders pursuant to this Section 1.2.1 - the "**Initial Share Purchase Price**"). The Initial Share Purchase Price shall be paid as follows:

1.2.1.1. The amount of USD $ 1,614,742.27 payable at Closing in immediately payable funds (the "**Cash Amount**"); provided that the Down Payment Amount shall be paid in accordance with the provisions of Section 1.6 below; and

1.2.1.2. An amount equal to USD $ 175,257.73 payable at Closing to Escrow Agent (as defined below) on account of the Escrow Amount (as defined below), in immediately payable funds;

1.2.1.3. The amount of USD $ 1,360,000, payable at Closing in ordinary shares of the Purchaser (the "**Initial Consideration Shares**"), issued at a per share price equal to the average price of the Purchaser's shares on Tel Aviv Stock Exchange Ltd. (the "**TASE**") for the thirty (30) trading days immediately prior to the date hereof (the "**Initial Consideration PPS**"), i.e. 24,347,410 ordinary shares of the Purchaser; and

1.2.2. Up to Five Million U.S. Dollars (USD $5,000,000) in contingent consideration (the "**Earn-Out**"), which shall be paid and distributed to the Shareholders upon the Company achieving certain revenue milestones in 2019. The amount of the EarnOut payable to the Shareholders shall be determined as follows: (i) for every One U.S. Dollar (USD $1.00) of revenue that the Company earns in 2019 that is in excess of an amount of Two Million Two Hundred and Two Thousand Four Hundred and Forty Seven U.S. Dollars (USD $2,202,447) up to the amount of Four Million U.S. Dollars (USD $4,000,000), the Purchaser shall pay to the Shareholders One U.S. Dollar and Sixty Six Cents (USD $1.66) in additional consideration; and (ii) for every One U.S. Dollar (USD $1.00) of revenue that the Company earns in 2019 that is in excess of an amount of Four Million U.S. Dollars (USD $4,000,000) the Purchaser shall pay to the Shareholders Two U.S. Dollar (USD $2.00) in additional consideration, all up to a maximum aggregate amount of Five Million U.S. Dollars (USD $5,000,000) (the actual amount to be paid to the Shareholders pursuant to the provisions of this Section 1.2.2 – the "**EarnOut Amount**"). For the purposes of this Section 1.2.2, the revenues for 2019 shall be as indicated in the Company's 2019 audited financial statements (the "**2019 Financial Statements**") prepared in accordance with IFRS and the Company's past practice, as specified in **Exhibit 1.2.2**.

1.3. **EarnOut**

1.3.1. Method of payment. No later than thirty (30) days following the date of 2019 Financial Statements, which shall be prepared by no later than March 20, 2020, the Purchaser shall pay the EarnOut Amount to the Shareholders in immediately available funds, provided that the Purchaser, at its sole discretion, may elect to pay up to fifty percent (50%) of the EarnOut Amount, in ordinary shares of the Purchaser (the "**EarnOut Share**s"; Initial Consideration Shares, the Assets Consideration Shares (as defined below) and EarnOut Shares, collectively – "**Consideration Shares**"), provided that in any event the amount of the EarnOut Shares shall not exceed 44,756,273. The EarnOut Shares shall be issued, if issued, within thirty (30) days following the date of 2019 Financial Statements, which shall be prepared by no later than March 20, 2020, calculated at a per share price equal to the Initial Consideration PPS. If and when the EarnOut Shares are issued to the Shareholders pursuant with the foregoing, the Company shall deliver to its registration company, Registration Company of Bank Hapoalim Ltd. (the "**Registration Company**"), with a copy to the Shareholders, all the documents and information needed in order to deposit the EarnOut Shares in the Shareholders accounts (which details shall be provided by the Shareholders to the Company in writing no later than three (3) days prior to the date of such deposit), so that the Registration Company shall register such deposit (according to allocation between the Shareholders as provided in Schedule A hereto).

1.3.2. Security. To secure the obligation to pay the EarnOut Amount, the Purchaser shall execute and deliver to the Shareholders upon the Closing a pledge agreement substantially in the form attached as **Exhibit 1.3.2** hereto (the "**Pledge Agreement**"), whereby the Purchaser shall grant to the Shareholders the first security interest and pledge in 30% of the Shares (the "**Pledge**"). After the payment of the EarnOut Amount pursuant to Sections 1.2.2 and 1.3.1 above, the obligations of the Purchaser under this Section 1.3.2 shall cease and the Pledge shall be removed. For this purpose, upon the Closing the Shareholders shall irrevocably instruct the Escrow Agent, and deposit with him, any and all instruments required to remove the Pledge in accordance with the applicable law, including an appropriate notice to the Israeli Registrar of Companies duly signed by all the Shareholders, all as set forth in the Escrow Agreement.

1.3.3. Without derogating from the provisions of Sections 11.4, 11.5 and 11.6 hereof and the understandings and expectations of the Parties as reflected in Section 1.2.2 hereof, as of the Closing Date and up to December 31, 2019, the Purchaser shall (i) operate the Company in the ordinary course, in a manner consistent with the Company's past practices and in accordance with the Budget (as defined below); and (ii) maintain separate books and records of the Company, so as to make calculation of the Company's 2019 revenues feasible and verifiable.

1.3.4. Subject to the foregoing and the terms of the Pledge Agreement, this Agreement shall impose no restrictions on the operation of the Business by the Purchaser or the Company following the Closing or on the operations, business or activities of the Purchaser following the Closing.

1.4. **Adjustment to Initial Share Purchase Price**.

The Initial Share Purchase Price shall be increased or decreased on a dollar-for-dollar basis as follows: (i) increased by the amount by which the Closing Working Capital is greater than Zero U.S. Dollars (USD $0), (ii) decreased by the amount by which the Closing Working Capital is less than Zero U.S. Dollars (USD $0), and (iii) decreased by the amount of any Debt of the Company, as of the Closing Date. The Initial Share Purchase Price was computed based on the assumption that the Closing Working Capital decreased by the amount of any Debt of the Company as of the Closing Date, is equal to Zero U.S. Dollars (USD $0) ((i) or (ii), and (iii), the "**Adjustment Amount**")). Section 6 sets forth the process for determining and effecting any necessary adjustments to the Initial Share Purchase Price resulting from the Closing Working Capital.

1.5. **Registration of the Initial Consideration Shares, Assets Consideration Shares and the EarnOut Shares**. Within 90 days following the Closing Date, the Purchaser shall file with the U.S. Securities Exchange Commission (the "**SEC**") one registration statement with respect to the Initial Consideration Shares, the EarnOut Shares and the Assets Consideration Shares to be issued by the Purchaser hereunder, and shall use best efforts to have such registration statement declared effective as promptly as practicable. A draft of such registration statement shall be provided to the Representative, no later than 75 days following the Closing, along with the proxy statement relating to the shareholders meeting to be held in connection therewith and shall be in form and substance reasonably acceptable to the Parties. The Purchaser shall use best efforts to keep the registration statement continuously effective until the earlier of (i) the date after which all of the securities to be registered thereunder have been sold, or (ii) the date on which all the securities to be registered thereunder may be sold without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 under the Securities Act. Any costs arising out of or in connection with the foregoing shall be borne by the Purchaser. For the avoidance of any doubt, with respect to the EarnOut Shares the number of shares to be registered shall be 44,756,273 ordinary shares of the Purchaser, being the quotient of 50% of the Earnout Amount divided by the Initial Consideration PPS.

1.6. **Down Payment**.

1.6.1. Within three (3) Business Days following the date hereof, the Purchaser shall deposit with the Company the sum of Two Hundred and Fifty Thousand U.S. Dollars ($250,000) in available funds (the "**Down Payment Amount**"), on account of the Cash Amount. The Company shall deposit the Down Payment Amount in a bank account, separate from any other accounts and funds, and in any event shall not utilize the Down Payment Amount for any purpose whatsoever prior to the Closing. Upon the Closing, the Company shall distribute the Down Payment Amount to the Shareholders, in accordance with each Shareholder's portion of the Down Payment Amount set forth opposite its or his name on Schedule A.

1.6.2. In the event that the Contemplated Transactions do not close before or upon the Closing Date (as defined below), unless the sole reason for not closing is due to the Company's and/or Shareholders' and/or DIVI's failure to make the deliveries set forth in Section 3.2.2 through Section 3.2.4, the Down Payment Amount, as well as any interest accrued thereon, shall be deemed to constitute a convertible loan provided to the Company by the Purchaser, and, at the Company's sole discretion, shall within three (3) Business Days following the Closing Date be either (i) repaid by the Company to the Purchaser in full, or (ii) converted into 3,222 Company's shares, at a price per share of $ 77.6, reflecting the Company's pre-money valuation equal to $9,700,000.

1.6.3. Notwithstanding the foregoing, in the event that either of Company, the Shareholders or DIVI fails to make the deliveries set forth in Section 3.2.2 through Section 3.2.4, the Company shall repay the Down Payment Amount to the Purchaser within three (3) Business Days following the Closing Date.

2. SALE AND PURCHASE OF ASSETS

2.1. **Purchase and Sale of Assets**.

2.1.1. On the terms and subject to the conditions set forth in this Agreement, at the Closing, the Purchaser shall purchase, acquire and accept from DIVI, and DIVI shall sell, transfer, assign, convey and deliver to the Purchaser all of DIVI's right, title and interest in, to and under the Purchased Assets, free and clear of any and all Encumbrances, excluding any Encumbrances that materialize following the Closing.

2.1.2. The aforementioned assignment does not include assignment or transfer of any of DIVI liabilities, and the Purchaser does not and shall not assume or otherwise be responsible for any liabilities of DIVI, direct or indirect, including but not limited to any indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement on behalf of any party, whether accrued, absolute, contingent, matured, unmatured or other, including any liability or obligation with respect to any employee or former employee of DIVI.

2.2. **Assets Purchase Price**. In consideration for the sale, delivery, transfer and assignment of the Purchased Assets pursuant to Section 2.1 above, at Closing the Purchaser shall pay DIVI an aggregate amount equal to USD $ 6,300,000 (the "**Assets Purchase Price**"). The Assets Purchase Price shall be paid as follows:

2.2.1. An amount equal to USD $ 3,455,257.73 payable at Closing to DIVI in immediately payable funds;

2.2.2. An amount equal to USD $ 324,742.27 payable at Closing to Escrow Agent on account of the Escrow Amount, in immediately payable funds;

2.2.3. An amount equal to USD $ 2,520,000, payable at Closing in ordinary shares of the Purchaser (the "**Assets Consideration Shares**"), calculated at a per share price equal to the Initial Consideration PPS, i.e. 45,114,327 ordinary shares of the Purchaser.

2.3. **No Additional Consideration**. For the avoidance of any doubt, if any Purchased Asset has been inadvertently omitted from **Schedule C** hereto, and the Company and/or the Purchaser discovers such omission at any time, whether before or after Closing, DIVI shall sell, transfer, assign, convey and deliver to the Purchaser all of its right, title and interest in, to and under such omitted Purchased Asset, free and clear of any and all Encumbrances, for no additional consideration.

2.4. **Further Conveyances**. From time to time following the Closing, DIVI and Purchaser shall execute, acknowledge and deliver all such further conveyances, notices, assumptions and releases and such other instruments, and at Purchaser's expense and request shall take such further actions, as may be reasonably necessary or appropriate to assure fully to Purchaser and its successors or assigns, all of the rights, titles and interests intended to be conveyed to Purchaser hereunder.

2.5. **Proprietary Information and Confidentiality**.

Without derogating from any other provisions of this Agreement, including the Schedules and Exhibit hereto, DIVI hereby confirms and undertakes as follows:

2.5.1. DIVI is aware that the Purchased Assets being sold, transferred and assigned to the Purchaser hereunder (the "**Transferred Confidential Information**") shall be deemed to be and shall constitute confidential and proprietary information of the Purchaser.

Transferred Confidential Information shall not include, information which: (i) is publicly available at the time of disclosure; (ii) becomes public domain after disclosure through no act of DIVI or its assigns in breach hereof. In addition, the provisions herein shall not apply to the extent DIVI is required to disclose information pursuant to a court order or under any applicable law.

2.5.2. At all times from the date hereof and for 4 years thereafter, DIVI shall keep in confidence and trust all the Transferred Confidential Information, and any part thereof, and will not use or disclose it and/or make it available, directly or indirectly, to any third party without the prior written consent of the Purchaser. DIVI shall exercise a reasonable degree of care in safeguarding the Transferred Confidential Information against loss, theft or other inadvertent disclosure and in any event a standard no less than the degree of care it applies to its own confidential information and take all reasonable steps necessary to ensure the confidentiality thereof.

2.5.3. The provisions of this Section 2.5 shall remain in full force and effect at all times after the Closing in accordance with its terms.

2.6. **Non-Competition**.

2.6.1. As an inducement for the Purchaser to consummate the transactions set forth in this Agreement, DIVI agrees that for a period of 4 years following the Closing Date, it shall not engage, own, manage, operate, control or otherwise participate in, or be connected as an owner, partner, principal, creditor, salesman, guarantor, advisor, or have any financial interest in, or acquire any right to share in the profits of, or render services or advice to, any business or Person whose products, services or activities compete with the Business anywhere within the world.

2.6.2. DIVI acknowledges that the provisions of this Section 2.6 and the period of time, scope and type of restrictions on DIVI's activities set forth herein are reasonable and necessary for the protection of the Purchaser, which is paying substantial monies and other benefits to DIVI, and are an essential inducement to Purchaser's entering into and performing this Agreement. DIVI further acknowledges that any breach or threatened breach of the covenants contained in this Section 2.6 may cause the Purchaser material and irreparable damage, the exact amount of which will be difficult to ascertain, and that the remedies at law for any such breach will likely be inadequate. Accordingly, to the extent permitted by applicable law, Purchaser shall, in addition to all other available rights and remedies, be entitled to seek specific performance and injunctive relief in respect of any breach or threatened breach of this covenant, without being required to post bond or other security and without having to prove the inadequacy of the available remedies at law.

2.7. **Right of Review**. Subject to and commencing as of the Closing Date and execution of DIVI's standard confidentiality undertaking, DIVI shall grant the Purchaser a worldwide, nonexclusive, irrevocable during the term thereof, non-transferrable (except to the Purchaser's Affiliates) right to review any current or then existing know-how, intellectual property and technology to enable Purchaser to consider commercial viability of the same, for a period ending upon the first year anniversary of the Closing Date.

3. CLOSING

3.1. **Closing.** On the basis of the representations, warranties and covenants contained herein, and subject to the terms and conditions hereof, the closing of the purchase and sale of the Shares and Assets provided for in this Agreement (the "**Closing**") shall take place remotely by exchange of documents and signatures, on May 13, 2019, or at such other time and place as the Parties shall mutually agree in writing, but in any event no later than June 24, 2019 (the "**Closing Date**").

3.2. **Transactions at the Closing.** At the Closing, the following shall occur (it being clarified that any exhibits and schedules that are not attached to this Agreement as of the date hereof, shall have been in form and substance reasonably satisfactory to the counsels of the Parties):

3.2.1. The Purchaser shall make the following deliveries:

3.2.1.1. to the Shareholders and the Company, true and correct copy of the resolution of the Purchaser's board of directors, approving (i) the entering into, execution, delivery and performance of this Agreement, including any exhibits, schedules and ancillary documents hereto and approving all Contemplated Transactions, and (ii) the issuance of the Consideration Shares to the Shareholders and DIVI.

3.2.1.2. to the Shareholders and the Company, true and correct copy of the resolution of the Purchaser's shareholders, (i) approving the entering into, execution, delivery and performance of this Agreement, including any exhibits, schedules and ancillary documents hereto and approving all the Contemplated Transactions, and (ii) the issuance of the Consideration Shares to the Shareholders and DIVI;

3.2.1.3. to each Shareholder - payment of an amount equal to his/her/its Cash Payment per Shareholder, by wire transfer of immediately available funds pursuant to the Shareholder Wire Transfer Instructions;

3.2.1.4. to its Registration Company, with a copy to the Shareholders or DIVI, as the case may be, all the documents and information needed in order to deposit the Initial Consideration Shares and the Assets Consideration Shares in the Shareholders accounts (which details shall be provided by the Shareholders to the Company no later than three (3) days prior to the date of such deposit), so that the Registration Company shall register such deposit (according to Schedule A);

3.2.1.5. to the Escrow Agent, payment of an amount equal to the Escrow Amount, by wire transfer of immediately available funds (to secure indemnification and adjustment obligations as set forth herein);

3.2.1.6. to the Shareholders and the Company, a duly executed counterpart to the Escrow Agreement;

3.2.1.7. to the Shareholders, a duly executed counterpart to the Pledge Agreement;

3.2.1.8. to the Shareholders and the Company, as applicable, such other documents duly executed by the Purchaser as necessary for the consummation of the Contemplated Transactions (the "**Other Purchaser Documents**"); and

3.2.1.9. to DiVi, payment of the Assets Purchase Price.

3.2.2. The Company shall make the following deliveries to the Purchaser:

3.2.2.1. evidence of completion of the required actions and each of the consents required to be obtained from third parties to allow the completion of the transactions contemplated hereby that are identified on Schedule B (the "**Required Approvals**");

3.2.2.2. duly signed resignation letters, including a mutual release in the form attached as **Exhibit 3.2.2.2** from all members of the Board of Directors of the Company (the "**Board**");

3.2.2.3. A true and correct copy of the written consent of the Company's Board, approving, inter alia, (i) the entering into, execution, delivery and performance of this Agreement, including any exhibits, schedules and ancillary documents hereto and approving all Contemplated Transactions, and (ii) the transfer of the Shares to the Purchaser;

3.2.2.4. A true and correct copy of the written consent of the Company's Shareholders, approving, inter alia: (i) the entering into, execution, delivery and performance of this Agreement, including any exhibits, schedules and ancillary documents hereto and approving all the Contemplated Transactions, (ii) the transfer of the Shares to the Purchaser, (iii) the adoption of the Amended and Restated Articles of Association of the Company (the "**Amended Articles**"), in the form attached hereto as **Exhibit 3.2.2.4**; and (iv) confirming that (a) there are no outstanding rights of first refusal, co-sale or other similar rights triggered by Contemplated Transactions or by this Agreement, including any exhibits, schedules and ancillary documents attached hereto; and (b) no Shareholder owns or has rights to or has been promised to purchase from, or be issued or granted by, the Company any securities of the Company or any rights to purchase or be issued or granted any securities of the Company, other than the Shares.

3.2.2.5. a duly executed counterpart to the Escrow Agreement;

3.2.2.6. duly signed employment agreements with the persons listed in **Exhibit 3.2.2.6** hereto (the "**Key Employees**"), conditioned upon and effective as of the Closing Date, in the forms attached hereto as **Exhibits 3.2.2.6A-B**;

3.2.2.7. The audited financial statements of the Company covering the fiscal years ended December 31, 2017 and 2018 (collectively, the "**Financial Statements**");

3.2.2.8. evidence of payment to each Shareholder of an amount equal to his/her/its portion of Down Payment Amount, by wire transfer of immediately available funds pursuant to the Shareholder Wire Transfer Instructions;

3.2.2.9. A true and correct copy of the Company's shareholders register evidencing the transfer of Shares to the Purchaser, certified by the Company's Chief Executive Officer, attached hereto as **Exhibit 3.2.2.9**.

3.2.3. As applicable, the Shareholders shall (with each Shareholder being responsible for its shares) make the following deliveries to the Purchaser (or, as applicable, for the benefit of the Purchaser):

3.2.3.1. Share transfer deeds representing all of the Shares set forth under the column entitled "Shares" on Schedule A, duly signed by each Shareholder;

3.2.3.2. a mutual release in the form of Exhibit B executed by the Company and each Shareholder;

3.2.3.3. duly executed counterpart to the Pledge Agreement;

3.2.3.4. duly executed counterpart to the Escrow Agreement; and

3.2.3.5. a Non-Competition agreement in the form of Exhibit C duly executed by each such Shareholder (the "**Non-Competition Agreement**") (the deliveries set forth in Section 3.2.3, the "**Other Shareholder Documents**").

3.2.4. DIVI shall make the following deliveries to the Purchaser:

3.2.4.1. A true and correct copy of the written consent of DIVI's board of directors and the resolution of DIVI's shareholders, approving the sale and transfer of the Purchased Assets to the Purchaser pursuant to the provisions herein;

3.2.4.2. evidence of removal of any and all charges, pledges or attachments on the Purchased Assets, existing as of the date hereof;

3.2.4.3. duly executed counterpart to the Escrow Agreement; and

3.2.4.4. Duly signed documents required to transfer title to and all rights in the Purchased Assets to the Purchaser.

3.3. **Escrow**.

3.3.1. An amount equal to Five Hundred Thousand U.S. Dollars (USD $500,000) (the "**Escrow Amount**"), paid pursuant to Sections 1.2.1.2 and 2.2.2, shall be held by the Escrow Agent pursuant to the terms of the Escrow Agreement to be entered into among the Escrow Agent, the Purchaser and the Shareholders at Closing (the "**Escrow Agreement**")

3.3.2. The Escrow Amount shall be deposited with the Escrow Agent and held in accordance with the provisions of the Escrow Agreement, until the later of the following to occur: (i) twelve (12) month anniversary of the Closing Date, or (ii) the date on which 2019 Financial Statements are executed (such deposit period - the "**Holdback Period**") for the purposes of partially securing and satisfying the Adjustment Amount owed to the Purchaser pursuant to Section 6 and the indemnification obligations set forth in Sections 12 and 13. The Escrow Amount shall be allocated among or withheld from the Shareholders pro rata based on amounts set forth opposite its or his name on Schedule A (as to each Shareholder, its "**Escrow Amount Portion**"). Within five Business Days following the last day of the Holdback Period, the Shareholders shall be paid out of the Escrow Amount, their respective Escrow Amount Portion then remaining, reduced by (i) the amount (if any) subject to unresolved claims for indemnification by the Purchaser pursuant to Section 6 of this Agreement related to the Adjustment Amount or for claims set forth in Indemnity Notices validly delivered on or prior to the last day of the Holdback Period but not resolved as of such date; provided that (a) the amounts reduced for claims set forth in Indemnity Notices regarding which the Purchaser Indemnitee has filed a statement of claim in an authorized court of law not later than 3 months after the lapse of the Holdback Period shall be held in escrow until an unappeallable judgment in such claim shall have been obtained, and (b) the amounts reduced for claims set forth in Indemnity Notices regarding which the Purchaser Indemnitee has not filed a statement of claim within the aforesaid 3 month period, shall be paid to the Shareholders upon the lapse of such period; and (ii) the amount (if any) paid to the Representative for expenses incurred in accordance with this Agreement.

4. ISSUANCE OF CONSIDERATION SHARES

4.1. Each Shareholder shall deliver and/or procure the delivery to the Purchaser of any information or document with respect of the Shareholder, required, if so required, under any applicable laws and regulations to be filed by the Purchaser with the Israel Securities Authority, TASE and/or the SEC and Nasdaq, all in substance and form to the reasonable satisfaction of the Purchaser.

4.2. From time to time, pursuant to the provisions hereof, the Purchaser shall deliver to its registration company (the "**Registration Company**"), with a copy to each Shareholder, all the documents and information needed in order to deposit the applicable portion of the Consideration Shares in the Shareholder's account(s) (which details shall be provided by a Shareholder to the Purchaser prior to the Closing Date, which shall be contingent thereon), so that the Registration Company shall register such deposit and the Consideration Shares shall be listed for trading on the TASE

4.3. The Purchaser shall report all the reports required from the Purchaser under the Israeli Securities Law, 5728-1968 (the "**Israeli Securities Law**") and under the applicable U.S. securities laws, in connection with the Contemplated Transactions and the offer, listing and sale of the Consideration Shares and shall bear all expenses associated therewith.

4.4. **Listing of Consideration Shares for Trading and Lock-Up**.

4.4.1. Each Shareholder hereby acknowledges and is aware that upon issuance thereof in accordance with the provisions of this Agreement, the Consideration Shares will be subject to restrictions on resale set forth in Section 15C of the Israeli Securities Law and the Securities Regulations (Details Regarding Sections 15A to 15C of the Law), 2000 (collectively, the "**Securities Law**"). Each Shareholder hereby acknowledges that the Purchaser accepts no responsibility for Shareholder's compliance with its lock-up period requirements.

4.4.2. The Parties hereby acknowledge and are aware that the Consideration Shares, if and when converted into American Depositary Shares ("**ADS**"), or if otherwise disposed in the United States or to a U.S. person, may only be disposed of in compliance with respective U.S. state and U.S. federal securities laws.

4.4.3. Without derogating from the provisions of Section 1.5 herein and Purchaser's obligations thereunder, the Parties further acknowledge and are aware that the Consideration Shares may only be disposed of in compliance with respective U.S. state and U.S. federal securities laws. In connection with any transfer of Consideration Shares other than pursuant to an effective registration statement, the Purchaser may require the transferor thereof to provide to the Purchaser an opinion of counsel selected by the transferor and reasonably acceptable to the Purchaser, the form and substance of which opinion shall be reasonably satisfactory to the Purchaser, to the effect that such transfer does not require registration of such transferred Consideration Shares under the Securities Act of 1933, as amended (the "**Securities Act**").

4.4.3.1. If the Consideration Shares are converted into ADSs, the Subscriber agrees to the imprinting, so long as required by this Section 4.4.3, of a legend on any such ADSs in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

4.4.3.2. Certificates evidencing the Consideration Shares shall not contain any legend (including the legend set forth in Section 4.4.3.1 hereof): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Consideration Shares pursuant to Rule 144, (iii) if Consideration Shares are eligible for sale under Rule 144, without the requirement for the Purchaser to be in compliance with the current public information required under Rule 144 as to such Consideration Shares and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC). The Purchaser shall cause its counsel to issue a legal opinion to the transfer agent of the Purchaser promptly after the respective effective date of the transfer if required by the transfer agent to effect the removal of the legend hereunder.

4.4.3.3. Each Shareholder agrees with the Purchaser that the Shareholder will sell any Consideration Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Consideration Shares are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing the Consideration Shares as set forth in this Section 4.4.3 is predicated upon the Purchaser's reliance upon this understanding.

5. CONDITIONS TO CLOSING

5.1. The obligations hereunder of the Purchaser to purchase the Shares and the Purchased Assets and pay the Aggregate Shares Purchase Price and Assets Purchase Price therefor is subject to the fulfillment at or prior to the Closing of the following conditions precedent, any one or more of which may be waived in writing, in whole or in part, by the Purchaser, which waiver shall be at the sole discretion of the Purchaser:

5.1.1. Accuracy of Company's, DIVI's and Shareholders' Representations and Warranties. Each of the representations and warranties of the Company, DIVI (solely in its capacity as a seller of the Purchased Assets) and the Shareholders shall be true and correct in all material respects as of the date when made.

5.1.2. Performance by the Company, DIVI and Shareholders. The Company, DIVI (solely in its capacity as a seller of the Purchased Assets) and the Shareholders shall have performed, satisfied and complied in all material respects, with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by them at or prior to the Closing.

5.1.3. All Deliverables Ready. All documents and other items to be delivered to the Purchaser at the Closing as specified in Sections 3.2.2, 3.2.3 and 3.2.4 above, shall be duly executed, ready for delivery to the Purchaser, and in form attached hereto, or, if no such form is attached, in form and substance satisfactory to counsel for the Purchaser.

5.1.4. No Legal Proceedings. No administrative agency, commission, regulatory or governmental or judicial body or any other person shall have commenced or threatened in writing (or made any determination) to commence any legal proceeding challenging, preventing, enjoining, restraining, prohibiting or otherwise making this Agreement or the Contemplated Transactions or by any other transaction document illegal, and no temporary or permanent restraining orders, injunction or other order shall have been issued by any administrative agency, commission, regulatory or governmental or judicial body which has or could have the effect of limiting or restricting the Purchaser's ownership or voting of the Shares or the Purchaser's ownership of the Purchased Assets, nor shall there be pending or threatened in writing any suit, action or proceeding seeking the foregoing.

5.1.5. No Material Adverse Effect. No Material Adverse Effect shall have occurred on or prior to the Closing.

5.1.6. Required Approvals and Notices. The Company shall have obtained all the Required Approvals and all such Required Approvals shall be in full force and effect.

5.1.7. Shareholders' Approval. The approval of the Purchaser's shareholders to the consummation of the Contemplated Transactions shall have been obtained, and such approval shall be in full force and effect.

5.1.8. Financing. The Purchaser shall have obtained financing (whether in the form of equity, debt, convertible debt, any combination of the above or any other form) in an aggregate amount sufficient to pay at the Closing the cash component of the Initial Share Purchase Price and the Asset Purchase Price.

5.1.9. TASE Approval. The Purchaser shall have received the TASE's approval and authorization to the listing of Consideration Shares on TASE.

5.2. Conditions Precedent to the Obligations of the Company and the Shareholders to Close. The obligations hereunder of the Company and the Shareholders, are subject to the fulfillment at or before the Closing of the following conditions precedent, any one or more of which may be waived in writing, in whole or in part, by the Company and the majority of interest of the Shareholders.

5.2.1. Accuracy of the Purchaser's Representations and Warranties. Each of the representations and warranties of the Purchaser shall be true and correct in all material respects as of the date when made.

5.2.2. Performance by the Purchaser. The Purchaser shall have performed, satisfied and complied, in all material respects, with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Purchaser at or prior to the Closing.

5.2.3. All Deliverables Ready. All documents and other items to be delivered to the Company and/or the Shareholders and/or to DIVI, at the Closing as specified in Section 3.2.1 above, shall be duly executed, ready for delivery to the Purchaser, and in form attached hereto or, if no such form is attached, in form and substance satisfactory to counsels for the Parties.

5.2.4. No Legal Proceedings. No administrative agency, commission, regulatory or governmental or judicial body or any other person shall have commenced or threatened in writing (or made any determination) to commence any legal proceeding challenging, preventing, enjoining, restraining, prohibiting or otherwise making this Agreement or the Contemplated Transactions or by any other transaction document illegal, and no temporary or permanent restraining orders, injunction or other order shall have been issued by any administrative agency, commission, regulatory or governmental or judicial body which has or could have the effect of limiting or restricting the Shareholder's ownership or voting of the Consideration Shares, nor shall there be pending or threatened in writing any suit, action or proceeding seeking the foregoing.

5.2.5. No Material Adverse Effect. No Material Adverse Effect shall have occurred on or prior to the Closing.

5.3. If any of the conditions set forth in this Section 5 is neither satisfied nor waived by the Closing Date, each Party for whose benefit such condition must be satisfied may terminate this Agreement by notice to the other Party, in which event it shall not have any further liability to the other Parties under this Agreement and any other agreement or undertaking made or delivered hereunder (other than with respect to the Down Payment Amount and confidentiality provisions hereunder); *provided* that if such termination results from the (i) willful failure of either Party to fulfill a condition to the performance of the obligations of the other Party, (ii) failure to perform a covenant of this Agreement or (iii) breach by either Party hereto of any agreement contained herein, such Party shall be fully liable for any and all damages, losses, liabilities and expenses (including reasonable expenses of investigation and reasonable attorneys' fees) incurred or suffered by the other Party or Parties as a result of such failure or breach ***provided*** that no Party be liable hereunder (a) to any amount of damages or reimbursement that exceeds, in the aggregate, the Initial Share Purchase Price, nor (b) for incidental, punitive or consequential damages of any kind, even if such Party has been advised of the possibility of such damages, and ***further provided*** that the repayment and/or conversion of the Down Payment Amount shall be governed pursuant to the provisions of Section 1.6 hereinabove. The remedies under this Section 5.3 are the sole and exclusive remedies in connection with this Section.

6. POST-CLOSING PURCHASE PRICE ADJUSTMENT

6.1. As soon as reasonably practicable following the Closing Date, and in any event within 75 calendar days thereafter, the Purchaser will cause the Company to prepare and deliver to the Representative an unaudited Closing Balance Sheet, in the form attached hereto as Exhibit D, setting forth the Purchaser's determination of the Closing Working Capital of the Company as of the Closing Date. The Closing Balance Sheet shall (i) be prepared in accordance with IFRS and Company's past practice (as indicated in **Exhibit 1.2.2**), (ii) fairly and accurately reflect the Company's assets and liabilities as of the Closing Date, (iii) include an accrual of all Transaction Expenses of the Company prior to the Closing that have not been paid and that are incurred by the Company in connection with the Contemplated Transactions, and (iv) serve as the basis for the calculation of the actual Adjustment Amount to be calculated in accordance with Section 1.4.

6.2. In the event that the Purchaser does not provide the Closing Balance Sheet within such 75 calendar day period, the Adjustment Amount as determined by the Representative will be final, binding and conclusive for all purposes hereunder.

6.3. The Purchaser shall provide, and shall cause the Company to provide the Representative and his accountants, at the Representative's expense, reasonable access to the books and records of the Company used to prepare the Closing Balance Sheet and the Adjustment Amount, to review and test the Closing Balance Sheet and Adjustment Amount. The Representative and his accountants will complete their review within 15 Business Days after receipt by the Representative of the Closing Balance Sheet and calculation of the actual Adjustment Amount from the Purchaser.

6.4. If the Representative disagrees with the Purchaser's determination of the Adjustment Amount, he will notify the Purchaser of such disagreement in writing (the "**Notice of Disagreement**") not later than 5:00 pm (Tel Aviv time) on the last Business Day of the aforesaid review and test period, setting forth in reasonable detail the particulars of such disagreement, including a copy of the Purchaser's Closing Balance Sheet, determination of the Closing Working Capital and the Adjustment Amount, marked to indicate those specific line items that are in dispute (the "**Disputed Line Items**"). Such Notice of Disagreement will be accompanied by the Representative's calculation of each of the Disputed Line Items and the Representative's revised determination of Adjustment Amount. All items that are not Disputed Line Items will be final, binding and conclusive for all purposes hereunder.

6.5. In the event that the Representative does not provide a Notice of Disagreement within such 15 Business Day period, the Representative will be deemed to have accepted in full the Adjustment Amount as determined by the Purchaser, which will be final, binding and conclusive for all purposes hereunder.

6.6. In the event any Notice of Disagreement is timely provided and contains the proper information specified above, the Purchaser and the Representative will use commercially reasonable efforts for a period of 15 Business Days (or such longer period as they may mutually agree in writing) to resolve any Disputed Line Items.

6.7. If, at the end of such period, they are unable to resolve such Disputed Line Items, then KPMG Israel (the "**Auditor**") will resolve any remaining Disputed Line Items. The Auditor shall be instructed to perform its services within 20 Business Days after submission of the Disputed Line Items by the Purchaser or the Representative and, in any case, as soon as practicable after such submission. The Auditor will determine as promptly as practicable whether and to what extent (if any) the calculated Adjustment Amount requires adjustment, limiting its review, however, only to the Disputed Line Items. The determination of the Auditor will be final, conclusive and binding on the Parties. The date on which the Adjustment Amount is finally determined in accordance with this Section 6.7 is hereinafter referred to as the "**Determination Date**." The fees and expenses of the Auditor shall be borne equally by the Purchaser (on the one hand) and the Shareholders (on the other hand). The full force and effect of those representations and warranties relating to Closing Working Capital shall be diminished, where relevant, by the adjustment to the Initial Shares Purchase Price.

6.8. Within three Business Days following the Determination Date:

6.8.1. in the event that the Adjustment Amount is less than zero U.S. Dollars then Purchaser shall be entitled to deduct from the Escrow Amount, on a dollar-for-dollar basis, the Adjustment Amount. Any such difference shall be treated as "Losses" for purposes of Section 13; or

6.8.2. in the event that the Adjustment Amount exceeds zero, then the Purchaser shall pay to the Shareholders, on a dollar-for-dollar basis, the Adjustment Amount.

7. REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDERS

Except as set forth in the Shareholders Disclosure Schedules, which identifies the section and subsection to which each disclosure therein relates, each Shareholder for himself or itself, as applicable, severally, but not jointly, represents and warrants to the Purchaser as of the signing of this Agreement, and acknowledges that the Purchaser is entering into this Agreement in reliance thereon as follows:

7.1. **Title.** Such Shareholder is the sole legal, record and beneficial owner of the Shares set forth opposite such Shareholder's name under the column entitled "Shares" on Schedule A, and owns such Shares free and clear of any and all Encumbrances. Such Shareholder has the full and exclusive right, power and authority to transfer, convey and sell to the Purchaser at the Closing such Shareholder's Shares. Other than the shares listed as "Shares," on Schedule A, such Shareholder has no other equity interest or rights (whether or not vested or exercisable) which have not otherwise been waived, to acquire any equity interest in the Company. Except as set forth on Schedule A, such Shareholder has not made any borrowings to the Company and the Company does not owe any Debt to such Shareholder.

7.2. **Conveyance.** Such Shareholder is not a party to, subject to or bound by any agreement, any Order, or any Law which would prevent the execution or delivery of this Agreement or any Other Shareholder Document by it or the consummation of the Contemplated Transactions by it and no authorization or approval or other action by it, is required that will not have otherwise been obtained prior to the Closing, and no notice (other than with respect to the Registrar of Companies with respect to the Shares being transferred by such shareholder, which will be submitted immediately following the Closing) to or filing with, any Person or Authority will be required to be obtained or made by such Shareholder in connection with the execution and delivery by such Shareholder of this Agreement or the Other Shareholder Documents or the consummation of the Contemplated Transactions that will not have otherwise been obtained prior to the Closing.

7.3. **Organization; Due Authorization; Enforceability.** Such Shareholder (other than any Shareholder that is an individual) is duly organized, validly existing and in good standing under the laws of the jurisdictions in which it is organized. Such Shareholder has the full and absolute legal right, capacity, corporate power and authority to execute and deliver this Agreement and the Other Shareholder Documents, to perform its obligations hereunder and thereunder and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Other Shareholder Documents and the consummation of the Contemplated Transactions have been duly and validly authorized by all necessary action on the part of such Shareholder and no other proceedings on the part of such Shareholder are necessary to authorize this Agreement and the Other Shareholder Documents or consummate the Contemplated Transactions. This Agreement has been, and the Other Shareholder Documents will be at the Closing, validly executed and delivered by such Shareholder, and constitutes (and, with respect to the Other Shareholders Documents, will constitute upon such Shareholder's execution and delivery thereof) a valid and binding obligation of such Shareholder, enforceable against such Shareholder in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other laws from time to time in effect affecting enforcement of creditors' rights and remedies generally and general principles of equity.

7.4. **No Violation.** The execution and delivery by such Shareholder of this Agreement and the Other Shareholder Documents, the consummation of the Contemplated Transactions, and the performance of the Shareholder's obligations hereunder and thereunder does not and will not: (a) where such Shareholder is not an individual, violate, conflict with or result in the breach of any provision of any of the Organizational Documents of such Shareholder, (b) violate, conflict with or constitute a default under any contract to which such Shareholder is party or by which such Shareholder is bound or to which such Shareholder's property is subject, (c) violate any applicable Law or Order of any Authority having jurisdiction over such Shareholder or any of such Shareholder's property, (d) other than with respect to the Israel Registrar of Companies and as required to the relevant tax authorities, require any authorization, consent or approval of, filing with, exemption or other action by, or notice to, any Authority or any party to any contract to which such Shareholder is party or may be bound; or (e) result in the creation or imposition of any Encumbrance upon the Shares, other than the Pledge as set forth herein.

7.5. **Brokers.** Except as set forth in Schedule 7.5, no broker, finder, financial advisor or investment banker has acted on behalf of the Shareholders in connection with this Agreement or the Contemplated Transactions, and no broker, finder, financial advisor or investment banker is entitled to any fee or other commissions with respect to such transactions based upon agreements, arrangements or understandings made by or on behalf of such Shareholder.

7.6. **Litigation.** Such Shareholder is not entitled to any claims (under whatsoever title or basis) *vis-à-vis* the Company and, to the maximum extent allowed by applicable Laws, waives his or its rights to raise any claim against the Company. There is no litigation pending, or to such Shareholder's knowledge, threatened that may pertain to such Shareholder with regard to the Shares.

7.7. **No Other Agreements to Purchaser.** No person other than Purchaser has any written or oral agreement or option or any right or privilege, whether by law, pre-emptive or contractual (not otherwise waived), capable of becoming an agreement or option for the purchase or acquisition from the Shareholder of any of the Shares.

7.8. **Purchaser is a Public Company**. Such Shareholder has been informed that the Purchaser is a public company traded on the NASDAQ and Tel Aviv Stock Exchanges, and, therefore, the Shareholder may have access to price-sensitive information not known to the public, including Inside Information concerning the Purchaser, including in connection with the Contemplated Transactions. The Shareholder acknowledges that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse. The Shareholder undertakes to refrain from delivering or making use of any information that may be deemed to constitute an Inside Information. For the purposes hereof, the term "**Inside Information**" shall have the meanings assigned to it at the Israeli Securities Law.

8. REPRESENTATIONS AND WARRANTIES OF DIVI

Except as set forth in the DIVI Disclosure Schedules, which identifies the section and subsection to which each disclosure therein relates, DIVI hereby represents and warrants with respect to itself to the Purchaser as of the signing of this Agreement, in addition to and not in derogation of DIVI's representations and warranties under Section 7 above, and acknowledges that the Purchaser is entering into this Agreement in reliance thereon as follows:

8.1. **Title to Purchased Assets**. DIVI owns and has good and marketable title to each of the Purchased Assets, which as of the Closing shall be free and clear of all Encumbrances. The Purchased Assets are not subject to any leases or licenses. Execution, delivery and performance of this Agreement by DIVI do not constitute or result in the creation of imposition of any Encumbrances on any of the Purchased Assets. To DIVI's Knowledge, (i) none of the Purchased Intellectual Property infringes or results from the misappropriation of any intellectual property of any Person, (ii) no third Person is infringing or misappropriating any Purchased Intellectual Property, and (iii) none of the Purchased Intellectual Property is the subject of any current claim or threat of claim of infringement or misappropriation.

8.2. The Purchased Assets constitute any and all assets, properties, interests, contracts, licenses, transferable permits and rights (of every kind, nature, character and description, tangible or intangible, whether or not reflected in the Financial Statements), owned by DIVI or in which the DIVI has any interest (including the right to use) that were heretofore used by the Company for the operation of the Business as currently conducted.

8.3. To DIVI's Knowledge, no third party is in default under any agreement, contract or other instrument, document or agreement to which DIVI is a party or by which it or any of its property is affected in connection with the Purchased Assets.

8.4. DIVI has provided the Purchaser with all information that the Purchaser has requested relating to the Purchased Assets. Nothing in this Agreement (including the Exhibits and/or Schedules hereto), contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading, in view of the circumstances in which they were made. To DIVI's Knowledge, there is no material fact or information, relating to the Purchased Assets that has not been set forth in this Agreement, the schedules and exhibits hereto or that otherwise has not been disclosed to the Purchaser by DIVI; *provided*, *however*, that the aforesaid does not apply to publicly available information and does not apply to general economic conditions.

8.5. **Litigation.** There is no Litigation pending, or to DIVI's Knowledge, threatened, pertaining to the Purchased Assets and/or the sale thereof to the Purchaser.

8.6. **Governmental Grants and Benefits**. The Purchased Assets were not conceived, developed or reduced to practice utilizing, and do not incorporate any component, including any intellectual property or know-how, conceived, developed or reduced to practice utilizing, any grants, incentives, investments, loans, benefits (including tax benefits), subsidies or allowance from any governmental or regulatory authority or agency, and no royalties are or should be payable to any such authority or agency in relation to the Purchased Assets.

8.7. **No Other Agreements to Purchaser.** As of the Closing, there will be no person other than Purchaser that has any written or oral agreement or option or any right or privilege, whether by law, pre-emptive or contractual, capable of becoming an agreement or option for the purchase or acquisition from DIVI of any of the Purchased Assets.

9. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Company's disclosure schedules dated as of the date hereof and delivered herewith to the Purchaser, which identifies the section and subsection to which each disclosure therein relates (the "**Disclosure Schedules**") the Company, hereby represents and warrants to the Purchaser as of the date hereof, and acknowledges that the Purchaser is entering into this Agreement, in reliance thereon, as follows:

9.1. **Organization; Authority; Due Authorization.**

9.1.1. Organization and Good Standing of the Company. The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of Israel. The Company has all necessary corporate power and authority to enter into and perform its obligations under this Agreement, to own, lease and operate its properties and assets and the Business and to carry on the Business as now conducted, wherever conducted. The Company is not in default in the performance, observance or fulfillment of any provision of its Organizational Documents, true and complete copies of which are attached hereto as **Schedule 9.1.1**.

9.1.2. Authority to Execute and Perform Agreements. The Company has all requisite corporate power and authority to enter into, execute and deliver this Agreement and the Other Company Documents, to consummate the Contemplated Transactions, and to perform fully its obligations hereunder and thereunder.

9.1.3. Due Authorization; Enforceability. This Agreement, the Other Shareholder Documents and the Other Company Documents when executed and delivered by or on behalf of the Company, shall constitute a valid and binding obligation of the Company, enforceable against the Company, in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws relating to the enforcement of creditors' rights generally. All corporate action on the part of the Company and the Company's officers and directors necessary for the authorization, execution, delivery, and performance of all of the Company's obligations under this Agreement, the Other Shareholder Documents and the Other Company Documents, has or will be taken prior to the Closing.

9.2. **Capitalization of the Company.** The capitalization table attached hereto as Schedule 9.2 represents a capitalization of the Company on a fully diluted basis (assuming the exercise or conversion into shares of all options, warrants, convertible debentures, convertible securities or any other securities or contractual rights or powers to purchase the Company's securities, existing as of the date hereof, excluding for the avoidance of doubt the conversion option of the Down Payment Amount (the "**Fully Diluted Basis**")), sets forth the complete and accurate number and class of shares held by each Shareholder of the Company, and the complete and accurate total number of securities reserved, promised and granted options, warrants, and all other rights, promises or undertakings to subscribe for, purchase or acquire from the Company any capital of the Company immediately prior to and following a Closing on a Fully Diluted Basis. No other person or entity owns or has rights to or has been promised to purchase from, or be issued or granted by, the Company any shares of the Company, any securities of the Company or any rights to purchase or be issued or granted shares or securities of the Company from the Company. All Shares have been duly authorized, validly issued, fully paid-up and non-assessable. No Person has any right to cause the purchase, redemption or repurchase of any Shares or other securities of the Company from the Company. No person other than Purchaser has any written or oral agreement or option or any right or privilege, whether by law, pre-emptive or contractual, capable of becoming an agreement or option for the purchase or acquisition from a Shareholder of any of the Shares. Except as set forth in Schedule 9.2, the Shares are not subject to any agreements or understandings among any Persons with respect to the voting or transfer of the Shares. The Company has not granted any registration rights to any Person with respect to its outstanding Shares or other securities. Except as set forth on Schedule 9.2, the Company shall not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or are convertible into or exercisable for securities having the right to vote) on any matter. All of the items listed on Schedule 9.2 shall terminate at the Closing and neither the Company nor the Purchaser shall have any obligations with respect thereto subsequent to the Closing. The Company does not own, directly or indirectly, any shares, membership interest, partnership interest or other equity interest in any corporation, firm, enterprise, limited liability company, partnership, joint venture or other entity and does not otherwise have any subsidiaries. There are no outstanding dividends or distributions that have been declared by the Company but not yet paid to Shareholders.

9.3. **No Violation.** The execution and delivery by the Company of this Agreement, the Other Shareholder Documents and the Other Company Documents to which it is a party, the consummation of the Contemplated Transactions, and the performance by the Company of its obligations hereunder and thereunder will not: (a) violate any provision of any of the Organizational Documents of the Company, (b) violate, conflict with or constitute a default under, permit the termination or acceleration of, or cause the loss of any rights or options of the Company under, any Contract or License to which the Company is a party or by which the Company is bound or to which the Company's property may be subject, (c) require any authorization, consent or approval of, filing with (other than with respect to the Israel Registrar of Companies, consents set forth in Schedule 9.3 and any filings that may be required by the Purchaser with respect to the Company and the Contemplated Transactions, prior to and/or following the Closing), exemption or other action by, or notice to, any Authority or any party to any Contract or License to which the Company is a party or by which the Company is bound or to which the Company's property may be subject; or (d) result in the creation or imposition of any Encumbrance upon the Shares or upon any Asset, other than the Pledge, pursuant to the provisions herein.

9.4. **Regulatory Approvals and Other Consents.** Schedule 9.4, sets forth a complete list of:

9.4.1. each consent, approval, authorization, notice, filing, exemption, waiver or other requirement required by the Organizational Documents of the Company or any Law which must be obtained or is required to be made, obtained or otherwise satisfied by the Company in order for it to execute and deliver this Agreement, the Other Shareholder Documents or Other Company Documents as applicable, to perform its obligations hereunder and thereunder and to consummate the Contemplated Transactions; and

9.4.2. each consent, approval, authorization, notice, filing, exemption or waiver required by the terms of any Contract in connection with the consummation of the Contemplated Transactions.

9.5. **Sufficiency of and Title to Assets.** Without limiting the representations and warranties in Sections 9.9, 9.10, 9.11, 9.14 and 9.16: (a) the Assets are owned by the Company as the owner thereof or the Company has the rights of use thereof and, together with the Purchased Assets, are sufficient for the conduct of the Business immediately after the Closing as conducted immediately prior to the Closing; (b) the Company has good and marketable title to the Assets owned or purported to be owned by it (including all of the Assets reflected in the balance sheets included in the Financial Statements) and has the valid and enforceable right (subject to applicable bankruptcy, insolvency and other similar laws relating to the enforcement of creditors' rights generally and to general principles of equity) to use all of the Assets not owned by it, in each case free and clear of all Encumbrances other than Permitted Liens and Encumbrances described on Schedule 9.5. The Company has not received any written notice from any Authority with respect to any taking of any of the Assets or any portion thereof or interest therein by eminent domain or otherwise, and there is no proceeding pending or, to the Knowledge of the Company threatened, with respect thereto. The Company does not have legal title to or hold as custodian any shares or other securities for the benefit of a third party.

9.6. **Financial Condition; Books and Records; Financial Due Diligence.**

9.6.1. When delivered in accordance with the provisions hereof, the Financial Statements will (i) fairly present, in all material respects, the financial position of the Company as of the date, and the results of its operations for the periods indicated therein; (ii) have been prepared in accordance with IFRS, consistently applied throughout the periods involved; and (iii) be consistent with the books and records of the Company.

9.6.2. The Company has no financial liabilities, claims or obligations of any nature, whether accrued, absolute, contingent, anticipated or otherwise, whether due or to become due, except as reflected in the Financial Statements and except for those incurred after December 31, 2018 in the ordinary course of business.

9.6.3. The books of account, minute books, share record books and other books and records of the Company are kept in the ordinary course of business in accordance with reasonable business practices, and in particular:

(i) all books and records of the Company are duly kept, include correct and reliable data, and are maintained in material compliance with the applicable provisions of the law and accounting principles; and

(ii) the financial statements of the Company are duly prepared, include correct and reliable data, and are maintained in compliance with the applicable provisions of the Law and accounting principles.

9.6.4. Transactions are recorded as necessary to permit preparation of the financial statements of the Company and accounts, notes and other receivables are recorded accurately. Complete and accurate copies of all books and records of the Company have been made available by Company to the Purchaser.

9.6.5. The Company has accrued on the financial statements all Taxes due and payable in respect of the Business.

9.6.6. The Company has no outstanding Debt.

9.6.7. The only business operation carried on by the Company is the Business. Since February 8, 2017, there has not been any interruption of operations of the Business.

9.7. **Tax Matters.**

9.7.1. All Tax Returns required to have been filed by the Company prior to the Closing Date have been duly and timely filed, and each such Tax Return is true and accurate and correct in all material respects. All Taxes required to be paid by the Company (whether or not shown on any Tax Return) prior to the Closing Date have been timely paid in full. The Company is registered with each taxing Authority with which it is required to be registered under applicable Laws.

9.7.2. There is no action, audit, dispute or claim now proposed or pending which has been communicated to the Company in writing, or, to the Knowledge of the Company, threatened against, the Company in respect of any Taxes. The Company is not the beneficiary of any extension of time within which to file any Tax Return, nor has it made (or had made on its behalf) any requests for such extensions. To the Knowledge of the Company, no claim has ever been made by a taxing Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction or that the Company must file Tax Returns therein. There are no Liens and Encumbrances on any of the capital or assets of the Company with respect to Taxes that are due and payable on or before the Closing Date.

9.7.3. The Company has (i) withheld all amounts from payments made to its employees (past or present), agents, contractors, nonresident creditors, management board members, shareholders or other third parties that were required to be withheld prior to the Closing Date and has remitted such amounts to the proper taxing Authority unless otherwise not yet due; (ii) paid all employer contributions and premiums required to be paid prior to the Closing Date; and (iii) filed all Tax Returns with respect to employee income Tax withholding, and pension, public benefit and unemployment Taxes and premiums that were required to be filed prior to the Closing Date, all in compliance with the applicable Laws, including national, federal, state, local or foreign law. The Company is not a party to any tax sharing agreements or similar agreements with respect to or involving Company. All transactions between the Company and any Shareholder or Affiliate of such Shareholder, are on arms-length and market terms.

9.7.4. The Company has paid all Taxes required to be paid prior to the Closing Date in respect of any real property, whether Owned Real Property or otherwise.

9.7.5. The amount of the Company's historical Tax losses are set forth in Schedule 9.7.5and all capitalized and amortized research and development expenses were claimed in accordance with applicable Laws.

9.7.6. The Company is not required to pay any Taxes with respect to any loans made to the Company, including, without limitation, by any Shareholder or Affiliate of a Shareholder.

9.7.7. Reserved.

9.8. **Litigation.** Other than as set forth in Schedule 9.8, there is no complaint, action, suit, proceeding, arbitration or other alternate dispute resolution procedure, demand, (or to the Company's Knowledge, investigation or inquiry), whether civil, criminal or administrative ("**Litigation**") pending or, to the Company's Knowledge, threatened against or affecting the Company, the directors or officers of the Company (in such capacity) or its Assets. There is no Litigation pending or, to the Knowledge of the Company, threatened against or affecting the Company which seeks to prevent consummation of the Contemplated Transactions or which seeks damages in connection with the Contemplated Transactions, and no temporary restraining order, preliminary or permanent injunction or other Order or decree against the Company or to the Knowledge of the Company, against the Shareholders which prevents the consummation of the Contemplated Transactions has been issued and remains in effect.

9.9. **Tangible Personal Property.** Schedule 9.9 sets forth a list, including the location of each item, of Tangible Personal Property owned by the Company, or used in the Business.

9.10. **Intellectual Property.** Schedule 9.10 sets forth a correct and complete list of all Intellectual Property Assets that are either (i) registered or otherwise filed by or with any Authority (other than any Intellectual Property Assets of which the sole interest of the Company is pursuant to a license from a third party) or (ii) (other than any trade secrets, processes, techniques, methods, formulae, ideas and know-how) material to the Company, the Business and each Intellectual Property License. Except as indicated on Schedule 9.10:

9.10.1. the Company is the sole owner of all right, title and interest in and to each Intellectual Property Asset, free and clear of all Encumbrances (other than Permitted Liens) and with absolute right of use without seeking the approval or consent of any Authority or Person and without payment, license or any other consideration (except in each case for Intellectual Property Assets licensed to the Company under an Intellectual Property License or other contract, agreement or other arrangement relating to such Intellectual Property Asset);

9.10.2. the Intellectual Property Assets set forth on Schedule 9.10 (other than any trade secrets, processes, techniques, methods, formulae, ideas and know-how) include all material intellectual property necessary for the operation of the Business as currently conducted or proposed to be conducted;

9.10.3. the Company has made available to, or otherwise provided the Purchaser with, access to correct and complete copies of all of the Intellectual Property Assets required to be disclosed on Schedule 9.10 and of all other material written documentation available to the Company evidencing the Company's ownership thereof or interest therein;

9.10.4. none of the Intellectual Property Assets required to be disclosed on Schedule 9.10 is subject to any outstanding Order limiting the scope or use thereof or declaring any of the Intellectual Property Assets abandoned;

9.10.5. (i) to the Company's Knowledge there are no infringing or, in the case of trademarks, service marks and trade names, diluting uses of the Intellectual Property Assets, and (ii) no investigations are pending, or to the Knowledge of the Company, threatened concerning the possibility of such infringing or diluting use;

9.10.6. except as set forth in the Contracts, the Company has not granted any license, franchise, permit or other right to any Person to use any of the Intellectual Property Assets;

9.10.7. to the Company's Knowledge, the conduct of the Business has not and does not infringe upon or misappropriate any intellectual property of any Person, and there are no pending or, to the Knowledge of the Company, threatened in writing claims alleging that the Company or the operation of the Business infringes or misappropriates the intellectual property rights of any Person;

9.10.8. there are no pending claims, actions, judicial or other adversary proceedings, and to the Knowledge of the Company, there are no disputes or disagreements involving any Intellectual Property Asset that could, in either case, if adversely determined, reasonably be expected to result in a Material Adverse Effect, and, to the Knowledge of the Company, no such action, proceeding, dispute or disagreement is threatened;

9.10.9. Except as set forth in **Schedule 9.10.9** there are no contracts and/or undertakings under which the Company grants (or undertakes to grant) a license to use and/or transfer (or undertakes to transfer) an Intellectual Property Right to any Person or Authority, if such software is based (at least partially) on any open source or Public Software, unless such fact is clearly and directly expressed in pertinent agreement on granting license and/or transfer of the economic intellectual property rights as the case may be

9.10.10. Except as set forth in **Schedule 9.10.10**, the Company has not incorporated any Public Software (as defined below) into, bundled it or combined it with, integrated it into, used it in conjunction with, complied it with, distributed it with, or embedded it in, any of the Company's Intellectual Property or Company's products or services. The Company has not used Public Software in any manner that would: (i) create, or purport to create, obligations for the Company with respect to any Company's Intellectual Property or Company's products or services or grant, or purport to grant, to any third party, any rights or immunities under any Company's Intellectual Property or Company's products or services (including using any Open Source Materials that require, as a condition of use, and/or modification and/or distribution of such Public Software that other software using, or incorporated into, or derived from, or integrated or embedded or bundled or combined or complied or distributed with, such Public Software be (a) disclosed or distributed in source code form or that access would be provided to such source code form upon requirement, (b) be licensed for the purpose of making derivative works, or (c) be redistributable or otherwise commercialized at no charge; (ii) impose any restriction on the consideration to be charged for the distribution of any Company's Intellectual Property or Company's products or services, or (iii) impose any other limitation, restriction, or condition on the right of the Company to use or distribute or otherwise commercialize any Company's Intellectual Property or Company's products or services;

9.10.11. none of the Shareholders or past or present Employees of the Company owns, nor can, to the Company's Knowledge, legitimately claim to own, in a personal capacity, any Intellectual Property Right that is necessary for the Company to continue operating the Business in the same way as at the Closing Date; and

9.10.12. all the Intellectual Property Rights created by the Shareholders or past or present Employees or subcontractors of the Company in the course of their service to the Company have been duly and irrevocably assigned and transferred to the Company, or such persons have agreed to assign and transfer said created Intellectual Property Rights to the Company, and such persons have no claims to any compensation and/or remuneration in consideration for such assignment and transfer to the Company.

9.11. **Contracts.**

9.11.1. Schedule 9.11 sets forth a correct and complete list of the following contracts or agreements by which the Company currently is bound (the "**Contracts**"):

9.11.1.1. each contract, unpaid invoice, unfilled sales order and other arrangement or agreement that involves payment or expenditure by the Company in excess of USD$5,000 (excluding employment/consulting agreements);

9.11.1.2. each contract, unpaid invoice, unfilled sales order and other arrangement or agreement that involves payment to the Company in excess of USD$5,000;

9.11.1.3. each instrument or agreement with respect to the borrowing of money, including each loan agreement and each credit agreement in excess of USD$5,000;

9.11.1.4. each agreement or arrangement regarding any sharing of profits, losses, costs or liabilities by the Company with any other Person (excluding bonus arrangements and employment plans for officers or Employees of the Company);

9.11.1.5. each agreement or contract containing covenants that in any way purport to limit the freedom of the Company or, to the Company's Knowledge, any officer, director, Employee, consultant or contractor thereof, to engage in any line of business, to compete with any Person or to operate in any territory, including, without limitation, any joint venture or partnership agreements;

9.11.1.6. each agreement or contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods in excess of USD$5,000; and

9.11.1.7. each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

9.11.2. Except as disclosed in the list set forth on Schedule 9.11:

9.11.2.1. each Contract (x) is a valid and binding obligation of the Company, and to the Knowledge of the Company, each other Person or party thereto, (y) enforceable in accordance with its terms, and (z) is in full force and effect subject to applicable bankruptcy, insolvency and other similar laws relating to the enforcement of creditors' rights generally and to general principles of equity; in particular each Contract has been executed by persons which are duly authorized representatives of the Company;

9.11.2.2. (1) there exists no material breach of or default by the Company under any Contract and (2) assuming that all consents listed on Schedule 9.4 are obtained prior to the Closing, there has not occurred any event or events that, with the lapse of time or the giving of notice or both, would constitute a material default by the Company under any Contract;

9.11.2.3. to the Knowledge of the Company: (1) no other Person party to any Contract is now in breach of or default under any material term thereof or has breached or defaulted under any material term thereof (which breach or default remains uncured as of the date hereof) and (2) there has not occurred any event or events that, with the lapse of time or the giving of notice or both, would constitute a material default by any other party under any Contract; the Company has not received any notice of any anticipated breach of or default under any material term thereof by any Person party to any Contract;

9.11.2.4. the Company has not received any notice in writing or, to the Company's Knowledge, verbally, that any Person party to any Contract currently intends to cancel, terminate, dissolve or renegotiate such Contract or to exercise or not to exercise any option to acquire assets thereunder; and

9.11.2.5. copies of each of the Contracts, together with all amendments, modifications or other changes thereto have been made available to the Purchaser.

9.12. **Compliance with Laws.**

9.12.1. Other than with respect to such matters that would not have a Material Adverse Effect (i) the Company is in compliance in all material respects with all applicable Laws in connection with the operation of the Business or ownership or use of the Assets, and (ii) no investigation, inquiry, audit or review by any Authority with respect to the Company or the Business is pending or, to the Knowledge of the Company, threatened against or affecting the Company alleging any failure to so comply, nor has any Authority notified the Company of an intention to conduct the same. All material reports, filings and returns required to be filed by or on behalf of the Company with any Authority on or prior to the Closing Date have been filed.

9.12.2. The Company possesses all Licenses and leases required for the operation of the Business as presently conducted or proposed to be conducted, all such Licenses are in full force and effect and no suspension or cancellation is, to the Knowledge of the Company, threatened. Schedule 9.12.2 contains a complete and accurate list of each material License that is held by the Company or that otherwise relates to the Business. Other than with respect to such matters that would not have a Materially Adverse Effect the Company is in material compliance with the terms and requirements of each License listed or required to be listed on Schedule 9.12.2. The Licenses listed on Schedule 9.12.2 collectively constitute all of the material Licenses necessary to permit the Company to lawfully conduct and operate the Business in the manner in which they currently conduct and operate the Business and to permit the Company to own or lease and use its respective Assets in the manner in which they currently own or lease and use such Assets.

9.12.3. Schedule 9.12.3 contains a complete and accurate list of each Order to which, to the Knowledge of the Company, the Company or any of its property is subject. The Company is, and at all times since the issuance of such Order has been, in material compliance with all of the terms and requirement of each Order identified or required to be identified on Schedule 9.12.3.

9.13. **Insurance Coverage.** Schedule 9.13 contains a complete and accurate list of all of the insurance policies currently maintained by the Company that are covering the Assets, Business (including all equipment, properties and operations), Employees, officers and directors of the Company, each of which are in full force and effect. There are no claims pending, or to the Knowledge of the Company, claims threatened under any of such policies. All premiums owing under all such policies and bonds have been paid and the Company is in full compliance in all material respects with the terms and conditions of all such policies.

9.14. **Real Property.**

9.14.1. Schedule 9.14.1 contains a true and complete list of all real property owned or held in perpetual usufruct by the Company (collectively, the "**Owned Real Property**"). There is no uncured material violation of any Law by the Company (including any building, planning, zoning law or environment protection) relating to any of the Owned Real Property. There are no contractual or legal restrictions that preclude or restrict the ability to use the Owned Real Property for the Business. The Company has good title to all Owned Real Property free and clear of all Encumbrances, except for Permitted Liens.

9.14.2. All real property leases and subleases as to which the Company is a party and any amendments or modifications thereof are listed on Schedule 9.14.2 (each a "**Lease**" and collectively, the "**Leases**"). Schedule 9.14.2 indicates each property of which the Company is the tenant or subtenant. True and complete copies of each Lease have been made available to the Purchaser, and the Leases constitute the entire understanding relating to the Company's use and occupancy of the leased premises. The Leases are valid, in full force and effect and enforceable subject to applicable bankruptcy, insolvency and other similar laws relating to the enforcement of creditors' rights generally and to general principles of equity. There are no existing payment defaults or material non-payment defaults on the part of the Company or, to the Knowledge of the Company, any other Person, under the Leases; the Company has not received or given written notice of default or claimed default with respect to any Lease; and to the Knowledge of the Company, no event has occurred or circumstances exist that (with or without notice or lapse of time) constitutes or will result in a default on the part of the Company thereunder. None of the Leases prohibits the use of property subject to such Lease for the purposes for which each is currently used. There are no grounds for termination of any Lease due to reasons attributable to the Company.

9.15. **Employee Matters.**

9.15.1. Schedule 9.15.1 sets forth, with respect to each Employee, consultant, advisor or independent contractor of the Company in the past three years, (i) the name of such individual; (ii) such individual's title or position with the Company, nature of the contractual relationship and their current status with the Company; (iii) such individual's annualized compensation as of the date of this Agreement, including base salary; and (iv) all other compensation to which such individual may be entitled. The Purchaser has been provided with a copy of the employment/consultant agreement for each current Employee/consultant.

9.15.2. Schedule 9.15.2 sets forth a true and complete list of the name and current fees of each member of the Board in their capacity as such.

9.15.3. The Company is not a party to or bound by any union contract, collective bargaining agreement or similar contract. There are no trade unions, works council or any other employee representative bodies operating in the Company. To the Knowledge of the Company, there are no current attempts to organize or establish any labor union or employee association with respect to any Employees nor is there any certification of any such union with regard to a bargaining unit. The Company has not experienced any work slowdowns, stoppages or strikes (legal or otherwise) in the past five years.

9.15.4. Other than as set forth in Schedule 9.15.4: (i) none of the Employees, consultants or contractors of the Company has notified or otherwise indicated to the Company that he or she intends to terminate his or her employment relationship with the Company; and (ii) all past and present Employees, consultants and independent contractors of the Company have executed a form of noncompetition, nondisclosure and assignment of developments agreement, which agreements have been made available to the Purchaser and (iii) to the Knowledge of the Company, no past or present Employee, consultant, advisor or contractor of the Company is in violation of any term of any employment contract, patent disclosure agreement, noncompetition agreement, or any other restrictive covenant of a former employer as a result of work done for the Company.

9.15.5. Except as contemplated herein and/or as disclosed on Schedule 9.15.5, no past or present Employee, consultant, advisor or independent contractor of the Company is entitled to any payment from the Company on whatsoever basis/legal title, including any severance pay, bonus compensation, acceleration of payment or vesting of any equity interest, or other payment from the Company or the Purchaser as a result of or in connection with the Contemplated Transactions or as a result of any termination by the Company on the Closing of any Person employed by the Company on or prior to the Closing Date, save those stemming from applicable Laws.

9.15.6. Other than with respect to such matters that would not have a Materially Adverse Effect the Company is in compliance in all material respects with all currently applicable Laws with respect to employment standards, human rights, hiring practices, terms and conditions of employment, immigration, occupational health and safety, wages and working hours; in particular, other than as set forth in Schedule 9.15.6, there are no basis for any persons rendering work on a basis other than an employment agreement to claim establishment of the existence of an employment relationship with the Company.

9.15.7. All accruals for unpaid vacation pay, premiums and contributions for statutory plans, accrued wages, salaries and commissions have been reflected in the books and records of the Company.

9.16. **Absence of Certain Changes and Events.** Except as set forth on Schedule 9.16 or as contemplated by this Agreement, since December 31, 2018, the Company has conducted its Business in the ordinary course of business and consistent with past practice. Since December 31, 2018, there has been no action, development or event that could have a Material Adverse Effect on the Company, its Business or its prospects.

9.17. **Certain Transactions.** Except as set forth on Schedule 9.17, none of the members of the Board, or shareholders of the Company, or any member of any of their families, is presently a party to, or was a party to any transaction, or series of similar transactions, with the Company. Each of the transactions set forth on Schedule 9.17 are on arms-length, market terms and have been approved in accordance with the applicable Law. Other than as set forth in Schedule 7.17, none of the Company's members of the Board has any interest in any property, real or personal, tangible or intangible, including inventions, copyrights, trademarks, or trade names, used in or pertaining to the Business of the Company, or any supplier, services provider, joint venture, customer or client of the Company, except for the normal rights of a shareholder.

9.18. **Major Customers.** Schedule 9.18 contains a true, correct and complete list of the customers of the Company for each of the two fiscal years ended December 31, 2017 and 2018 (determined on the basis of the total Dollar amount of business done with such customer) showing the total Dollar amount of such business from each such customer during such year or period and whether such customer is an Affiliate or third party. Except as set forth on Schedule 9.18, none of the foregoing customers has provided the Company with written notice that it will stop or materially decrease its use of the Company's business, products or services, or that it will implement material changes in the terms and conditions in the provision of such use adverse to the Company.

9.19. **Banking Facilities.** Schedule 9.19 contains a complete and correct list of the names and locations of all banks in which the Company has accounts or safe deposit boxes, the designation of each such account and safe deposit box, and the names of all persons authorized to draw on or have access to each such account and safe deposit box.

9.20. **No Broker.** Other than as set forth in Schedule 9.20, no broker, finder, agent or similar intermediary has acted for or on behalf of the Company in connection with this Agreement or the Contemplated Transactions, and no broker, finder, agent or similar intermediary is entitled to any fee or other commission in connection therewith based on any agreement, arrangement or understanding with the Company.

9.21. **Governmental Grants and Benefits**. The Company has not received any grants, incentives, investments, loans, benefits (including tax benefits), subsidies or allowance from any governmental or regulatory authority or agency.

9.22. **Full Disclosure.** The Company has provided the Purchaser and/or the Purchaser with all information that the Purchaser has requested. Nothing in this Agreement (including the Exhibits and/or Schedules hereto), contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein or therein not misleading, in view of the circumstances in which they were made.

10. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Shareholders as follows:

10.1. **Due Incorporation**. It is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Israel.

10.2. **Authority to Execute and Perform Agreements**. Subject to the approval of the general meeting of shareholders of the Purchaser prior to the Closing Date, it has all requisite corporate power and authority to enter into, execute and deliver this Agreement and the Other Purchaser Documents, to consummate the Contemplated Transactions and to perform fully its obligations hereunder and thereunder.

10.3. **Due Authorization; Enforceability**. Subject to the approval of the general meeting of shareholders of the Purchaser to be obtained prior to the Closing Date, it has taken all actions necessary to approve and authorize it to execute and deliver and perform fully its obligations under this Agreement and the Other Purchaser Documents and to consummate the Contemplated Transactions including with respect to the issuance of the Consideration Shares and no other action or proceeding is necessary for the Purchaser to the execute, deliver and perform its obligations under this Agreement and the Other Purchaser Documents and to consummate the Contemplated Transactions. This Agreement has been (and as of the Closing Date, the Other Purchaser Documents will be) duly and validly executed and delivered by the Purchaser and constitutes (and, with respect to the Other Purchaser Documents, will constitute upon the Purchaser's execution and delivery thereof at Closing) a valid and binding obligation of the Purchaser, enforceable against the Purchaser, in accordance with its terms, subject to applicable bankruptcy, insolvency and other similar laws relating to the enforcement of creditors' rights generally and to general principles of equity.

10.4. **No Violation**. Neither the execution and delivery of this Agreement and the Other Purchaser Documents nor the consummation of the Contemplated Transactions and the performance by the Purchaser of its obligations hereunder and thereunder, in accordance with the provisions hereof, will (a) violate any provision of the Organizational Documents of the Purchaser; (b) violate, conflict with, or constitute a default under, permit the termination or acceleration of, or cause the loss of any rights or options of the Purchaser under any contract or other lease agreement or other instrument to which the Purchaser is a party or by which it or its property is bound or to which the Purchaser's property may be subject; (c) require the authorization, consent or approval of any party to any contract to which the Purchaser is a party by which it or its property is bound or filing with (all other than as set forth herein); or (d) to the Knowledge of the Purchaser, violate any Laws or Order to which the Purchaser or its property is subject; or (e) result in the creation or imposition of any Encumbrance upon the Consideration Shares, other than the lock-up restrictions as expressly set forth herein.

10.5. **Issuance of Consideration Shares**. The Consideration Shares to be issued pursuant to this Agreement have been, or shall be duly authorized on the date of issuance thereof, and when issued, will be validly issued, fully paid and nonassessable and subject to the lockup provisions referred to herein, free of restrictions on transfer and shall be issued in compliance with all applicable laws and not subject to preemptive or other similar rights.

10.6. **SEC Filings; Financial Statements**. The Purchaser is in material compliance with all applicable laws and has filed all forms, reports and documents required to be filed by it with the SEC (the forms, reports and other documents, collectively, the "**SEC Reports**"). The SEC Reports (i) complied in all material respects as to form with the requirements of the Securities Act, or the Securities and Exchange Act of 1934, as amended ("**Exchange Act**"), as the case may be, and the rules and regulations promulgated thereunder, and (ii) did not, at the time they were filed, or, if amended, as of the date of such amendment, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading (iii) refer to any litigation matters currently facing the Purchaser.

10.7. Each of the audited consolidated financial statements (including, in each case, any notes thereto) contained in the SEC Reports were prepared in accordance with IFRS applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto) and each fairly presents, in all material respects, the consolidated financial position, results of operations and cash flows of the Purchaser and its subsidiaries as at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited statements, to normal year-end adjustments which would not have had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect).

10.8. Except as and to the extent set forth on the audited consolidated financial statements of the Purchaser for the year ended December 31, 2018, including the notes thereto, neither the Purchaser nor any of its subsidiaries has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise) that would be required to be disclosed in accordance with IFRS, except for liabilities and obligations, incurred in the ordinary course of business consistent with past practice since December 31, 2018, which would not reasonably be expected to prevent or materially delay consummation of any of the Contemplated Transactions or otherwise prevent or materially delay the Purchaser from performing its obligations under this Agreement and would not reasonably be expected to have a Material Adverse Effect.

10.9. Other than as set forth in Schedule 10.9, no broker, finder, agent or similar intermediary has acted for or on behalf of the Purchaser in connection with this Agreement or the Contemplated Transactions, and no broker, finder, agent or similar intermediary is entitled to any fee or other commission in connection therewith based on any agreement, arrangement or understanding with the Purchaser.

10.10. The Purchaser has provided the Company with all information that the Company has requested in order to make its decision to enter into this Agreement. This Agreement (including the Exhibits and/or Schedules hereto) neither contains any untrue statement of a material fact on behalf of the Purchaser, nor omits to state a material fact on the Purchaser behalf, necessary to make the statements herein or therein not misleading, in view of the circumstances in which they were made.

11. COVENANTS OF THE PARTIES

11.1. **Confidential Information**. From and after the Closing, each Shareholder shall keep secret and retain in strictest confidence, and not use for the benefit of such Person or any Person other than the Company and its Affiliates, all confidential matters and trade secrets known to him, her or it relating to the Business, subject to the terms set forth in the Non-Competition Agreement.

11.2. **Publicity**. Unless otherwise required by any Authority, by applicable Law or the rules of any securities exchange that may be applicable, no publicity release or announcement concerning this Agreement or the transactions contemplated hereby shall be issued without advance written approval of the form and substance thereof by the Purchaser and the Representative, which approval shall not be unreasonably withheld.

11.3. **Equity Incentive Plan**. In the event of a Key Employee's continuous employment with the Company at the date of the next grant by the Purchaser to its employees or service providers of options to purchase Purchaser's shares under the employees' stock option plan (the "**Plan**"), the Purchaser shall recommend to its board of directors to grant such Key Employee options to purchase the Purchaser's ordinary shares under the Plan, as shall be determined by Purchaser's board of directors sole discretion and subject to the Purchaser's compensation policy, the applicable grant agreement and any approvals required by the applicable law. Such share purchase options shall have terms and conditions consistent with the terms and conditions of options granted to other employees of the Purchaser. Any tax liability in connection with the options shall be borne solely by the respective Key Employee.

11.4. **Post-Closing Financing**. The Purchaser shall extend to the Company, from time to time, financing for the purposes of its business and activities as a wholly-owned subsidiary of the Purchaser in a manner that commencing June 15, 2019 the cash reserves of the Company shall not, at any time until December 31, 2019, be less than Three Hundred Thousand U.S. Dollars ($300,000) (any such amounts provided to the Company – the "**Post-Closing Financing**"); provided that under no circumstances shall: (i) the Purchaser be obligated hereunder to extend to the Company an aggregate amount that exceeds One Million U.S. Dollars ($1,000,000); nor (ii) the Company be obligated to return the Post Closing Financing or any part thereof prior to the lapse of 2019. Without derogating from the foregoing, Three Hundred U.S. Dollars ($300,000) shall be transferred to the Company prior to or upon June 15, 2019 on account of Post-Closing Financing.

11.5. **Separate Entity**. During 2019 the Purchaser shall not consolidate or merge the Company with or into any Person, and shall operate the Company as a separate legal entity, with Mr. Barak Avitbul acting as its CEO and Mr. Moishe Kremer acting as its CTO, subject to the terms and provisions of the employment agreement between the Company and Messrs. Avitbul and Moshe Kremer attached hereto as **Exhibits 3.2.2.6A-B**.

11.6. **Business Plan**. The Company will use the Post-Closing Financing for general working capital purposes in accordance with the 2019 budget approved by the Purchaser prior to Closing (as may be amended from time to time by the Company's board of directors, subject to the consent of Mr. Avitbul during the EarnOut Period, which consent will not be unreasonably withheld, provided that considerations relating to the Earn Out shall not be deemed unreasonable), attached hereto as **Exhibit 11.6** (the "**Budget**").

12. TAX MATTERS

12.1. **Tax Covenants.** To the extent not otherwise prohibited by applicable Law, the following provisions shall govern the allocation of responsibility as between the Purchaser, the Company, and the Shareholders for certain tax matters following the Closing Date:

12.1.1. The Purchaser shall cause the Company to prepare and file all Tax Returns (and accompanying schedules) of the Company in respect of Pre-Closing Tax Periods and Straddle Periods required to be filed after the Closing Date, which Tax Returns will be filed on a timely basis.

12.1.2. Not less than 60 days prior to the due date of Tax Return for 2018, and within 120 days following the Closing Date the Purchaser will provide the Representative with a substantially final draft of the Tax Return (the "**Draft Return**"). The Representative and its accountants have the right to review the Draft Return and any working papers relating to its preparation. Within 14 Business Days after the date that the Representative receives the Draft Return, the Representative will advise the Purchaser in writing that he either agrees with the Draft Return or does not agree with the Draft Return, in which case the Representative will set out, in reasonable detail, the basis for such disagreement.

12.1.3. If the Representative notifies the Purchaser of a disagreement pursuant to Section 12.1.2 hereof, the Representative and the Purchaser will attempt to resolve such disagreement; provided, however, that if the Representative and the Purchaser fail to reach agreement within 7 Business Days after such Representative's notice, then the disagreement will be resolved by KPMG Israel ("**Accountants**"), upon written request by the Purchaser or the Representative. The determination of the Accountants will be final, conclusive and binding on the Parties. The fees and expenses of the accountants in making any such determination will be borne by the Purchaser.

12.1.4. The Purchaser shall pay or cause to be paid on a timely basis all Taxes shown as due on the Tax Returns prepared in accordance with Section 12.1.

12.1.5. The Purchaser, the Company and the Representative shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns pursuant to this Section and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's reasonable request) the provision of records and information which are reasonably relevant to any such audit, actual or threatened litigation or other proceeding and making Employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. The Purchaser shall or shall cause the Company to (i) retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until expiration of the statute of limitations of the respective taxable period, and to abide by all record retention requirements stipulated by the relevant Law and agreements entered into with any taxing Authority and (ii) to give the Representative reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the Representative so requests, shall allow the requesting party to take possession of such books and records.

12.1.6. Neither the Purchaser nor any of its Affiliates (including, after the Closing, the Company) shall, without the prior written consent of the Representative, which consent shall not be unreasonably withheld or delayed, (i) make or change any Tax election affecting any Pre-Closing Tax Period or Straddle Period of the Shareholders or any of their Affiliates, (ii) amend, refile or otherwise modify (or grant an extension of any applicable statute of limitations with respect to) any Tax Return prepared by the Company or any of its Affiliates relating to a Pre-Closing Tax Period or a Straddle Period or (iii) take any action that results in any increased Tax liability (including a reduction in a refund) of any of the Company (or the Shareholders or any of their Affiliates) in respect of a Pre-Closing Tax Period or a Straddle Period.

12.1.7. All transfer, documentary, sales, use, stamp, registration, and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated by this Agreement (together with the cost of preparation and filing any related Tax Returns) shall be paid by the Purchaser when due, and, if required by applicable Laws, the Shareholders will file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and the Purchaser and/or the Company will join in the execution of any such Tax Returns and other documentation.

12.2. **Post-Closing Access.** To the extent reasonably necessary and requested by the Representative in connection strictly with the review of the Closing Working Capital preparation of Tax Returns and financial reporting matters, audits, legal proceedings, Actions, governmental investigations and other business purposes for which the Shareholders are liable pursuant to this Agreement, after the Closing, upon reasonable notice and provided that such Persons sign non-disclosure agreements in form and substance reasonably acceptable to Purchaser, Purchaser will give, or will cause to be given, to the accountants and/or tax advisors and/or legal counsel of the Representative, reasonable access, during normal business hours, to the books and records which relate to the Company and the Business and which relate to periods prior to the Closing, and will permit such Persons to examine and copy such books and records, subject to the requirement to destroy such copies in accordance with the non-disclosure agreements referenced above.

12.3. **Withholding of Taxes**. Each of the Parties shall bear and pay the taxes and levies imposed on it (if at all) under any law in relation with this Agreement and the transactions contemplated therein. To the extent the Purchaser is required under applicable law to make any withholding or deduction for, or on account of, any taxes with regard to the amounts payable hereunder (including the Consideration Shares), the Purchaser, shall make such withholding or deduction unless an appropriate exemption is provided to them or it before the date due for payment. In the event that by or on the Closing Date a Shareholder does not provide the Purchaser with an approval or certification from the applicable tax authorities as set forth above, such Shareholder shall have the exclusive right at its sole discretion and in accordance with a written notice to be provided to the Purchaser, to instruct the Purchaser to transfer any payment of any amount payable by the Purchaser to it under this Agreement which is or may be subject to withdrawal of any tax, to a trustee selected by the Shareholder and approved by the Israeli tax authorities ("**ITA**"). Said trustee will hold all such payments in escrow in favor of the Shareholder until the earlier of (1) receipt by the Shareholder of an approval or certification from the applicable tax authorities as set forth above; or (2) the lapse of 180 days from the Closing Date. In the event that the Shareholder fails to provide the Purchaser with an approval or certification from the applicable tax authorities as set forth above until the lapse of 180 days from the Closing Date, then the trustee shall transfer all amounts held in escrow to the Shareholder after having withheld and remitted to the ITA all required taxes. Any withholding or calculation of the Exercise Price made in New Israeli Shekels with respect to payments made hereunder in U.S. dollars shall be calculated based on the then applicable exchange rate published by the Bank of Israel on the Closing Date and in such manner as Purchaser and relevant Shareholder determines to be in compliance with the applicable Laws relating thereto.

13. SURVIVAL; INDEMNIFICATION

13.1. **Survival.** All representations, warranties, covenants, and obligations in this Agreement, the Disclosure Schedule, the Other Company Documents, the Other Shareholder Documents, the Other Purchaser Documents and any other certificate or document delivered pursuant to this Agreement will survive the Closing, for the time periods set forth in Section 13.4. The right to indemnification, payment of Losses or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any Knowledge acquired (or capable of being acquired) at any time after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. Unless otherwise agreed to in a separate written agreement, the waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Losses, or other remedy based on such representations, warranties, covenants, and obligations.

13.2. **Indemnification and Payment of Losses by the Company and the Shareholders.**

13.2.1. Subject to applicable limitations in time and amount set forth in this Section 13, the Shareholders, severally and not jointly each according to its Pro Rata Portion, after the Closing will indemnify and hold harmless the Purchaser, its successors and assigns in interest, and each of their respective officers, directors, partners, shareholders, employees, agents, advisors, controlling persons, and affiliates, including the Company (collectively, the "**Purchaser Indemnitees**") for, and will pay to the Purchaser Indemnitees the amount of, any Losses, arising from:

13.2.1.1. any breach of any representation or warranty contained in Section 9 of this Agreement or any representation or warranty of the Company contained in any Other Company Document or any other certificate delivered by the Company pursuant to this Agreement with respect to such representations or warranties;

13.2.1.2. any breach by the Company at the Closing of any covenant or obligation of the Company contained in this Agreement or any Other Company Document;

13.2.1.3. any Pre-Closing Taxes not paid by the Company prior to the Closing Date or not accrued in the Closing Balance Sheet when such Pre-Closing Tax was not due and payable prior to the Closing Date (irrespective of any extensions with respect thereto) including any Taxes paid by the Purchaser as set forth on Section 12.1.4 of this Agreement;

13.2.1.4. any and all Taxes of any Person (other than the Company) imposed on the Company as a transferee or successor, by contract or pursuant to any law, rule, or regulation, which Taxes relate to a Pre-Closing Tax Period; or

13.2.1.5. as set forth in Schedule 13.2.1.5 hereto.

13.2.2. Each Shareholder will indemnify and hold harmless the Purchaser Indemnitees for, and will pay to the Purchaser Indemnitees the amount of, any Losses, arising from:

13.2.2.1. any breach of any representation or warranty of such Shareholder contained in Section 7 of this Agreement or any representation or warranty contained in any Other Shareholder Document or any certificate delivered by such Shareholder pursuant to this Agreement with respect to representations or warranties made by such Shareholder; or

13.2.2.2. any breach by such Shareholder of any covenant or obligation of such Shareholder contained in this Agreement or any Other Shareholder Document.

13.2.3. DIVI, in its capacity as seller of the Purchased Assets, will indemnify and hold harmless the Purchaser Indemnitees for, and will pay to the Purchaser Indemnitees the amount of, any Losses, arising from:

13.2.3.1. any breach of any representation or warranty of DIVI contained in Section 8 of this Agreement or any representation or warranty contained in any document or any certificate delivered by DIVI pursuant to this Agreement with respect to representations or warranties made by DIVI; or

13.2.3.2. any breach by DIVI of any of its covenant or obligation contained in this Agreement

13.3. **Indemnification and Payment of Losses by the Purchaser.** Subject to applicable limitations set forth in this Agreement, the Purchaser will indemnify and hold harmless the Shareholders, their respective successors and assigns in interest, and each of their respective partners and shareholders (collectively, the "**Shareholder Indemnitees**"), and will pay to the Shareholder Indemnitees the amount of any Losses arising from (a) any breach of any representation or warranty made by the Purchaser in this Agreement, any Other Purchaser Document or in any certificate delivered by the Purchaser pursuant to this Agreement, (b) any breach by the Purchaser of any covenant or obligation of the Purchaser contained in this Agreement or any Other Purchaser Document, or (c) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by such Person with the Purchaser (or any Person acting on its behalf) in connection with any of the Contemplated Transactions.

13.4. **Limitations.**

13.4.1. The representations and warranties of the Company, DIVI (solely in its capacity of seller of the Purchased Assets and solely with respect to the representations provided by it in Section 8 herein) and the Shareholders in this Agreement (i) will survive the Closing and (ii) will continue until the 15 month anniversary of the Closing ("**Termination Date**"), at which time all representations and warranties will expire; provided, however, that (a) DIVI will continue to have liability hereunder with respect to the representations and warranties contained in Section 8.1 and Section 8.6 until the lapse of 48 months from the Closing, and (b) the Shareholders will continue to have liability hereunder (x) with respect to the representations and warranties contained in Sections 7.1-7.3 and Section 9.1 (Organization; Authority; Due Authorization), Section 9.2 (Capitalization of the Company) and Section 9.10 (Intellectual Property) until the lapse of 36 months from the Closing, (y) with respect to the representations and warranties contained in Section 9.7 (Taxes) and the obligations contained in Sections 13.2.1.3-13.2.1.4, in each case, until the date that is 30 calendar days after the underlying obligation is barred by the applicable period of limitation under applicable Laws relating thereto; and provided, further, however, Shareholders and DIVI, in its capacity as seller of the Purchased Assets, will continue to have liability arising out of any fraud, willful breach or intentional misrepresentation by the Company, DIVI or any Shareholder, as the case may be, until the date that is 30 calendar days after the underlying obligation is barred by the applicable period of limitation under applicable Laws relating thereto.

13.4.2. If at any time prior to the Termination Date, the Purchaser has duly delivered to the Representative written notice of the Purchaser's claim for indemnification, then the specific indemnification claim asserted in such indemnity notice shall survive the Termination Date until such time as such claim is resolved.

13.4.3. No Shareholder or DIVI, in its capacity as seller of the Purchased Assets, shall be required to indemnify the Purchaser for Losses incurred by the Purchaser Indemnities until the aggregate amount of all such Losses exceeds USD$150,000 in which event a claim or claims in excess of the aforesaid threshold can be submitted for the entire amount (and shall be paid from the first USD).

13.4.4. No Shareholder shall have any liability for Losses incurred by the Purchaser Indemnitees hereunder in an amount that exceeds its Percentage Share of 20% of the Aggregate Shares Purchase Price. DIVI, in its capacity as seller of the Purchased Assets, shall have no liability for Losses incurred by the Purchaser Indemnitees hereunder in an amount that exceeds 10% of the Assets Purchase Price, provided however that for Losses incurred by the Purchaser Indemnitees in connection with the representations and warranties set forth in Section 8.6, DIVI's liability hereunder shall not exceed an additional US $ 840,000

13.4.5. Notwithstanding Sections 13.4.3 and 13.4.4, there shall be no limitation to the liability of (i) any Shareholder arising out of any fraud, willful breach or intentional misrepresentation by such Shareholder or the Company and (ii) DIVI, in its capacity as seller of the Purchased Assets, arising out of any fraud, willful breach or intentional misrepresentation by DIVI.

13.4.6. Other than with respect fraud, willful breach or intentional misrepresentation, in no event shall the Purchaser have any liability for Losses incurred by (i) the Shareholders with respect to the matters described in this Agreement in an amount that exceeds 20% of the Aggregate Shares Purchase Price; and (ii) DIVI, in its capacity as seller of the Purchased Assets, with respect to the matters described in this Agreement in an amount that exceeds 10% of the Assets Purchase Price.

13.5. **Escrow.** Subject to this Section 13, the Escrow Amount (held in escrow with the Escrow Agent during the Holdback Period) shall initially secure and satisfy each Shareholder's obligations pursuant to this Section 13. The Purchaser Indemnitees shall first look to the Shareholder's Escrow Amount Portion until the same is exhausted (after which the Purchaser Indemnitees may look to the Shareholders, with respect to each Shareholder, up to its Percentage Share) to satisfy any and all claims against such Shareholder pursuant to this Section 13 made by the Purchaser Indemnitees.

13.6. **Procedure for Indemnification — Third Party Claims.** Promptly after receipt by an indemnified party under this Section 13 of notice of the commencement of any proceeding against it by a third party, such indemnified party will, if a claim is to be made against an indemnifying party under this Section 13, give notice to the indemnifying party of the commencement of such claim, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to any indemnified party, except to the extent that the indemnifying party is prejudiced by the indemnified party's failure to give such notice. The indemnified party shall comply with the procedures for claims involving a third-party as set forth in Schedule E.

13.7. **Procedure for Indemnification — Other Claims.** A claim for indemnification for any matter not involving a third-party claim must be asserted by written notice delivered in accordance with Section 15.1 to the party from whom indemnification is sought which notice shall specify in reasonable detail the factual basis for such claim and either the fixed amount of Losses resulting from such claim, or if the Losses have not been finally determined, a good faith estimate of the amount of such Losses along with a statement of the basis for such estimate (an "**Indemnity Notice**").

13.8. **Adjustment to Purchase Price.** Following the Closing, any payments made pursuant to this Section 13 by any Shareholder or by DIVI in its capacity as seller of the Purchased Assets (whether personally or from the Escrow Amount) shall be considered as a reduction to the aggregate consideration received by such Shareholder or DIVI, as the case may be. Purchaser shall not make any claim for indemnification in respect of any matter, including any breach of a representation or warranty, to the extent that the amount of such Loss is included in the calculation of the Adjustment Amount pursuant to Section 4.

13.9. **Exclusive Remedy.** Except for such equitable remedies as may be available to enforce any of the provisions of this Agreement, the indemnifications under this Section are the parties' sole and exclusive remedies, each against the other, with respect to matters arising under or relating to the Contemplated Transactions or this Agreement of any kind or nature. The parties hereby waive any other remedies available under any applicable law.

13.10. **Insurance Recovery.** The Parties shall use commercially reasonable efforts to recover under insurance policies for any Loss. If a party receives any insurance proceeds, with respect to a matter or claim, after having received any indemnification payment under this Agreement with respect to such matter or claim, such party will promptly refund to the other party an amount equal to such insurance proceeds net of any increase in insurance premiums.

14. SHAREHOLDERS' REPRESENTATIVE

14.1. **Appointment of Representative.**

14.1.1. As of the Closing and contingent thereon, each Shareholder, for himself or itself and for his or its heirs, successors and assigns, hereby irrevocably constitutes and appoints Barak Avitbul (in such capacity, the "**Representative**"), as such Shareholder's attorney-in-fact and agent to act for, on behalf of, and in the name of such Shareholder in connection with the Designated Matters specifically provided for herein. Each Shareholder acknowledges and agrees that (absent Purchaser's material breach of this Agreement, in which case this power is null and void) this power is irrevocable until the end of the survival periods set out in Section 13.3 and is coupled with an interest, and shall not be affected by the death, incapacity, illness or other inability to act of any Shareholder.

14.1.2. In furtherance and not in limitation of the foregoing appointment of the Representative, each Shareholder hereby irrevocably grants the Representative full power and authority to act in respect of the Designated Matters on behalf of such Shareholder, as set forth on Schedule D. There shall be no presumption that such Designated Matters have been modified, unless otherwise agreed to in writing by the Shareholders and the Representative.

14.1.3. Reserved.

14.1.4. Notwithstanding anything in this Agreement to the contrary, the Representative shall have no authority to act on behalf of any Shareholder with respect to any matter which is not a Designated Matter, including (i) any employment agreement, covenant not to compete or similar agreement between such Shareholder and the Purchaser or an Affiliate thereof (regardless of whether such employment agreement is an Other Shareholder Document), and (ii) releases of claims, rights or liabilities with respect to any employment related rights of a Shareholder.

14.1.5. Each Shareholder hereby agrees that as of the Closing and contingent thereon:

14.1.5.1. the Company and the Purchaser shall be entitled to rely on any and all action taken by the Representative pursuant to the authority granted under this Agreement notwithstanding any dispute or disagreement among the Shareholders without any liability to, or obligation to inquire of, any Shareholder, notwithstanding any Knowledge on the part of the Company, or the Purchaser of any such dispute or disagreement;

14.1.5.2. notice to the Representative, delivered in the manner provided herein, shall be deemed to be notice to each Shareholder for the purposes of the Designated Matters;

14.1.5.3. the authority of the Representative, as described in this Agreement, shall be effective until the rights and obligations of the Representative under this Agreement shall terminate by virtue of the termination of any and all rights and obligations of such Shareholder to the Purchaser under this Agreement;

14.1.5.4. if the Representative resigns or otherwise ceases to function in its capacity as such for any reason whatsoever, and no successor is appointed by a majority-in-interest of the Shareholders based on their Shareholders Portion of Purchase Price within 45 days of such removal, resignation or otherwise, then the Purchaser shall have the right to appoint a Representative to serve as described in this Agreement (who shall be a significant Shareholder) and, under such circumstances, the Purchaser and the Company shall be entitled to rely on all actions taken by such Representative; and

14.1.5.5. the Representative shall not be liable to any Shareholder for Losses with respect to any action taken or any omission by the Representative hereunder, except to the extent such Losses are caused by the Representative's bad faith, fraud or criminal misconduct.

14.1.6. Each Shareholder agrees that, notwithstanding the foregoing, each Shareholder shall take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement (including, without limitation, delivery of Shares and acceptance of the Purchase Price at Closing) individually on his own behalf.

14.2. **Limitation on Actions.** Without derogating from the Shareholders' Representative Powers and with respect to the Designated Matters, any claim, action, suit or other proceeding, whether at law or in equity, to enforce any right, benefit or remedy granted to all Shareholders equally under this Agreement shall be asserted, brought, prosecuted, or maintained only by the Representative on behalf of the Shareholders. Any claim, action, suit or other proceedings, either at law or in equity, to enforce any right, benefit or remedy granted under this Agreement may be asserted, brought, prosecuted or maintained by the Purchaser against the Shareholders by service of process on Representative and without the necessity of serving process on, any Shareholder as a defendant in such claim, action, suit or other proceeding. With respect to any matter contemplated by this Section, a Shareholder shall be bound by any determination in favor of or against Representative or the terms of any settlement or release to which Representative shall become a party.

14.3. **Indemnification.** Each Shareholder shall indemnify the Representative, each to the extent of its Percentage Share, against any Losses that the Representative may suffer or incur in connection with any action taken or any omission by Representative except to the extent such Losses were caused by the Representative's bad faith, fraud or criminal misconduct. Each Shareholder expressly covenants and agrees that neither the Representative nor any Shareholder nor any of their respective agents, employees or other representatives shall have any liability to any other Shareholder (or any other Person) relating to or arising from any such information, materials, statement or opinions, and except as expressly provided in a written agreement, if any, between or among the Shareholders, no Shareholder shall make any claims for contribution or otherwise against any other Shareholder or against the Representative, or against their respective agents, employees, or other representatives.

15. MISCELLANEOUS

15.1. **VAT**. With respect to any payments by the Purchaser hereunder, to which VAT is due, the Purchaser shall pay such VAT amount to the respective Party responsible for payment thereof to the Israeli Tax Authority (the "**ITA**"), no later than the earlier of: (i) 30 days after the date on which the Party receiving such payment is mandatorily required to pay such VAT amount to the ITA; and (ii) the date on which the VAT payment was refunded to the Purchaser by the ITA. In any event, and without derogating from the generality of Section 2.3 above, DIVI shall provide the Purchaser with written proof of VAT payment to ITA within two (2) days following the date of such payment and shall further, at Purchaser's expense and request, take such further actions, as may be reasonably necessary or appropriate to expedite the refund of the aforesaid VAT amount to the Purchaser by ITA.

15.2. **Notices.** All notices, consents, waivers, requests and other communications hereunder shall be in writing and shall be delivered by courier or other means of personal service (including by means of an internationally recognized courier service or a professional messenger service), or sent by email receipt confirmed or mailed first class, postage prepaid, by certified mail, return receipt requested, in all cases, addressed as follows:

If to Company or Representative, to:

Barak Avitbul
47 King David Av. Tel Aviv
barak@divinetworks.com

(with a copy, which shall not constitute notice, to):

Shibolet & Co.
Museum Tower, 4 Berkowitz St., Tel Aviv 6423806 Israel
Attn: Gadi Graus
G.Graus@shibolet.com

If to the Shareholders, to:

Divi
Hagag Tower, 30 HaArba'a St, Tel Aviv
6473926 Israel
rachel@divinetworks.com

DiviNetworks Ltd. in trust for (BPM Holdings Ltd. (Barak Avitbul))*
47 King David Av. Tel Aviv
barak@divinetworks.com

DiviNetworks Ltd. in trust for (BPM Holdings Ltd. (Pinny Smotny)
7A Zelig Bass St. Petach Tikva
49550 Israel
pini@smtm-online.com

DiviNetworks Ltd. in trust for (BPM Holdings Ltd. (Aharon Kinderman)

35 Wizman St. Petach Tikva
49556 Israel
aharon@kinderman.co.il

DiviNetworks Ltd. in trust for (BPM Holdings Ltd. (Moshe Kremer)
Yatkovsky 22 St. Petach Tiqva
4965222 Israel
moishikr@gmail.com

Baroma AG Ltd.

Bitzoghoferstr. 9, 6060 Sarnen
Schweiz
bhholdingsag@gmail.com

If to the Purchaser, to:

Safe-T Group Ltd.
8 Abba Eban Blvd. Herzliya, Israel
Attention: Shai Avnit, CFO
Email: shai.avnit@safe-t.com

(with a copy, which shall not constitute notice, to):

Lipa Meir & Co.
2 Weizman St., Tel Aviv, Israel
Attention: Gregory Irgo, Adv.
Email: Gregory@lipameir.co.il

All notices, requests and other communications shall be deemed given on the date of actual receipt or delivery as evidenced by written receipt, acknowledgment or other evidence of actual receipt or delivery to the address or a receipt generated by email showing that such communication was sent to the appropriate email address on a specified date, if sent by email; provided that if the date of receipt is not a Business Day (and, in the case of delivery by email if not received prior to 5:00 pm local time of the Business Day of the recipient), then on the first Business Day of the recipient after the date of such receipt. In case of service by email, a copy of such notice shall be personally delivered or sent by registered or certified mail, in the manner set forth above, intended for receipt within three Business Days thereafter (provided that the failure to do so shall not prevent such notice from being effective upon receipt as noted above). Either party hereto may from time to time by notice in writing served as set forth above designate a different address or a different or additional person to which all such notices or communications thereafter are to be given.

15.3. **Entire Agreement.** This Agreement (including the schedules and exhibits hereto) and the agreements, documents and instruments to be executed and delivered pursuant hereto embody the final and complete agreement among the parties with respect to the sale of the Shares and the Contemplated Transactions; supersede all prior indications of interest and letters of intent (including the letter of intent dated January 15, 2019 between the Purchaser, the Company and the Shareholders), agreements or understandings (whether written or oral) with respect thereto; and may not be contradicted by evidence of any such prior agreement or understanding. The terms of this Agreement are in addition to and do not derogate from the terms of the Pledge Agreement.

15.4. **Governing Law; Jurisdiction.** This Agreement is to be governed by and construed in accordance with the laws of the State of Israel. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court in the District of Tel Aviv and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

15.5. **Binding Effect.** This Agreement and the rights, covenants, conditions and obligations of the respective Parties hereto and any instrument or agreement executed pursuant hereto shall be binding upon the Parties and their respective successors, assigns and legal representatives. Neither this Agreement, nor any rights or obligations of any Party hereunder, may be assigned by a Party without the prior written consent of the other Parties; provided, however, that a Party hereunder shall have the right to assign its rights under this Agreement, in whole or in part, to an Affiliate or to designate any of its affiliates (to the extent permitted by Law) to receive directly the Shares/Consideration Shares (as applicable) to be purchased/issued (as applicable) hereunder or to exercise any of its rights, provided however that such assignment by either the Company, a Shareholder or DIVI (in its capacity as seller of the Purchased Assets) shall be contingent upon its and its respective assignee agreement to comply with the provisions of **Schedule 15.5** hereto.

15.6. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and delivery of an executed counterpart by fax, pdf or other electronic means shall be equally effective as delivery of an original, manually executed counterpart of this Agreement.

15.7. **Section Headings; References; Defined Terms.** The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof. All references in this Agreement to Articles, Sections, Exhibits or Schedules refer to Articles or Sections of, or Exhibits or Schedules to, this Agreement unless otherwise specified. All terms not defined in this Agreement will have the meanings assigned to them in Exhibit A hereto.

15.8. **Gender; Tense; Etc.** Where the context or construction requires, all words applied in the plural shall be deemed to have been used in the singular, and vice versa; the masculine shall include the feminine and neuter, and vice versa. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms. This Agreements is drafted in English with the consent of each of the parties hereto and the interpretation of this Agreement shall be based such language, without translation.

15.9. **Severability.** If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

15.10. **No Third Party Rights.**

15.10.1. Except as otherwise expressly set forth in this Agreement including with respect to Schedule A, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the parties to it and their respective successors in interest and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third Persons to any party to this Agreement, nor shall any provision give any third Persons any right of subrogation or action over against any party to this Agreement.

15.10.2. No provision in this Agreement shall create any third-party beneficiary or other rights in any Employee (including any beneficiary or dependent thereof) of the Company in respect of continued employment (or resumed employment) with the Company.

15.11. **Transaction Expenses.** The Purchaser shall bear its own direct and indirect expenses, and the Company, DIVI (in its capacity as a seller of the Purchased Assets) and the Shareholders shall bear its and their direct and indirect expenses, incurred in connection with the negotiation and preparation of this Agreement and the consummation and performance of the Contemplated Transactions (including any fees and expenses of legal counsel, accountants, brokers, finders, financial advisors and investment bankers) (the "**Transaction Expenses**").

15.12. **No Waivers.** No failure or delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other of further exercise thereof or the exercise of any other right, power or privilege. Unless otherwise set forth herein, the rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Law.

15.13. **Further Assurances.** From time to time after the Closing, at the request of the Purchaser and without further consideration, Shareholders will execute and deliver to the Purchaser such other documents, and take such other action, as the Purchaser may reasonably request in order to consummate more effectively the Contemplated Transactions and to vest in the Purchaser good, valid and marketable title to the Shares.

[Signature pages follow]

SIGNATURE PAGE TO SHARE AND ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have duly executed this Share and Asset Purchase Agreement as of the day and year first above written.

NETNUT LTD.

By: _____
Name:
Title:

SAFE-T GROUP LTD.

By: _____

Name: _____

Title: _____

Signatures continue on following page

SIGNATURE PAGE TO SHARE AND ASSET PURCHASE AGREEMENT (Cont.)

SHAREHOLDERS:

DIVINETWORKS LTD.
By: _____
Name:

BAROMA AG LTD.
By: _____
Name:

KINDERMAN AHARON
By: _____
Name:

BARAK AVITBUL (IN TRUST BY DIVINETWORKS LTD)
By: _____
Name

_____

PINNY SMOTNY (IN TRUST BY DIVINETWORKS LTD)
By: _____
Name

AHARON KINDERMAN (IN TRUST BY DIVINETWORKS LTD)
By: _____
Name

_____

MOSHE KREMER (IN TRUST BY DIVINETWORKS LTD)
By: _____
Name

Signatures continue on following page

SIGNATURE PAGE TO SHARE AND ASSET PURCHASE AGREEMENT (Cont.)

SHAREHOLDERS' REPRESENTATIVE:

Barak Avitbul

EXHIBITS AND SCHEDULES

Exhibit A	Definitions
Exhibit B	Form of Release
Exhibit C	Form of Non-Competition Agreement
Exhibit D	Form of Closing Balance Sheet
Schedule A	Shareholders and amounts payable
Schedule B	Required Consents and Actions
Schedule C	Purchased Assets
Schedule D	Shareholders' Representative Powers
Schedule E	Indemnification Procedures for Third Party Claims
Schedule F	Designated Matters

EXHIBIT D
SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of April 9, 2019, between Safe-T Group Ltd., an Israeli corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "Purchaser" and collectively, the "Purchasers").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Debentures (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.7.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"ADS(s)" means American Depositary Shares issued pursuant to the Deposit Agreement (as defined below), each representing 40 Ordinary Shares.

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States, a legal holiday in the State of Israel, or any day on which banking institutions in the State of New York or the State of Israel are authorized or required by law or other governmental action to close; provided, however, that, for calculating Business Days any action to be taken by the Company hereunder, Friday after 1:00 p.m. (Tel Aviv time) shall not be considered a Business Day; provided, further, for purposes of delivering any Notices of Conversions or Notices of Exercise and the calculation of delivery requirements thereafter, Friday shall be deemed a Business Day.

"Closing Date" means, respectively, the date of the First Closing or the date of the Second Closing, and means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount as to the applicable Closing and (ii) the Company's obligations to deliver the Securities as to the applicable Closing, in each case, have been satisfied or waived.

"Closing Dates" means, collectively, the dates of the First Closing and the Second Closing.

"Closing(s)" means the closing(s) of the purchase and sale of the Securities pursuant to Section 2.1.

"Closing" means the closing of the purchase and sale of the Securities pursuant to Section 2.1.

"Commission" means the United States Securities and Exchange Commission.

"Company Counsel" means Zysman, Aharoni, Gayer and Sullivan & Worcester LLP, with offices located at 1633 Broadway, New York, NY 10019.

"Conversion Price" shall have the meaning ascribed to such term in the Debentures.

"Conversion Shares" shall have the meaning ascribed to such term in the Debentures.

"Debentures" means the 8% Convertible Debentures due, subject to the terms therein, eighteen (18) months from their date of issuance, issued by the Company to the Purchasers hereunder, in the form of Exhibit A attached hereto.

"Deposit Agreement" means the Deposit Agreement dated as of June 2, 2017 among the Company, The Bank of New York Mellon as Depositary and the owners and holders of ADSs from time to time, as such agreement may be amended or supplemented.

"Depositary" means The Bank of New York Mellon, as Depositary under the Deposit Agreement.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Disclosure Time" means, (i) if this Agreement is signed on a day that is not a Trading Day or after 9:00 a.m. (New York City time) and before midnight (New York City time) on any Trading Day, 9:01 a.m. (New York City time) on the Trading Day immediately following the date hereof, unless otherwise instructed as to an earlier time by the Placement Agent, and (ii) if this Agreement is signed between midnight (New York City time) and 9:00 a.m. (New York City time) on any Trading Day, no later than 9:01 a.m. (New York City time) on the date hereof, unless otherwise instructed as to an earlier time by the Placement Agent.

"EGS" means Ellenoff Grossman & Schole LLP, with offices located at 1345 Avenue of the Americas, New York, New York 10105-0302.

"Effective Date" means the earliest of the date that (a) the initial Registration Statement has been declared effective by the Commission, (b) all of the Underlying Shares have been sold pursuant to Rule 144 or may be sold pursuant to Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 and without volume or manner-of-sale restrictions, (c) following the one year anniversary of the Closing Date provided that a holder of the Underlying Shares is not an Affiliate of the Company or (d) all of the Underlying Shares may be sold pursuant to an exemption from registration under Section 4(a)(1) of the Securities Act without volume or manner-of-sale restrictions and Company Counsel has delivered to such holders a standing written unqualified opinion that resales may then be made by such holders of the Underlying Shares pursuant to such exemption which opinion shall be in form and substance reasonably acceptable to such holders.

"Evaluation Date" shall have the meaning ascribed to such term in Section 3.1(s).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exempt Issuance" means the issuance of (a) ADSs, Ordinary Shares or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (b) ADSs or Ordinary Shares upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into ADSs or Ordinary Shares issued and outstanding on the date of this Agreement or issuance of securities pursuant to the terms of the Strategic Transaction, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights that require or permit the filing of any registration statement in connection therewith during the prohibition period in Section 4.13(a) herein, and provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, and (d) up to $250,000 of restricted ADSs or restricted Ordinary Shares (as calculated using the VWAP on the date of grant or issuance) to consultants provided that such securities are issued as "restricted securities" (as defined in Rule 144) and carry no registration rights.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"IFRS" shall have the meaning ascribed to such term in Section 3.1(h).

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(bb).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(o).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Lock-Up Agreement" means the Lock-Up Agreement, dated as of the date hereof, by and among the Company and the directors, officers, and 10% stockholders of the Company, in the form of Exhibit D attached hereto.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(m).

"Maximum Rate" shall have the meaning ascribed to such term in Section 5.17.

"Ordinary Share(s)" means the ordinary shares of the Company, no par value per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Ordinary Share Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Ordinary Shares or ADSs, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares or ADSs.

"Participation Maximum" shall have the meaning ascribed to such term in Section 4.12(a).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Pre-Notice" shall have the meaning ascribed to such term in Section 4.12(b).

"Pro Rata Portion" shall have the meaning ascribed to such term in Section 4.12(e).

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.3(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.3(b).

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.10.

"Registration Rights Agreement" means the Registration Rights Agreement, dated on or about the date hereof, among the Company and the Purchasers, in the form of Exhibit B attached hereto.

"Registration Statement" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Underlying Shares by each Purchaser as provided for in the Registration Rights Agreement.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Required Minimum" means, as of any date, the maximum aggregate number of Ordinary Shares then issued or potentially issuable in the future pursuant to the Transaction Documents, including any Underlying Shares issuable upon exercise in full of all Warrants or conversion in full of all Debentures (including Underlying Shares issuable as payment of interest on the Debentures), ignoring any conversion or exercise limits set forth therein, and assuming that the Conversion Price is at all times on and after the date of determination 75% of the then Conversion Price on the Trading Day immediately prior to the date of determination.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities" means the Debentures, the Warrants, the Warrant Shares and the Underlying Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shareholder Approval" means approval of the majority of the shareholders of the Company of the Strategic Transaction and of the Second Closing.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include locating and/or borrowing Ordinary Shares).

"Strategic Transaction" means the issuance of up to 69,461,377 Ordinary Shares as partial consideration for the purchase of all of the outstanding share capital of NetNut Ltd., an Israeli corporation (and up to 44,756,273 pursuant to certain earn-outs), and certain assets of DiViNetworks Ltd., as further described on Schedule 3.1(g) attached hereto.

"Subscription Amount" means, as to each Purchaser, the aggregate amount to be paid for Debentures and Warrants purchased hereunder as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.12(a).

"Subsequent Financing Notice" shall have the meaning ascribed to such term in Section 4.12(b).

"Subsidiary" means any subsidiary of the Company as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Subsidiary Guarantee" means the Subsidiary Guarantee, dated the date hereof, by each Subsidiary in favor of the Purchasers, in the form of Exhibit E attached hereto.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Ordinary Shares or ADSs are listed or quoted for trading on the date in question: the Tel Aviv Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Debentures, the Warrants, the Registration Rights Agreement, the Subsidiary Guarantee, the Lock-Up and all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means BNY Mellon, the current transfer agent of the Company, and any successor transfer agent of the Company.

"Underlying Shares" means the Warrant Shares and Ordinary Shares issued and issuable pursuant to the terms of the Debenture, including without limitation, Ordinary Shares issued and issuable in lieu of the cash payment of interest on the Debentures in accordance with the terms of the Debentures, in each case without respect to any limitation or restriction on the conversion of the Debentures or the exercise of the Warrants.

"Variable Rate Transaction" shall have the meaning ascribed to such term in Section 4.13(b).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the ADSs are then listed or quoted on a Trading Market, the daily volume weighted average price of the ADSs for such date (or the nearest preceding date) on the Trading Market on which the ADSs are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the ADSs for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the ADSs are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the ADSs are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the ADSs so reported, or (d) in all other cases, the fair market value of a share of ADSs as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrants" means, collectively, the Warrant to Purchase Ordinary Shares Represented by American Depository Shares delivered to the Purchasers at the Closings, which Warrants shall be exercisable immediately and have a term of exercise equal to five years, in the form of Exhibit C attached hereto.

"Warrant Shares" means the ADSs issuable upon exercise of the Warrants.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. On each Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, Debentures with a principal amount equal to, as to the applicable Closing, such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser, and Warrants as determined pursuant to Section 2.2(a), it being understood that, and as more fully described below, each Purchaser shall indicate on its signature page the aggregate Subscription Amount to be purchased hereunder by such Purchaser. Each Purchaser shall deliver to the Company, via wire transfer, immediately available funds equal to its Subscription Amount as to the applicable Closing and the Company shall deliver to each Purchaser its respective Debentures and Warrants as determined pursuant to Section 2.2(a), and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the applicable Closing. The Closings shall take place in two stages as set forth below (respectively, the "First Closing" and the "Second Closing"). Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, each Closing shall occur at the offices of EGS or such other location as the parties shall mutually agree.

(a) First Closing. The First Closing shall be for up to $1,000,000 of the aggregate Subscription Amount subscribed for by all Purchasers hereunder and shall occur on, or as soon as reasonably practicable following, the date hereof.

(b) Second Closing. The Second Closing shall be for up to $5,000,000 of the aggregate Subscription Amount subscribed for by all Purchasers hereunder and shall occur within 5 Business Days following the date Shareholder Approval is received and effective.

2.1 Deliveries.

(a) On or prior to each Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) as to the First Closing, this Agreement duly executed by the Company;

(ii) as to the First Closing, a legal opinion of Company Counsel, in the form reasonably acceptable to the Purchaser;

(iii) a Debenture with a principal amount equal to such Purchaser's Subscription Amount, registered in the name of such Purchaser;

(iv) a Warrant registered in the name of such Purchaser to purchase up to a number of ADSs equal to 100% of such Purchaser's Conversion Shares on such Closing Date, with an exercise price equal to $2.3575, subject to adjustment therein;

(v) the Company shall have provided each Purchaser with the Company's wire instructions, on Company letterhead and executed by the Chief Executive Officer or Chief Financial Officer;

(vi) as to the First Closing, the Lock-Up Agreements; and

(vii) as to the First Closing, the Subsidiary Guarantee duly executed by the Subsidiaries; and

(viii) the Registration Rights Agreement duly executed by the Company.

(b) On or prior to each Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, as applicable, the following:

(i) as to the First Closing, this Agreement duly executed by such Purchaser;

(ii) such Purchaser's Subscription Amount by wire transfer to the account specified in writing by the Company; and

(iii) as to the First Closing, the Registration Rights Agreement duly executed by such Purchaser.

2.2 Closing Conditions.

(a) The obligations of the Company hereunder in connection with each Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on such Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to such Closing Date shall have been performed; and

(iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with each Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on such Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to such Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) as to the Second Closing, the Registration Statement registering all of the shares underlying the Debentures and Warrants (ignoring for such purposes an conversion or exercise limitations thereunder) shall be declared effective by the Commission, and Shareholder Approval shall have been obtained;

(v) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(vi) from the date hereof to applicable Closing Date, trading in the Ordinary Shares shall not have been suspended by the Commission or the Company's principal Trading Market and, at any time prior to the applicable Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at such Closing.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and, if applicable under the laws of the jurisdiction in which they are formed, in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement.

(i) As to the First Closing, the Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. As to the Second Closing, subject to the receipt of Stockholder Approval, the Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(i) With respect to the Subsidiary Guarantee, each of the Subsidiaries has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by such agreement and otherwise to carry out its obligations thereunder. The execution and delivery of the Subsidiary Guarantee and the consummation by the Company of the transactions contemplated thereby have been duly authorized by all necessary action on the part of the Company, and no further action is required by the respective Subsidiary, its managers or its members in connection therewith. The Subsidiary Guarantee has been (or upon delivery will have been) duly executed by the respective Subsidiaries and, when delivered in accordance with the terms thereof, will constitute the valid and binding obligation of the respective Subsidiary enforceable against such Subsidiary in accordance with its terms, except (A) as listed by general equitable principals and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (B) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (C) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.6 of this Agreement, (ii) the filing with the Commission pursuant to the Registration Rights Agreement, (iii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Conversion Shares and Warrant Shares for trading thereon in the time and manner required thereby, (iv) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws, and (v) as to the Second Closing, Shareholder Approval (collectively, the "Required Approvals").

(f) Issuance of the Securities. As to the First Closing, the Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. As to the Second Closing, subject to the receipt of Stockholder Approval, the Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents As to the First Closing, the Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized capital stock a number of Ordinary Shares for issuance of the Underlying Shares at least equal to the Required Minimum on the date hereof. As to the Second Closing, subject to the receipt of Stockholder Approval, the Underlying Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized capital stock a number of Ordinary Shares for issuance of the Underlying Shares at least equal to the Required Minimum on the date hereof

(g) Capitalization. The capitalization of the Company as of the date hereof is as set forth on Schedule 3.1(g). The Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of Ordinary Shares and/or ADSs to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of Ordinary Share Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as a result of the purchase and sale of the Securitiesand the issuance of the Ordinary Shares in connection with the Strategic Transaction, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any Ordinary Shares and/or ADSs or the capital stock of any Subsidiary, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional Ordinary Shares and/or ADSs or Ordinary Share Equivalents or capital stock of any Subsidiary. The issuance and sale of the Securities will not obligate the Company or any Subsidiary to issue Ordinary Shares and/or ADSs or other securities to any Person (other than the Purchasers). There are no outstanding securities or instruments of the Company or any Subsidiary with any provision that adjusts the exercise, conversion, exchange or reset price of such security or instrument upon an issuance of securities by the Company or any Subsidiary. There are no outstanding securities or instruments of the Company or any Subsidiary that contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to redeem a security of the Company or such Subsidiary. The Company does not have any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. Except for Shareholder Approval as it relates to the Second Closing, no further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company has never been an issuer subject to Rule 144(i) under the Securities Act. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with International Financial Reporting Standard principles applied on a consistent basis during the periods involved ("IFRS"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by IFRS, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as set forth on Schedule 3.1(i), (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to IFRS or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(n) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(o) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with IFRS and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance in all material respects.

(p) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or required for use in connection with their respective businesses as described in the SEC Reports and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement, except as would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the aggregate Subscription Amount. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(r) Transactions with Affiliates and Employees. Except as set forth on Schedule 3.1(r), none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from providing for the borrowing of money from or lending of money to, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(s) Sarbanes-Oxley; Internal Accounting Controls. Except as disclosed in the SEC Reports, the Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the applicable Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(t) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(u) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(v) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(w) Registration Rights. Other than each of the Purchasers, and except for registration rights granted respect to the Strategic Transaction and as described on Schedule 3.1(g), no Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiaries.

(x) Listing and Maintenance Requirements. The Ordinary Shares are registered pursuant to Section 12(b) or 12(g) of the Exchange Act, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Ordinary Shares under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the ADSs or Ordinary Shares are or have been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The ADSs are currently eligible for electronic transfer through The Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to The Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.

(y) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchasers as a result of the Purchasers and the Company fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Company's issuance of the Securities and the Purchasers' ownership of the Securities.

(z) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(aa) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(bb) Solvency. Based on the consolidated financial condition of the Company as of each Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the applicable Closing Date. Schedule 3.1(bb) sets forth as of the date hereof all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed by the Company in excess of $100,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others to third parties, whether or not the same are or should be reflected in the Company's consolidated balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (z) the present value of any lease payments in excess of $100,000 due under leases required to be capitalized in accordance with IFRS. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(cc) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(dd) No General Solicitation. Neither the Company nor any Person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(ee) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(ff) Accountants. The Company's accounting firm is set forth on Schedule 3.1(ff) of the Disclosure Schedules. To the knowledge and belief of the Company, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending December 31, 2018.

(gg) Seniority. As of each Closing Date, except as set forth on Schedule 3.1(gg), no Indebtedness or other claim against the Company is senior to the Debentures in right of payment, whether with respect to interest or upon liquidation or dissolution, or otherwise, other than indebtedness secured by purchase money security interests (which is senior only as to underlying assets covered thereby) and capital lease obligations (which is senior only as to the property covered thereby).

(hh) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(ii) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(jj) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Sections 3.2(g) and 4.15 hereof), it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities, (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, may presently have a "short" position in the Ordinary Shares and/or ADSs and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Underlying Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(kk) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the ADSs or Ordinary Shares, (ii) sold, bid for, purchased, or, paid any compensation for soliciting purchases of, any of the ADSs or Shares, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the ADSs and Ordinary Shares.

(ll) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Ordinary Shares on the date such stock option would be considered granted under IFRS and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(mm) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(nn) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(oo) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(pp) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no Action or Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

(qq) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Purchasers a copy of any disclosures provided thereunder.

(rr) Other Covered Persons. The Company is not aware of any person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Securities.

(ss) Notice of Disqualification Events. The Company will notify the Purchasers in writing, prior to each Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the applicable Closing Date to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants or converts any Debentures it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not, to such Purchaser's knowledge, purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of such Purchaser, any other general solicitation or general advertisement.

(f) Access to Information. Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Such Purchaser acknowledges and agrees that neither the Placement Agent nor any Affiliate of the Placement Agent has provided such Purchaser with any information or advice with respect to the Securities nor is such information or advice necessary or desired. Neither the Placement Agent nor any Affiliate has made or makes any representation as to the Company or the quality of the Securities and the Placement Agent and any Affiliate may have acquired non-public information with respect to the Company which such Purchaser agrees need not be provided to it. In connection with the issuance of the Securities to such Purchaser, neither the Placement Agent nor any of its Affiliates has acted as a financial advisor or fiduciary to such Purchaser.

(g) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, such Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement or to such Purchaser's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty against, or a prohibition of, any actions with respect to the borrowing of, arrangement to borrow, identification of the availability of, and/or securing of, securities of the Company in order for such Purchaser (or its broker or other financial representative) to effect Short Sales or similar transactions in the future.

The Company acknowledges and agrees that the representations contained in this Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transactions contemplated hereby. Notwithstanding the foregoing, for the avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to locating or borrowing shares in order to effect Short Sales or similar transactions in the future.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and the Registration Rights Agreement and shall have the rights and obligations of a Purchaser under this Agreement and the Registration Rights Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE] [CONVERTIBLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [EXERCISE] [CONVERSION] OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are subject to registration pursuant to the Registration Rights Agreement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of Selling Stockholders (as defined in the Registration Rights Agreement) thereunder.

(c) Certificates evidencing the Underlying Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement (including the Registration Statement) covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Underlying Shares pursuant to Rule 144 (assuming cashless exercise of the Warrants), (iii) if such Underlying Shares are eligible for sale under Rule 144 (assuming cashless exercise of the Warrants or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent or the Purchaser promptly after the Effective Date if required by the Transfer Agent to effect the removal of the legend hereunder, or if requested by a Purchaser, respectively. If all or any portion of a Debenture is converted or Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Underlying Shares, or if such Underlying Shares may be sold under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Underlying Shares shall be issued free of all legends. The Company agrees that following the Effective Date or at such time as such legend is no longer required under this Section 4.1(c), it will, no later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend (such date, the "Legend Removal Date"), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Underlying Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the ADSs as in effect on the date of delivery of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend.

(d) In addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, (i) as partial liquidated damages and not as a penalty, for each $1,000 of Underlying Shares (based on the VWAP of the ADSs on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend and (ii) if the Company fails to (a) issue and deliver (or cause to be delivered) to a Purchaser by the Legend Removal Date a certificate representing the Securities so delivered to the Company by such Purchaser that is free from all restrictive and other legends and (b) if after the Legend Removal Date such Purchaser purchases (in an open market transaction or otherwise) ADSs to deliver in satisfaction of a sale by such Purchaser of all or any portion of the number of ADSs, or a sale of a number of ADSs equal to all or any portion of the number of ADSs that such Purchaser anticipated receiving from the Company without any restrictive legend, then, an amount equal to the excess of such Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the ADSs so purchased (including brokerage commissions and other out-of-pocket expenses, if any) (the "Buy-In Price") over the product of (A) such number of Underlying Shares that the Company was required to deliver to such Purchaser by the Legend Removal Date multiplied by (B) the lowest closing sale price of the ADSs on any Trading Day during the period commencing on the date of the delivery by such Purchaser to the Company of the applicable Underlying Shares (as the case may be) and ending on the date of such delivery and payment under this clause (ii).

(e) Each Purchaser, severally and not jointly with the other Purchasers, agrees with the Company that such Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities as set forth in this Section 4.1 is predicated upon the Company's reliance upon this understanding.

4.2 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Securities may result in dilution of the outstanding ADSs, which dilution may be substantial under certain market conditions. The Company further acknowledges that its obligations under the Transaction Documents, including, without limitation, its obligation to issue the Underlying Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Company.

4.3 Furnishing of Information; Public Information.

(a) Until the earliest of the time that (i) no Purchaser owns Securities or (ii) the Warrants have expired, the Company covenants to maintain the registration of the ADSs under Section 12(b) or 12(g) of the Exchange Act and to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the date hereof and ending at such time that all of the Securities may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144 (assuming that the Warrants are exercised via cashless exercise), if the Company (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) or (ii) has ever been an issuer described in Rule 144 (i)(1)(i) or becomes an issuer in the future, and the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) (a "Public Information Failure") then, in addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Securities, an amount in cash equal to two percent (2.0%) of the aggregate Exercise Price of such Purchaser's Warrants on the day of a Public Information Failure and on every thirtieth (30^{th}) day (pro rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchasers to transfer the Underlying Shares pursuant to Rule 144. The payments to which a Purchaser shall be entitled pursuant to this Section 4.3(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3^{rd}) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Public Information Failure, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.4 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.5 Conversion and Exercise Procedures. Each of the form of Notice of Exercise included in the Warrants and the form of Notice of Conversion included in the Debentures set forth the totality of the procedures required of the Purchasers in order to exercise the Warrants or convert the Debentures. Without limiting the preceding sentences, no ink-original Notice of Exercise or Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise or Notice of Conversion form be required in order to exercise the Warrants or convert the Debentures. No additional legal opinion, other information or instructions shall be required of the Purchasers to exercise their Warrants or convert their Debentures. The Company shall honor exercises of the Warrants and conversions of the Debentures and shall deliver Underlying Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.6 Securities Laws Disclosure; Publicity. The Company shall (a) by the Disclosure Time, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file a Current Report on Form 6-K, including the Transaction Documents as exhibits thereto, with the Commission within the time required by the Exchange Act. From and after the issuance of such press release, the Company represents to the Purchasers that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the issuance of such press release, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates on the one hand, and any of the Purchasers or any of their Affiliates on the other hand, shall terminate. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (a) as required by federal securities law in connection with (i) any registration statement contemplated by the Registration Rights Agreement and (ii) the filing of final Transaction Documents with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b).

4.7 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.8 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.6, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide any Purchaser or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto such Purchaser shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company delivers any material, non-public information to a Purchaser without such Purchaser's consent, the Company hereby covenants and agrees that such Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 6-K. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.9 Use of Proceeds. Except as set forth on Schedule 4.9 attached hereto, the Company shall use the net proceeds from the sale of the Securities hereunder for working capital purposes and shall not use such proceeds: (a) for the satisfaction of any portion of the Company's debt (other than payment of trade payables in the ordinary course of the Company's business and prior practices), (b) for the redemption of any Ordinary Shares or Ordinary Share Equivalents, (c) for the settlement of any outstanding litigation or (d) in violation of FCPA or OFAC regulations.

4.10 Indemnification of Purchasers. Subject to the provisions of this Section 4.10, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is solely based upon a material breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which is finally judicially determined to constitute fraud, gross negligence or willful misconduct). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.10 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.11 Reservation and Listing of Securities.

(a) The Company shall maintain a reserve of the Required Minimum from its duly authorized Ordinary Shares for issuance pursuant to the Transaction Documents in such amount as may then be required to fulfill its obligations in full under the Transaction Documents.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) Ordinary Shares is less than the Required Minimum on such date, then the Board of Directors shall use commercially reasonable efforts to amend the Company's certificate or articles of incorporation to increase the number of authorized but unissued Ordinary Shares to at least the Required Minimum at such time, as soon as possible and in any event not later than the 75th day after such date.

(c) The Company shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application covering a number of ADSs at least equal to the Required Minimum on the date of such application, (ii) take all steps necessary to cause such Ordinary Shares to be approved for listing or quotation on such Trading Market as soon as possible thereafter, (iii) provide to the Purchasers evidence of such listing or quotation and (iv) maintain the listing or quotation of such ADSs on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market. The Company agrees to maintain the eligibility of the ADSs for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.12 Participation in Future Financing.

(a) From the date hereof until the 12 month anniversary of the Second Closing Date (or date that such Closing Date is terminated hereunder), upon any issuance by the Company or any of its Subsidiaries of ADSs or Ordinary Share Equivalents for cash consideration, Indebtedness or a combination of units thereof (a "Subsequent Financing"), each Purchaser shall have the right to participate in up to an amount of the Subsequent Financing equal to 50% of the Subsequent Financing (the "Participation Maximum") on the same terms, conditions and price provided for in the Subsequent Financing.

(b) Notice.

(i) Non-Registered Offerings. At least five (5) Trading Days prior to the closing of a Subsequent Financing for which a registration statement is not filed prior to such Financing, the Company shall deliver to each Purchase a written notice ("Pre-Notice"), which Pre-Notice shall notify each Purchase of its intention to effect a Subsequent Financing and which shall ask the Purchaser if it wants to review such information (such additional notice, a "Subsequent Financing Notice"). The Purchaser shall have the right, exercisable within three (3) Trading Days after its receipt of the Pre-Notice, to notify the Company whether it wishes to review such information. Upon the written request of the Purchaser, and only upon a request by such Purchaser, the Company shall promptly, but no later than one (1) Trading Day after receipt of such request, deliver the Subsequent Financing Notice to the Purchaser, which shall describe in reasonable detail the proposed terms of such Subsequent Financing. The Purchaser shall notify the Company by 5:30 p.m. (New York City time) on the third (3rd) Trading Day after its receipt of the Subsequent Financing Notice of its willingness to participate in the Subsequent Financing on the terms described in the Subsequent Financing Notice. The Pre-Notice requirements set forth under this Section shall not apply when a Designee serves on the Board of Directors immediately prior to the Subsequent Financing, under which circumstance only a Subsequent Financing Notice shall be given to the Designee at least three (3) Trading Days prior to the closing of the Subsequent Financing.

(ii) Registered Offerings.

(1) In the event of a Subsequent Offering for which the Company files a registration statement, the Company shall provide each Purchaser or its Designees with a written notice of such filing within three (3) Trading Days of such filing and, if the registration statement does not include certain material aspects relating to the Subsequent Financing, a Subsequent Financing Notice describing such aspects in reasonable detail, including the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the Person or Persons through or with whom such Subsequent Financing is proposed to be effected and shall include a term sheet or similar document relating thereto as an attachment. If, after the delivery of the Subsequent Financing Notice, the terms of such Subsequent Financing change or complete terms of such Subsequent Financing were not filed with the registration statement, the Company shall provide each Purchaser or its Designees an additional notice ("Additional Subsequent Notice") when the terms for such financing are agreed upon by the Company. The Purchaser shall notify the Company by 5:30 p.m. (New York City time) on the third (3rd) Trading Day after its receipt of the Subsequent Financing Notice or the Additional Subsequent Notice of its willingness to participate in the Subsequent Financing on the terms described in the Subsequent Financing Notice or the Additional Subsequent Notice. In the event that the terms of the Subsequent Financing were not known or changed on the effectiveness date of the Registration Statement, each Purchaser shall have at least four (4) hours, in lieu of three (3) Trading Days, upon receiving such Additional Subsequent Notice to exercise its right to participate.

(2) In the event that a Subsequent Financing is in the form of a shelf-take down (a "Shelf Offering"), the Company shall provide the Purchaser with a Subsequent Financing Notice no later than the same Trading Day of the proposed Shelf Offering. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Shelf Offering, the amount of proceeds intended to be raised thereunder and the Person or Persons through or with whom such Shelf Offering is proposed to be effected and shall include a term sheet or similar document relating thereto as an attachment. Any Purchaser desiring to participate in such Shelf Offering must provide a written notice to the Company, by no later than four (4) hours (which 4 hours shall occur during the Trading Day) after all of the Purchasers have received the Subsequent Financing Notice, that such Purchaser is willing to participate in the Subsequent Financing, the amount of such Purchaser's participation, and representing and warranting that such Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice.

(iii) If the Company receives no such notice from a Purchaser as of the applicable purchaser notice deadline set forth under this Section, such Purchaser shall be deemed to have notified the Company that it does not elect to participate.

(c) If by the applicable purchaser notice deadline, notifications by the Purchasers of their willingness to participate in the Subsequent Financing (or to cause their designees to participate) is, in the aggregate, less than the total amount of the Subsequent Financing, then the Company may effect the remaining portion of such Subsequent Financing on the terms and with the Persons set forth in the Subsequent Financing Notice.

(d) If by the applicable purchaser notice deadline, the Company receives responses to a Subsequent Financing Notice from Purchasers seeking to purchase more than the aggregate amount of the Participation Maximum, each such Purchaser shall have the right to purchase its Pro Rata Portion (as defined below) of the Participation Maximum. "Pro Rata Portion" means the ratio of (x) the Subscription Amount of Securities purchased on First Closing Date by a Purchaser participating under this Section 4.12 and (y) the sum of the aggregate Subscription Amounts of Securities purchased on such Closing Date by all Purchasers participating under this Section 4.12.

(e) The Company must provide the Purchasers with a second Subsequent Financing Notice, and the Purchasers will again have the right of participation set forth above in this Section 4.12, if the Subsequent Financing subject to the initial Subsequent Financing Notice or Additional Subsequent Financing Notice is not consummated for any reason on the terms set forth in such Subsequent Financing Notice or Additional Subsequent Financing Notice as applicable, within thirty (30) Trading Days after the date of the initial Subsequent Financing Notice or Additional Subsequent Financing Notice, as applicable.

(f) The Company and each Purchaser agree that if any Purchaser elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision that, directly or indirectly, will, or is intended to, exclude one or more of the Purchasers from participating in a Subsequent Financing, including, but not limited to, provisions whereby such Purchaser shall be required to agree to any restrictions on trading as to any of the Securities purchased hereunder or be required to consent to any amendment to or termination of, or grant any waiver, release or the like under or in connection with, this Agreement, without the prior written consent of such Purchaser.

(g) Notwithstanding anything to the contrary in this Section 4.12 and unless otherwise agreed to by such Purchaser, the Company shall either confirm in writing to such Purchaser that the transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that such Purchaser will not be in possession of any material, non-public information, by the tenth (10^{th}) Business Day following delivery of the Subsequent Financing Notice. If by such tenth (10^{th}) Business Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by such Purchaser, such transaction shall be deemed to have been abandoned and such Purchaser shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries.

(h) Notwithstanding the foregoing, this Section 4.12 shall not apply in respect of an Exempt Issuance.

4.13 Subsequent Equity Sales.

(a) From the date hereof until the later of (i) 10 Trading Days after the Effective Date or (ii) June 15, 2019, neither the Company nor any Subsidiary shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any ADSs, Ordinary Shares or Ordinary Share Equivalents, except with respect to the Strategic Transaction.

(b) [Reserved].

(c) From the date hereof until less than 30% of the Warrants originally issued at the Closings remain outstanding, the Company shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of Ordinary Shares and/or ADSs or Ordinary Share Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. "Variable Rate Transaction" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive, additional Ordinary Shares and/or Ordinary Shares either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, and/or varies with, the trading prices of or quotations for the Ordinary Shares and/or Ordinary Shares at any time after the initial issuance of such debt or equity securities or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Ordinary Shares and/or ADSs, (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, whereby the Company may issue securities at a future determined price or (iii) grants any anti-dilution protection to investors in any holders of Common Stock or Common Stock Equivalents. Any Purchaser shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(d) Notwithstanding the foregoing, this Section 4.13 shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction shall be an Exempt Issuance.

4.14 Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of the Transaction Documents unless the same consideration is also offered to all of the parties to such Transaction Documents. Further, the Company shall not make any payment of principal or interest on the Debentures in amounts which are disproportionate to the respective principal amounts outstanding on the Debentures at any applicable time. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

4.15 Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales, of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the initial press release as described in Section 4.6, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6, (ii) no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the initial press release as described in Section 4.6 and (iii) no Purchaser shall have any duty of confidentiality or duty not to trade in the securities of the Company to the Company or its Subsidiaries after the issuance of the initial press release as described in Section 4.6. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.16 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of any Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers at the Closings under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

4.17 Capital Changes. Until the Debentures are no longer outstanding, the Company shall not undertake a reverse or forward stock split or reclassification of the Ordinary Shares and/or ADSs without the prior written consent of the Purchasers holding a majority in principal amount outstanding of the Debentures, which consent shall not be unreasonably withheld.

4.18 Additional Purchase Right.

(a) From the date hereof until the date which is six months after the Effective Date, each Purchaser may, in its sole determination, elect to purchase, severally and not jointly with the other Purchasers, additional debentures with a principal amount of up to such Purchasers Subscription Amount for the First and Second Closing (but not Warrants) (such securities, the "Additional Debentures" and such right to receive the Additional Debentures pursuant to this Section 4.19, the "Purchaser Additional Rights").

(b) Any Additional Right exercised by a Purchaser shall close within 5 Trading Days of a duly delivered exercise notice by the exercising Purchaser. Any additional investment in the Additional Debentures shall be on terms, conditions and conversion and exercise prices identical to those set forth in the Transaction Documents, mutatis mutandis. In order to effectuate a purchase and sale of the Additional Debentures, the Company and the Purchasers shall enter into a securities purchase agreement identical to this Agreement (with the exception of section 4.13(a), which shall be omitted) and a registration rights agreement identical to the Registration Right Agreement, *mutatis mutandis*, and shall include updated disclosure schedules and such Additional Debentures shall be subject to the other Transaction Documents. Any Purchaser may assign its Purchaser Additional Rights to any Affiliate of such Purchaser or to any other Purchaser.

4.20 Most Favored Nation Provision. From the date hereof until the date when such Purchaser no longer holds any of the Debentures, if the Company effects a Subsequent Financing, each Purchaser may elect, in its sole discretion, to exchange all or some of the Debentures (but not Warrants or other rights hereunder) then held by such Purchaser for any securities or units issued in a Subsequent Financing on a $1.00 for $1.00 basis based on the outstanding principal amount of such Debentures, along with any accrued but unpaid interest, liquidated damages and other amounts owing thereon, and the effective price at which such securities were sold in such Subsequent Financing; provided, however, that this Section 4.20 shall not apply with respect to an Exempt Issuance. The Company shall provide each Purchaser with notice of any such Subsequent Financing in the manner set forth in Section 4.12.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if applicable Closing has not been consummated on or before the fifth (5^{th}) Trading Day following the date hereof as to the First Closing, and the fifth (5^{th}) Trading Day following the Effective Date, as to the Second Closing, provided, however, that no such termination will affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. At the First Closing, the Company has agreed to reimburse Alpha Capital Anstalt ("Alpha") the non-accountable sum of $50,000 for its legal fees and expenses, $15,000 of which has been paid prior to the First Closing. Accordingly, in lieu of the foregoing payments, the aggregate amount that Alpha is to pay for the Securities at the First Closing shall be reduced by Alpha in lieu thereof. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any conversion or exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 6-K.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and Purchasers which purchased at least 50.1% in interest of the Debentures based on the initial Subscription Amounts hereunder or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought, provided that if any amendment, modification or waiver disproportionately and adversely impacts a Purchaser (or group of Purchasers), the consent of such disproportionately impacted Purchaser (or group of Purchasers) shall also be required. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right. Any proposed amendment or waiver that disproportionately, materially and adversely affects the rights and obligations of any Purchaser relative to the comparable rights and obligations of the other Purchasers shall require the prior written consent of such adversely affected Purchaser. Any amendment effected in accordance with this Section 5.5 shall be binding upon each Purchaser and holder of Securities and the Company.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

5.8 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.10 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action or Proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.10, the prevailing party in such Action or Proceeding shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action or Proceeding.

5.10 Survival. The representations and warranties contained herein shall survive the Closings and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that, in the case of a rescission of a conversion of a Debenture or exercise of a Warrant, the applicable Purchaser shall be required to return any Ordinary Shares and/or Ordinary Shares subject to any such rescinded conversion or exercise notice concurrently with the return to such Purchaser of the aggregate exercise price paid to the Company for such shares and the restoration of such Purchaser's right to acquire such shares pursuant to such Purchaser's Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any Action or Proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "Maximum Rate"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to any Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

5.18 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any Proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. For reasons of administrative convenience only, each Purchaser and its respective counsel have chosen to communicate with the Company through EGS. EGS does not represent any of the Purchasers and only represents Alpha. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company and a Purchaser, solely, and not between the Company and the Purchasers collectively and not between and among the Purchasers.

5.19 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and Ordinary Shares and/or Ordinary Shares in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Ordinary Shares and/or ADSs that occur after the date of this Agreement.

5.22 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

SAFE-T GROUP LTD.

By: _____
Name:
Title:

Address for Notice:

Email:
Fax:

With a copy to (which shall not constitute notice):

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO SFET SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: _____

Signature of Authorized Signatory of Purchaser: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser:

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Subscription Amount: $_____

Warrant Shares: _____

EIN Number: _____

[SIGNATURE PAGES CONTINUE]

Exhibit A

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Original Issue Date: April 11, 2019
Original Conversion Price (subject to adjustment herein): **$2.05**

$500,000.00

8% CONVERTIBLE DEBENTURE
DUE OCTOBER 12, 2020

THIS 8% CONVERTIBLE DEBENTURE is one of a series of duly authorized and validly issued 8% Convertible Debentures of Safe-T Group Ltd., an Israeli corporation (the "Company"), having its principal place of business at 8 Aba Even St., Herzliya L3 4672526, designated as its 8% Convertible Debenture due October 12, 2020 (this debenture, the "Debenture" and, collectively with the other debentures of such series, the "Debentures").

FOR VALUE RECEIVED, the Company promises to pay to _____ or its registered assigns (the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of $_____ on October 12, 2020 (the "Maturity Date") or such earlier date as this Debenture is required or permitted to be repaid as provided hereunder, and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture in accordance with the provisions hereof. This Debenture is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Debenture, (a) capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement and (b) the following terms shall have the following meanings:

"Alternate Consideration" shall have the meaning set forth in Section 5(e).

"Bankruptcy Event" means any of the following events: (a) the Company or any Significant Subsidiary (as such term is defined in Rule 1-02 (w) of Regulation S-X) thereof commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Significant Subsidiary thereof, (b) there is commenced against the Company or any Significant Subsidiary thereof any such case or proceeding that is not dismissed within 90 days after commencement, (c) the Company or any Significant Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) the Company or any Significant Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 90 calendar days after such appointment, (e) the Company or any Significant Subsidiary thereof makes a general assignment for the benefit of creditors, (f) the Company or any Significant Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts, (g) the Company or any Significant Subsidiary thereof admits in writing that it is generally unable to pay its debts as they become due, (h) the Company or any Significant Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"Base Conversion Price" shall have the meaning set forth in Section 5(b).

"Beneficial Ownership Limitation" shall have the meaning set forth in Section 4(d).

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States, a legal holiday in the State of Israel, or any day on which banking institutions in the State of New York or the State of Israel are authorized or required by law or other governmental action to close; provided, however, that, for calculating Business Days with respect to any action to be taken by the Company hereunder, Friday after 1:00 p.m. (Tel Aviv time) shall not be considered a Business Day; provided, further, for purposes of delivering any Notices of Conversions and the calculation of delivery requirements thereafter, Friday shall be deemed a Business Day.

"Buy-In" shall have the meaning set forth in Section 4(c)(v).

"Change of Control Transaction" means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 40% of the voting securities of the Company (other than by means of conversion or exercise of the Debentures and the Securities issued together with the Debentures), (b) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 60% of the aggregate voting power of the Company or the successor entity of such transaction, (c) the Company sells or transfers all or substantially all of its assets to another Person and the stockholders of the Company immediately prior to such transaction own less than 60% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a two year period of more than one-half of the members of the Board of Directors which is not approved by a majority of those individuals who are members of the Board of Directors on the Original Issue Date (or by those individuals who are serving as members of the Board of Directors on any date whose nomination to the Board of Directors was approved by a majority of the members of the Board of Directors who are members on the date hereof), unless initiated or approved by the Holder, or (e) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (d) above. Notwithstanding anything herein to the contrary, in not event shall the Strategic Transaction be deemed a Change of Control.

"Conversion" shall have the meaning ascribed to such term in Section 4.

"Conversion Date" shall have the meaning set forth in Section 4(a).

"Conversion Price" shall have the meaning set forth in Section 4(b).

"Conversion Schedule" means the Conversion Schedule in the form of Schedule 1 attached hereto.

"Conversion Shares" means, collectively, the ADSs issuable upon conversion of this Debenture in accordance with the terms hereof.

"Debenture Register" shall have the meaning set forth in Section 2(b).

"Dilutive Issuance" shall have the meaning set forth in Section 5(b).

"Dilutive Issuance Notice" shall have the meaning set forth in Section 5(b).

"Effectiveness Period" shall have the meaning set forth in the Registration Rights Agreement.

"Equity Conditions" means, during the period in question, (a) the Company shall have duly honored all conversions and redemptions scheduled to occur or occurring by virtue of one or more Notices of Conversion of the Holder, if any, (b) the Company shall have paid all liquidated damages and other amounts owing to the Holder in respect of this Debenture, (c)(i) there is an effective Registration Statement pursuant to which the Holder is permitted to utilize the prospectus thereunder to resell all of the ADSs issuable pursuant to the Transaction Documents (and the Company believes, in good faith, that such effectiveness will continue uninterrupted for the foreseeable future) or (ii) all of the Conversion Shares issuable pursuant to the Transaction Documents (and shares issuable in lieu of cash payments of interest) may be resold pursuant to Rule 144 without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Company as set forth in a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the Holder, (d) the ADSs trading on a Trading Market and all of the shares issuable pursuant to the Transaction Documents are listed or quoted for trading on such Trading Market (and the Company believes, in good faith, that trading of the ADSs on a Trading Market will continue uninterrupted for the foreseeable future), (e) there is a sufficient number of authorized but unissued and otherwise unreserved ADSs for the issuance of all of the shares then issuable pursuant to the Transaction Documents, (f) there is no existing Event of Default and no existing event which, with the passage of time or the giving of notice, would constitute an Event of Default, (g) the issuance of the shares in question (or, in the case of an Optional Redemption, the shares issuable upon conversion in full of the Optional Redemption Amount) to the Holder would not violate the limitations set forth in Section 4(d), (h) there has been no public announcement of a pending or proposed Fundamental Transaction or Change of Control Transaction that has not been consummated, (i) the applicable Holder is not in possession of any information provided by the Company, any of its Subsidiaries, or any of their officers, directors, employees, agents or Affiliates, that constitutes, or may constitute, material non-public information and (j) for each Trading Day in a period of 20 consecutive Trading Days prior to the applicable date in question, the daily trading volume for the ADSs on the principal Trading Market exceeds 225,000 shares (subject to adjustment for forward and reverse stock splits and the like) per Trading Day in the case of an Optional Redemption pursuant to Section 6(a) herein.

"Event of Default" shall have the meaning set forth in Section 8(a).

"Fundamental Transaction" shall have the meaning set forth in Section 5(e).

"Interest Payment Date" shall have the meaning set forth in Section 2(a).

"Late Fees" shall have the meaning set forth in Section 2(c).

"Interest Conversion Rate" means the lesser of (a) the Conversion Price or (b) 80% of the lesser of (i) the average of the VWAPs for the 20 consecutive Trading Days ending on the Trading Day that is immediately prior to the applicable Interest Payment Date or (ii) the average of the VWAPs for the 20 consecutive Trading Days ending on the Trading Day that is immediately prior to the date the applicable Interest Conversion Shares are issued and delivered if such delivery is after the Interest Payment Date.

"Interest Conversion Shares" shall have the meaning set forth in Section 2(a).

"Interest Notice Period" shall have the meaning set forth in Section 2(a).

"Interest Payment Date" shall have the meaning set forth in Section 2(a).

"Interest Share Amount" shall have the meaning set forth in Section 2(a).

"Mandatory Default Amount" means the sum of (a) the greater of (i) the outstanding principal amount of this Debenture, plus all accrued and unpaid interest hereon, divided by the Conversion Price on the date the Mandatory Default Amount is either (A) demanded (if demand or notice is required to create an Event of Default) or otherwise due or (B) paid in full, whichever has a lower Conversion Price, multiplied by the VWAP on the date the Mandatory Default Amount is either (x) demanded or otherwise due or (y) paid in full, whichever has a higher VWAP, or (ii) 130% of the outstanding principal amount of this Debenture, plus 100% of accrued and unpaid interest hereon, and (b) all other amounts, costs, expenses and liquidated damages due in respect of this Debenture.

"New York Courts" shall have the meaning set forth in Section 9(d).

"Notice of Conversion" shall have the meaning set forth in Section 4(a).

"Optional Redemption" shall have the meaning set forth in Section 6(a).

"Optional Redemption Amount" means the sum of (a) 120% of the then outstanding principal amount of the Debenture, (b) accrued but unpaid interest and (c) all liquidated damages and other amounts due in respect of the Debenture.

"Optional Redemption Date" shall have the meaning set forth in Section 6(a).

"Optional Redemption Notice" shall have the meaning set forth in Section 6(a).

"Optional Redemption Notice Date" shall have the meaning set forth in Section 6(a).

"Optional Redemption Period" shall have the meaning set forth in Section 6(a).

"Original Issue Date" means the date of the first issuance of the Debentures, regardless of any transfers of any Debenture and regardless of the number of instruments which may be issued to evidence such Debentures.

"Permitted Indebtedness" means (a) the indebtedness evidenced by the Debentures, (b) the Indebtedness existing on the Original Issue Date and set forth on Schedule 3.1(bb) attached to the Purchase Agreement, (c) lease obligations and purchase money indebtedness outside of the ordinary course of business of up to $100,000, in the aggregate, incurred in connection with the acquisition of capital assets and lease obligations with respect to newly acquired or leased assets, (d) intercompany indebtedness, and (e) indebtedness that (i) is expressly subordinate to the Debentures pursuant to a written subordination agreement with the Purchasers that is acceptable to each Purchaser in its sole and absolute discretion and (ii) matures at a date later than the 91st day following the Maturity Date.

"Permitted Lien" means the individual and collective reference to the following: (a) Liens for taxes, assessments and other governmental charges or levies not yet due or Liens for taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established in accordance with GAAP, (b) Liens imposed by law which were incurred in the ordinary course of the Company's business, such as carriers', warehousemen's and mechanics' Liens, statutory landlords' Liens, and other similar Liens arising in the ordinary course of the Company's business, and which (x) do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Company and its consolidated Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing for the foreseeable future the forfeiture or sale of the property or asset subject to such Lien, (c) Liens incurred in connection with Permitted Indebtedness under clauses (a), (b) and (e) thereunder, (d) Liens incurred in connection with Permitted Indebtedness under clause (c) thereunder, provided that such Liens are not secured by assets of the Company or its Subsidiaries other than the assets so acquired or leased, and (e) Liens incurred in connection with the Strategic Transaction as described and set forth on Schedule 3.1(g) to the Purchase Agreement.

"Purchase Agreement" means the Securities Purchase Agreement, dated as of April 9, 2019 among the Company and the original Holders, as amended, modified or supplemented from time to time in accordance with its terms.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the date of the Purchase Agreement, among the Company and the original Holders, in the form of Exhibit B attached to the Purchase Agreement.

"Registration Statement" means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale of the Underlying Shares by each Holder as provided for in the Registration Rights Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Share Delivery Date" shall have the meaning set forth in Section 4(c)(ii).

"Successor Entity" shall have the meaning set forth in Section 5(e).

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the ADSs are listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, OTCQB or OTCQX (or any successors to any of the foregoing).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the ADSs are then listed or quoted on a Trading Market, the daily volume weighted average price of the ADSs for such date (or the nearest preceding date) on the Trading Market on which the ADSs are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the ADSs for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the ADSs are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the ADSs are then reported in the "Pink Sheets" published by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per ADS so reported, or (d) in all other cases, the fair market value of an ADS as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Section 2. Interest.

a) Payment of Interest in Cash or Kind. The Company shall pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture at the rate of 8% per annum, payable quarterly on January 1, April 1, July 1 and October 1, beginning on the first such date after the Original Issue Date, on each Conversion Date (as to that principal amount then being converted), on each Optional Redemption Date (as to that principal amount then being redeemed) and on the Maturity Date (each such date, an "Interest Payment Date") (if any Interest Payment Date is not a Business Day, then the applicable payment shall be due on the next succeeding Business Day), in cash or, at the Company's option, in duly authorized, validly issued, fully paid and non-assessable shares of Common Stock at the Interest Conversion Rate (the dollar amount to be paid in shares, the "Interest Share Amount") or a combination thereof; provided, however, that payment in shares of Common Stock may only occur if (i) all of the Equity Conditions have been met (unless waived by the Holder in writing) during the 20 Trading Days immediately prior to the applicable Interest Payment Date (the "Interest Notice Period") and through and including the date such shares of Common Stock are actually issued to the Holder, (ii) the Company shall have given the Holder notice in accordance with the notice requirements set forth below and (iii) as to such Interest Payment Date, prior to such Interest Notice Period (but not more than five (5) Trading Days prior to the commencement of such Interest Notice Period), the Company shall have delivered to the Holder's account with The Depository Trust Company a number of shares of Common Stock to be applied against such Interest Share Amount equal to the quotient of (x) the applicable Interest Share Amount divided by (y) the lesser of the (i) then Conversion Price and (ii) the Interest Conversion Rate assuming for such purposes that the Interest Payment Date is the Trading Day immediately prior to the commencement of the Interest Notice Period (the "Interest Conversion Shares").

a) Company's Election to Pay Interest in Cash or Kind. Subject to the terms and conditions herein, the decision whether to pay interest hereunder in cash, shares of Common Stock or a combination thereof shall be at the sole discretion of the Company. Prior to the commencement of any Interest Notice Period, the Company shall deliver to the Holder a written notice of its election to pay interest hereunder on the applicable Interest Payment Date either in cash, shares of Common Stock or a combination thereof and the Interest Share Amount as to the applicable Interest Payment Date, provided that the Company may indicate in such notice that the election contained in such notice shall apply to future Interest Payment Dates until revised by a subsequent notice. During any Interest Notice Period, the Company's election (whether specific to an Interest Payment Date or continuous) shall be irrevocable as to such Interest Payment Date. Subject to the aforementioned conditions, failure to timely deliver such written notice to the Holder shall be deemed an election by the Company to pay the interest on such Interest Payment Date in cash. At any time the Company delivers a notice to the Holder of its election to pay the interest in shares of Common Stock, the Company shall timely file a prospectus supplement pursuant to Rule 424 disclosing such election. The aggregate number of shares of Common Stock otherwise issuable to the Holder on an Interest Payment Date shall be reduced by the number of Interest Conversion Shares previously issued to the Holder in connection with such Interest Payment Date.

b) Interest Calculations. Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30 calendar day periods, and shall accrue daily commencing on the Original Issue Date until payment in full of the outstanding principal, together with all accrued and unpaid interest, liquidated damages and other amounts which may become due hereunder, has been made. Payment of interest in shares of Common Stock (other than the Interest Conversion Shares issued prior to an Interest Notice Period) shall otherwise occur pursuant to Section 4(c)(ii) herein and, solely for purposes of the payment of interest in shares, the Interest Payment Date shall be deemed the Conversion Date. Interest shall cease to accrue with respect to any principal amount converted, provided that, the Company actually delivers the Conversion Shares within the time period required by Section 4(c)(ii) herein. Interest hereunder will be paid to the Person in whose name this Debenture is registered on the records of the Company regarding registration and transfers of this Debenture (the "Debenture Register"). Except as otherwise provided herein, if at any time the Company pays interest partially in cash and partially in shares of Common Stock to the holders of the Debentures, then such payment of cash shall be distributed ratably among the holders of the then-outstanding Debentures based on their (or their predecessor's) initial purchases of Debentures pursuant to the Purchase Agreement.

c) Late Fee. All overdue accrued and unpaid interest to be paid hereunder shall entail a late fee at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law (the "Late Fees") which shall accrue daily from the date such interest is due hereunder through and including the date of actual payment in full. Notwithstanding anything to the contrary contained herein, if, on any Interest Payment Date the Company has elected to pay accrued interest in the form of Common Stock but the Company is not permitted to pay accrued interest in Common Stock because it fails to satisfy the conditions for payment in Common Stock set forth in Section 2(a) herein, then, at the option of the Holder, the Company, in lieu of delivering either shares of Common Stock pursuant to this Section 2 or paying the regularly scheduled interest payment in cash, shall deliver, within three (3) Trading Days of each applicable Interest Payment Date, an amount in cash equal to the product of (x) the number of shares of Common Stock otherwise deliverable to the Holder in connection with the payment of interest due on such Interest Payment Date multiplied by (y) the highest VWAP during the period commencing on the Interest Payment Date and ending on the Trading Day prior to the date such payment is actually made. If any Interest Conversion Shares are issued to the Holder in connection with an Interest Payment Date and are not applied against an Interest Share Amount, then the Holder shall promptly return such excess shares to the Company.

d) Prepayment. Except as otherwise set forth in this Debenture, the Company may not prepay any portion of the principal amount of this Debenture without the prior written consent of the Holder.

Section 3. Registration of Transfers and Exchanges.

a) Different Denominations. This Debenture is exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be payable for such registration of transfer or exchange.

b) Investment Representations. This Debenture has been issued subject to certain investment representations of the original Holder set forth in the Purchase Agreement and may be transferred or exchanged only in compliance with the Purchase Agreement and applicable federal and state securities laws and regulations.

c) Reliance on Debenture Register. Prior to due presentment for transfer to the Company of this Debenture, the Company and any agent of the Company may treat the Person in whose name this Debenture is duly registered on the Debenture Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Debenture is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

Section 4. Conversion.

a) Voluntary Conversion. At any time after the Original Issue Date until this Debenture is no longer outstanding, this Debenture shall be convertible, in whole or in part, into ADSs at the option of the Holder, at any time and from time to time (subject to the conversion limitations set forth in Section 4(d)). The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a "Notice of Conversion"), specifying therein the principal amount of this Debenture to be converted and the date on which such conversion shall be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. To effect conversions hereunder, the Holder shall not be required to physically surrender this Debenture to the Company unless the entire principal amount of this Debenture, plus all accrued and unpaid interest thereon, has been so converted in which case the Holder shall surrender this Debenture as promptly as is reasonably practicable after such conversion without delaying the Company's obligation to deliver the shares on the Share Delivery Date. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Debenture in an amount equal to the applicable conversion. The Holder and the Company shall maintain records showing the principal amount(s) converted and the date of such conversion(s). The Company may deliver an objection to any Notice of Conversion within one (1) Business Day of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Debenture, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Debenture, the unpaid and unconverted principal amount of this Debenture may be less than the amount stated on the face hereof.**

b) Conversion Price. The conversion price in effect on any Conversion Date shall be equal to **$2.05,** subject to adjustment herein (the "Conversion Price"); provided, however, the Conversion Price shall be reduced, and only reduced, in the event that 80% of the average of the 5 VWAPs immediately following the Effective Date ("Adjusted Conversion Price") is less than the then Conversion Price to equal the greater of (i) $1.65, subject to adjustment for reverse and forward stock splits and the like) and (ii) the Adjusted Conversion Price, subject to adjustment hereunder.

c) Mechanics of Conversion.

i. Conversion Shares Issuable Upon Conversion of Principal Amount. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Debenture to be converted by (y) the Conversion Price.

ii. Delivery of Conversion Shares Upon Conversion. Not later than the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined below) after each Conversion Date (the "Share Delivery Date"), the Company shall deliver, or cause to be delivered, to the Holder (A) the Conversion Shares which, on or after the earlier of (i) the six month anniversary of the Original Issue Date or (ii) the Effective Date, shall be free of restrictive legends and trading restrictions (other than those which may then be required by the Purchase Agreement) representing the number of Conversion Shares being acquired upon the conversion of this Debenture (including, if the Company has given continuous notice pursuant to Section 2(b) for payment of interest in shares of Common Stock at least 20 Trading Days prior to the date on which the Notice of Conversion is delivered to the Company, shares of Common Stock representing the payment of accrued interest otherwise determined pursuant to Section 2(a) but assuming that the Interest Notice Period is the 20 Trading Days period immediately prior to the date on which the Notice of Conversion is delivered to the Company and excluding for such issuance the condition that the Company deliver Interest Conversion Shares as to such interest payment prior to the commencement of the Interest Notice Period) and (B) a bank check in the amount of accrued and unpaid interest (if the Company has elected or is required to pay accrued interest in cash). On or after the earlier of (i) the six month anniversary of the Original Issue Date or (ii) the Effective Date, the Company shall deliver any Conversion Shares required to be delivered by the Company under this Section 4(c) electronically through the Depository Trust Company or another established clearing corporation performing similar functions. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the ADSs as in effect on the date of delivery of the Notice of Conversion.

iii. Failure to Deliver Conversion Shares. If, in the case of any Notice of Conversion, such Conversion Shares are not delivered to or as directed by the applicable Holder by the Share Delivery Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such Conversion Shares, to rescind such Conversion, in which event the Company shall promptly return to the Holder any original Debenture delivered to the Company and the Holder shall promptly return to the Company the Conversion Shares issued to such Holder pursuant to the rescinded Conversion Notice.

iv. Obligation Absolute; Partial Liquidated Damages. The Company's obligations to issue and deliver the Conversion Shares upon conversion of this Debenture in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action the Company may have against the Holder. In the event the Holder of this Debenture shall elect to convert any or all of the outstanding principal amount hereof, the Company may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and or enjoining conversion of all or part of this Debenture shall have been sought and obtained, and the Company posts a surety bond for the benefit of the Holder in the amount of 150% of the outstanding principal amount of this Debenture, which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to the Holder to the extent it obtains judgment. In the absence of such injunction, the Company shall issue Conversion Shares or, if applicable, cash, upon a properly noticed conversion. If the Company fails for any reason to deliver to the Holder such Conversion Shares pursuant to Section 4(c)(ii) by the Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of principal amount being converted, $10 per Trading Day (increasing to $20 per Trading Day on the fifth (5^{th}) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Share Delivery Date until such Conversion Shares are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 8 hereof for the Company's failure to deliver Conversion Shares within the period specified herein and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

v. Compensation for Buy-In on Failure to Timely Deliver Conversion Shares Upon Conversion. In addition to any other rights available to the Holder, if the Company fails for any reason to deliver to the Holder such Conversion Shares by the Share Delivery Date pursuant to Section 4(c)(ii), and if after such Share Delivery Date the Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, ADSs to deliver in satisfaction of a sale by the Holder of the Conversion Shares which the Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "Buy-In"), then the Company shall (A) pay in cash to the Holder (in addition to any other remedies available to or elected by the Holder) the amount, if any, by which (x) the Holder's total purchase price (including any brokerage commissions) for the ADSs so purchased exceeds (y) the product of (1) the aggregate number of ADSs that the Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of the Holder, either reissue (if surrendered) this Debenture in a principal amount equal to the principal amount of the attempted conversion (in which case such conversion shall be deemed rescinded) or deliver to the Holder the number of ADSs that would have been issued if the Company had timely complied with its delivery requirements under Section 4(c)(ii). For example, if the Holder purchases ADSs having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of this Debenture with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of $10,000 under clause (A) of the immediately preceding sentence, the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Conversion Shares upon conversion of this Debenture as required pursuant to the terms hereof.

vi. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued Ordinary Shares (as represented by ADSs) for the sole purpose of issuance upon conversion of this Debenture, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Debentures), not less than such aggregate number of Ordinary Shares as shall (subject to the terms and conditions set forth in the Purchase Agreement) be issuable (taking into account the adjustments and restrictions of Section 5) upon the conversion of the then outstanding principal amount of this Debenture. The Company covenants that all Ordinary Shares (as represented by ADSs) that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable and, if the Registration Statement is then effective under the Securities Act, shall be registered for public resale in accordance with such Registration Statement (subject to such Holder's compliance with its obligations under the Registration Rights Agreement).

vii. Fractional Shares. No fractional shares or scrip representing fractional shares shall be issued upon the conversion of this Debenture. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such conversion, the Company shall at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Conversion Price or round up to the next whole share.

viii. Transfer Taxes and Expenses. The issuance of Conversion Shares on conversion of this Debenture shall be made without charge to the Holder hereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such Conversion Shares, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such Conversion Shares upon conversion in a name other than that of the Holder of this Debenture so converted and the Company shall not be required to issue or deliver such Conversion Shares unless or until the Person or Persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Conversion and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Conversion Shares.

d) Holder's Conversion Limitations. The Company shall not effect any conversion of this Debenture, and a Holder shall not have the right to convert any portion of this Debenture, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of Ordinary Shares beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of Ordinary Shares issuable upon conversion of this Debenture with respect to which such determination is being made, but shall exclude the number of Ordinary Shares which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Debenture beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, any other Debentures or the Warrants) beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 4(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 4(d) applies, the determination of whether this Debenture is convertible (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which principal amount of this Debenture is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Debenture may be converted (in relation to other securities owned by the Holder together with any Affiliates or Attribution Parties) and which principal amount of this Debenture is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4(d), in determining the number of outstanding Ordinary Shares, the Holder may rely on the number of outstanding Ordinary Shares as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Company's transfer agent setting forth the number of Ordinary Shares outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of Ordinary Shares then outstanding. In any case, the number of outstanding Ordinary Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Debenture, by the Holder or its Affiliates since the date as of which such number of outstanding Ordinary Shares was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of Ordinary Shares outstanding immediately after giving effect to the issuance of Ordinary Shares issuable upon conversion of this Debenture held by the Holder. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 4(d), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Ordinary Shares outstanding immediately after giving effect to the issuance of Ordinary Shares upon conversion of this Debenture held by the Holder and the Beneficial Ownership Limitation provisions of this Section 4(d) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The Beneficial Ownership Limitation provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 4(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Debenture.

e) Notwithstanding the above, this Debenture may not be converted on the Record Date (as such term is defined under the Tel-Aviv Stock Exchange Ltd. (the "TASE") rules and regulations) of: (i) a distribution of bonus shares; (ii) a rights offer; (iii) any distribution of dividends; (iv) a consolidation of the share capital of the Company; (v) a share split; or (vi) a reduction of the share capital of the Company (each of the aforementioned events shall be called: "Corporate Event"). In addition, if the Ex-Date (as such term is defined under the TASE rules and regulations) of a Corporate Event occurs before the Record Date of a Corporate Event, then the Debenture shall not be converted on the Ex-Date.

Section 5. Certain Adjustments.

a) Stock Dividends and Stock Splits. If the Company, at any time while this Debenture is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions payable in Ordinary Shares and/or ADSs on Ordinary Shares and/or ADSs or any Ordinary Shares Equivalents (which, for avoidance of doubt, shall not include any Ordinary Shares and/or ADSs issued by the Company upon conversion of, or payment of interest on, the Debentures), (ii) subdivides outstanding Ordinary Shares and/or ADSs into a larger number of shares, (iii) combines (including by way of a reverse stock split) outstanding Ordinary Shares and/or ADSs into a smaller number of shares or (iv) issues, in the event of a reclassification of Ordinary Shares and/or ADSs, any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares and/or ADSs (excluding any treasury shares of the Company) outstanding immediately before such event, and of which the denominator shall be the number of Ordinary Shares and/or ADSs outstanding immediately after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Equity Sales. If, at any time while this Debenture is outstanding, the Company or any Subsidiary, as applicable, sells or grants any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Ordinary Shares or Ordinary Shares Equivalents entitling any Person to acquire Ordinary Shares and/or ADSs at an effective price per share that is lower than the then Conversion Price (such lower price, the "Base Conversion Price" and such issuances, collectively, a "Dilutive Issuance") (if the holder of the ADSs, Ordinary Shares or Ordinary Shares Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Ordinary Shares and/or ADSs at an effective price per share that is lower than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance), then simultaneously with the consummation (or, if earlier, the announcement) of each Dilutive Issuance the Conversion Price shall be reduced to equal the Base Conversion Price, provided that the Base Conversion Price shall not be less than $0.40 (subject to adjustment for reverse and forward stock splits, recapitalizations and similar transactions following the date of the Purchase Agreement). Notwithstanding the foregoing, no adjustment will be made under this Section 5(b) in respect of an Exempt Issuance. If the Company enters into a Variable Rate Transaction, despite the prohibition set forth in the Purchase Agreement, the Company shall be deemed to have issued ADSs, Ordinary Shares or Ordinary Shares Equivalents at the lowest possible conversion price at which such securities may be converted or exercised. The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any ADSs, Ordinary Shares or Ordinary Shares Equivalents subject to this Section 5(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 5 (b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 5(a) above, if at any time the Company grants, issues or sells any Ordinary Shares Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares and/or ADSs (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares and/or ADSs acquirable upon complete conversion of this Debenture (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares and/or ADSs are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such Ordinary Shares and/or ADSs as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Debenture is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares and/or ADSs, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Debenture, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares and/or ADSs acquirable upon complete conversion of this Debenture (without regard to any limitations on conversion hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares and/or ADSs are to be determined for the participation in such Distribution (provided, however, that, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Ordinary Shares and/or ADSs as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Debenture is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Ordinary Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Ordinary Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Ordinary Shares or any compulsory share exchange pursuant to which the Ordinary Shares is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding Ordinary Shares (not including any Ordinary Shares and/or ADSs held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent conversion of this Debenture, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 4(d) on the conversion of this Debenture), the number of Ordinary Shares and/or ADSs of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of Ordinary Shares and/or ADSs for which this Debenture is convertible immediately prior to such Fundamental Transaction (without regard to any limitation in Section 4(d) on the conversion of this Debenture). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one (1) share of Ordinary Shares in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Debenture following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Debenture and the other Transaction Documents (as defined in the Purchase Agreement) in accordance with the provisions of this Section 5(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Debenture, deliver to the Holder in exchange for this Debenture a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Debenture which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the Ordinary Shares and/or ADSs acquirable and receivable upon conversion of this Debenture (without regard to any limitations on the conversion of this Debenture) prior to such Fundamental Transaction, and with a conversion price which applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the Ordinary Shares and/or ADSs pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Debenture immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Debenture and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Debenture and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 5 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 5, the number of Ordinary Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Ordinary Shares (excluding any treasury shares of the Company) issued and outstanding.

g) Notice to the Holder.

i. Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 5, the Company shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Conversion by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Ordinary Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Ordinary Shares, (C) the Company shall authorize the granting to all holders of the Ordinary Shares of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Ordinary Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Ordinary Shares is converted into other securities, cash or property or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of this Debenture, and shall cause to be delivered to the Holder at its last address as it shall appear upon the Debenture Register, at least fifteen (15) calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Ordinary Shares of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Ordinary Shares of record shall be entitled to exchange their Ordinary Shares and/or ADSs for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K. The Holder shall remain entitled to convert this Debenture during the 15-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 6. Redemption.

a) Optional Redemption at Election of Company. Subject to the provisions of this Section 6(a), at any time after the Effective Date, the Company may deliver a notice to the Holder (an "Optional Redemption Notice" and the date such notice is deemed delivered hereunder, the "Optional Redemption Notice Date") of its irrevocable election to redeem some or all of the then outstanding principal amount of this Debenture for cash in an amount equal to the Optional Redemption Amount on the 20th Trading Day following the Optional Redemption Notice Date (such date, the "Optional Redemption Date", such 20 Trading Day period, the "Optional Redemption Period" and such redemption, the "Optional Redemption"). The Optional Redemption Amount is payable in full on the Optional Redemption Date. The Company may only effect an Optional Redemption if each of the Equity Conditions shall have been met (unless waived in writing by the Holder) on each Trading Day during the period commencing on the Optional Redemption Notice Date through to the Optional Redemption Date and through and including the date payment of the Optional Redemption Amount is actually made in full. If any of the Equity Conditions shall cease to be satisfied at any time during the Optional Redemption Period, then the Holder may elect to nullify the Optional Redemption Notice by notice to the Company within 3 Trading Days after the first day on which any such Equity Condition has not been met (provided that if, by a provision of the Transaction Documents, the Company is obligated to notify the Holder of the non-existence of an Equity Condition, such notice period shall be extended to the third Trading Day after proper notice from the Company) in which case the Optional Redemption Notice shall be null and void, ab initio. The Company covenants and agrees that it will honor all Notices of Conversion tendered from the time of delivery of the Optional Redemption Notice through the date all amounts owing thereon are due and paid in full. The Company's determination to pay an Optional Redemption in cash shall be applied ratably to all of the holders of the then outstanding Debentures based on their (or their predecessor's) initial purchases of Debentures pursuant to the Purchase Agreement.

b) Redemption Procedure. The payment of cash pursuant to an Optional Redemption shall be payable on the Optional Redemption Date. If any portion of the payment pursuant to an Optional Redemption shall not be paid by the Company by the applicable due date, interest shall accrue thereon at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law until such amount is paid in full. Notwithstanding anything herein contained to the contrary, if any portion of the Optional Redemption Amount remains unpaid after such date, the Holder may elect, by written notice to the Company given at any time thereafter, to invalidate such Optional Redemption, ab initio, and, with respect to the Company's failure to honor the Optional Redemption, the Company shall have no further right to exercise such Optional Redemption. The Holder may elect to convert the outstanding principal amount of the Debenture pursuant to Section 4 prior to actual payment in cash for any redemption under this Section 6 by the delivery of a Notice of Conversion to the Company.

Section 7. Negative Covenants. As long as any portion of this Debenture remains outstanding, unless the holders of at least 50.1% in principal amount of the then outstanding Debentures shall have otherwise given prior written consent, the Companyf shall not, and shall not permit any of the Subsidiaries to, directly or indirectly:

a) other than Permitted Indebtedness, enter into, create, incur, assume, guarantee or suffer to exist any indebtedness for borrowed money of any kind, including, but not limited to, a guarantee, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

b) other than Permitted Liens, enter into, create, incur, assume or suffer to exist any Liens of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

c) amend its charter documents, including, without limitation, its certificate of incorporation and bylaws, in any manner that materially and adversely affects any rights of the Holder;

d) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its Ordinary Shares or Ordinary Shares Equivalents other than as to (i) the Conversion Shares or Warrant Shares as permitted or required under the Transaction Documents and (ii) repurchases of Ordinary Shares or Ordinary Shares Equivalents of departing officers and directors of the Company, provided that such repurchases shall not exceed an aggregate of $100,000 for all officers and directors during the term of this Debenture;

e) repay, repurchase or offer to repay, repurchase or otherwise acquire any Indebtedness, other than the Debentures if on a pro-rata basis, other than regularly scheduled principal and interest payments as such terms are in effect as of the Original Issue Date, provided that such payments shall not be permitted if, at such time, or after giving effect to such payment, any Event of Default exist or occur;

f) pay cash dividends or distributions on any equity securities of the Company;

g) enter into any transaction with any Affiliate of the Company which would be required to be disclosed in any public filing with the Commission, unless such transaction is made on an arm's-length basis and expressly approved by a majority of the disinterested directors of the Company (even if less than a quorum otherwise required for board approval); or

h) enter into any agreement with respect to any of the foregoing.

Section 8. Events of Default.

a) "Event of Default" means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

i. any default in the payment of (A) the principal amount of any Debenture or (B) interest, liquidated damages and other amounts owing to a Holder on any Debenture, as and when the same shall become due and payable (whether on a Conversion Date or the Maturity Date or by acceleration or otherwise) which default, solely in the case of an interest payment or other default under clause (B) above, is not cured within 5 Trading Days;

ii. the Company shall fail to observe or perform any other covenant or agreement contained in the Debentures (other than a breach by the Company of its obligations to deliver Ordinary Shares and/or ADSs to the Holder upon conversion, which breach is addressed in clause (xi) below) or in any Transaction Document, which failure is not cured, if possible to cure, within the earlier to occur of (A) 7 Trading Days after notice of such failure sent by the Holder or by any other Holder to the Company and (B) 10 Trading Days after the Company has become or should have become aware of such failure;

iii. a default or event of default (subject to any grace or cure period provided in the applicable agreement, document or instrument) shall occur under (A) any of the Transaction Documents or (B) any other material agreement, lease, document or instrument to which the Company or any Subsidiary is obligated (and not covered by clause (vi) below);

iv. any representation or warranty made in this Debenture, any other Transaction Documents, any written statement pursuant hereto or thereto or any other report, financial statement or certificate made or delivered to the Holder or any other Holder shall be untrue or incorrect in any material respect as of the date when made or deemed made;

v. the Company or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) shall be subject to a Bankruptcy Event;

vi. the Company or any Subsidiary shall default on any of its obligations under any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement that (a) involves an obligation greater than $150,000, whether such indebtedness now exists or shall hereafter be created, and (b) results in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable;

vii. the ADSs shall not be eligible for listing or quotation for trading on a Trading Market and shall not be eligible to resume listing or quotation for trading thereon within five Trading Days;

viii. the Company shall be a party to any Change of Control Transaction or Fundamental Transaction or shall agree to sell or dispose of all or in excess of 33% of its assets in one transaction or a series of related transactions (whether or not such sale would constitute a Change of Control Transaction);

ix. the Initial Registration Statement (as defined in the Registration Rights Agreement) shall not have been declared effective by the Commission on or prior to the 120th calendar day after the First Closing Date or the Company does not meet the current public information requirements under Rule 144 in respect of the Registrable Securities (as defined in the Registration Rights Agreement);

x. if, during the Effectiveness Period (as defined in the Registration Rights Agreement), either (a) the effectiveness of the Registration Statement lapses for any reason or (b) the Holder shall not be permitted to resell Registrable Securities (as defined in the Registration Rights Agreement) under the Registration Statement for a period of more than 20 consecutive Trading Days or 30 non-consecutive Trading Days during any 12 month period; provided, however, that if the Company is negotiating a merger, consolidation, acquisition or sale of all or substantially all of its assets or a similar transaction and, in the written opinion of counsel to the Company, the Registration Statement would be required to be amended to include information concerning such pending transaction(s) or the parties thereto which information is not available or may not be publicly disclosed at the time, the Company shall be permitted an additional 10 consecutive Trading Days during any 12 month period pursuant to this Section 8(a)(x);

xi. the Company shall fail for any reason to deliver Conversion Shares to a Holder prior to the fifth Trading Day after a Conversion Date pursuant to Section 4(c) or the Company shall provide at any time notice to the Holder, including by way of public announcement, of the Company's intention to not honor requests for conversions of any Debentures in accordance with the terms hereof;

xii. any Person shall breach any agreement delivered to the initial Holders pursuant to Section 2.2 of the Purchase Agreement;

xiii. the electronic transfer by the Company of ADSs through the Depository Trust Company or another established clearing corporation is no longer available or is subject to a "chill";

xiv. any monetary judgment, writ or similar final process shall be entered or filed against the Company, any subsidiary or any of their respective property or other assets for more than $100,000, and such judgment, writ or similar final process shall remain unvacated, unbonded or unstayed for a period of 45 calendar days; or

xv. a false or inaccurate certification (including a false or inaccurate deemed certification) by the Company that the Equity Conditions are satisfied or that there has been no Equity Conditions Failure or as to whether any Event of Default has occurred.

b) Remedies Upon Event of Default. If any Event of Default occurs, the outstanding principal amount of this Debenture, plus accrued but unpaid interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable in cash at the Mandatory Default Amount. Commencing 5 days after the occurrence of any Event of Default that results in the eventual acceleration of this Debenture, the interest rate on this Debenture shall accrue at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted under applicable law. Upon the payment in full of the Mandatory Default Amount, the Holder shall promptly surrender this Debenture to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Debenture until such time, if any, as the Holder receives full payment pursuant to this Section 8(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 9. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, by email attachment, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above, or such other facsimile number, email address, or address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 9(a). Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, by email attachment, or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, email address or address of the Holder appearing on the books of the Company, or if no such facsimile number or email attachment or address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment to the email address set forth on the signature pages attached hereto prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment to the email address set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Absolute Obligation. Except as expressly provided herein, no provision of this Debenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, liquidated damages and accrued interest, as applicable, on this Debenture at the time, place, and rate, and in the coin or currency, herein prescribed. This Debenture is a direct debt obligation of the Company. This Debenture ranks pari passu with all other Debentures now or hereafter issued under the terms set forth herein.

c) Lost or Mutilated Debenture. If this Debenture shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Debenture, or in lieu of or in substitution for a lost, stolen or destroyed Debenture, a new Debenture for the principal amount of this Debenture so mutilated, lost, stolen or destroyed, but only upon receipt of evidence of such loss, theft or destruction of such Debenture, and of the ownership hereof, reasonably satisfactory to the Company.

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Debenture shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Debenture and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Debenture or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Debenture, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Debenture shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Debenture. The failure of the Company or the Holder to insist upon strict adherence to any term of this Debenture on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Debenture on any other occasion. Any waiver by the Company or the Holder must be in writing.

f) Severability. If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Debenture as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Debenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

g) Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Debenture shall be cumulative and in addition to all other remedies available under this Debenture and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Debenture. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Debenture.

h) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

i) Headings. The headings contained herein are for convenience only, do not constitute a part of this Debenture and shall not be deemed to limit or affect any of the provisions hereof.

Section 10. Disclosure. Upon receipt or delivery by the Company of any notice in accordance with the terms of this Debenture, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, nonpublic information relating to the Company or its Subsidiaries, the Company shall within two (2) Business Days after such receipt or delivery publicly disclose such material, nonpublic information on a Current Report on Form 8-K or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or its Subsidiaries, the Company so shall indicate to the Holder contemporaneously with delivery of such notice, and in the absence of any such indication, the Holder shall be allowed to presume that all matters relating to such notice do not constitute material, nonpublic information relating to the Company or its Subsidiaries.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

SAFE-T GROUP LTD.

By: _____
Name:
Title:

Facsimile No. for delivery of Notices: _____

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 8% Convertible Debenture due September __, 2020 of Safe-T Group Ltd., an Israeli company (the "Company"), into ADSs (the "Ordinary Shares"), of the Company according to the conditions hereof, as of the date written below. If Ordinary Shares and/or ADSs are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

By the delivery of this Notice of Conversion the undersigned represents and warrants to the Company that its ownership of the Ordinary Shares and/or ADSs does not exceed the amounts specified under Section 4 of this Debenture, as determined in accordance with Section 13(d) of the Exchange Act.

The undersigned agrees to comply with the prospectus delivery requirements under the applicable securities laws in connection with any transfer of the aforesaid ADSs.

Conversion calculations:

Date to Effect Conversion:

Principal Amount of Debenture to be Converted:

Payment of Interest in ADSs __ yes __ no
If yes, $_____ of Interest Accrued on Account of Conversion at Issue.

Number of ADSs to be issued:

Signature:

Name:

Address for Delivery of ADSs Certificates:

Or

DWAC Instructions:

Broker No: _____
Account No: _____

Schedule 1

CONVERSION SCHEDULE

The 8% Convertible Debentures due on September __, 2020 in the aggregate principal amount of $_____ are issued by Safe-T Group Ltd., an Israeli company. This Conversion Schedule reflects conversions made under Section 4 of the above referenced Debenture.

Dated:

Date of Conversion (or for first entry, Original Issue Date)	Amount of Conversion	Aggregate Principal Amount Remaining Subsequent to Conversion (or original Principal Amount)	Company Attest

Exhibit B

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of April 9, 2019, between Safe-T Group Ltd., an Israeli corporation (the "Company"), and each of the several purchasers signatory hereto (each such purchaser, a "Purchaser" and, collectively, the "Purchasers").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the date hereof, between the Company and each Purchaser (the "Purchase Agreement").

The Company and each Purchaser hereby agrees as follows:

1. Definitions.

Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have the meaning set forth in Section 6(d).

"Effectiveness Date" means, with respect to the Initial Registration Statement required to be filed hereunder, the 60th calendar day following the date hereof (or, in the event of a "full review" by the Commission, the 90th calendar day following the date hereof) and with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the 60th calendar day following the date on which an additional Registration Statement is required to be filed hereunder (or, in the event of a "full review" by the Commission, the 90th calendar day following the date such additional Registration Statement is required to be filed hereunder); provided, however, that in the event the Company is notified by the Commission that one or more of the above Registration Statements will not be reviewed or is no longer subject to further review and comments, the Effectiveness Date as to such Registration Statement shall be the fifth Trading Day following the date on which the Company is so notified if such date precedes the dates otherwise required above, provided, further, if such Effectiveness Date falls on a day that is not a Trading Day, then the Effectiveness Date shall be the next succeeding Trading Day.

"Effectiveness Period" shall have the meaning set forth in Section 2(a).

"Event" shall have the meaning set forth in Section 2(d).

"Event Date" shall have the meaning set forth in Section 2(d).

"Filing Date" means, with respect to the Initial Registration Statement required hereunder, the 30th calendar day following the First Closing Date and, with respect to any additional Registration Statements which may be required pursuant to Section 2(c) or Section 3(c), the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities.

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 5(c).

"Indemnifying Party" shall have the meaning set forth in Section 5(c).

"Initial Registration Statement" means the initial Registration Statement filed pursuant to this Agreement.

"Losses" shall have the meaning set forth in Section 5(a).

"Plan of Distribution" shall have the meaning set forth in Section 2(a).

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" means, as of any date of determination, (a) all ADSs then issued and issuable upon conversion in full of the Debentures (assuming on such date the Debentures are converted in full without regard to any conversion limitations therein), (b) all Warrant Shares then issued and issuable upon exercise of the Warrants (assuming on such date the Warrants are exercised in full without regard to any exercise limitations therein), (c) any additional ADSs issued and issuable in connection with any anti-dilution provisions in the Warrants (in each case, without giving effect to any limitations on exercise set forth in the Warrants) and (d) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) such securities become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent and the affected Holders (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company, and all Warrants are exercised by "cashless exercise" as provided in Section 2(c) of each of the Warrants), as reasonably determined by the Company, upon the advice of counsel to the Company.

"Registration Statement" means any registration statement required to be filed hereunder pursuant to Section 2(a) and any additional registration statements contemplated by Section 2(c) or Section 3(c), including (in each case) the Prospectus, amendments and supplements to any such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Selling Stockholder Questionnaire" shall have the meaning set forth in Section 3(a).

"SEC Guidance" means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

2. Shelf Registration.

(a) On or prior to each Filing Date, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities as permitted by SEC Guidance (provided that, the Company shall use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, the Manual of Publicly Available Telephone Interpretations D. 29) that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement filed hereunder shall be on Form F-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form F-3, in which case such registration shall be on another appropriate form in accordance herewith, subject to the provisions of Section 2(e)) and shall contain (unless otherwise directed by at least 85% in interest of the Holders) substantially the "Plan of Distribution" attached hereto as Annex A and substantially the "Selling Stockholder" section attached hereto as Annex B; provided, however, that no Holder shall be required to be named as an "underwriter" without such Holder's express prior written consent. Subject to the terms of this Agreement, the Company shall use its best efforts to cause a Registration Statement filed under this Agreement (including, without limitation, under Section 3(c)) to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event no later than the applicable Effectiveness Date, and shall use its best efforts to keep such Registration Statement continuously effective under the Securities Act until the date that all Registrable Securities covered by such Registration Statement (i) have been sold, thereunder or pursuant to Rule 144, or (ii) (A) may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 and (B)(I) may be sold without the requirement for the Company to be in compliance with the current public information requirement under Rule 144 of (II) the Company is in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the affected Holders (the "Effectiveness Period"). The Company shall telephonically request effectiveness of a Registration Statement as of 5:00 p.m. (New York City time) on a Trading Day. The Company shall promptly notify the Holders via facsimile or by e-mail of the effectiveness of a Registration Statement on the same Trading Day that the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. The Company shall, by 9:30 a.m. (New York City time) on the Trading Day after the effective date of such Registration Statement, file a final Prospectus with the Commission as required by Rule 424. Failure to so notify the Holder within one (1) Trading Day of such notification of effectiveness or failure to file a final Prospectus as foresaid shall be deemed an Event under Section 2(d).

(b) Notwithstanding the registration obligations set forth in Section 2(a), if the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission, covering the maximum number of Registrable Securities permitted to be registered by the Commission, on Form F-3 or such other form available to register for resale the Registrable Securities as a secondary offering, subject to the provisions of Section 2(e); with respect to filing on Form F-3 or other appropriate form, and subject to the provisions of Section 2(d) with respect to the payment of liquidated damages; provided, however, that prior to filing such amendment, the Company shall be obligated to use diligent efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Compliance and Disclosure Interpretation 612.09.

(c) Notwithstanding any other provision of this Agreement and subject to the payment of liquidated damages pursuant to Section 2(d), if the Commission or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used diligent efforts to advocate with the Commission for the registration of all or a greater portion of Registrable Securities), unless otherwise directed in writing by a Holder as to its Registrable Securities, the number of Registrable Securities to be registered on such Registration Statement will be reduced as follows:

a. First, the Company shall reduce or eliminate any securities to be included other than Registrable Securities;

b. Second, the Company shall reduce Registrable Securities represented by Warrant Shares (applied, in the case that some Warrant Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Warrant Shares held by such Holders); and

c. Third, the Company shall reduce Registrable Securities represented by Conversion Shares (applied, in the case that some Conversion Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Conversion Shares held by such Holders).

In the event of a cutback hereunder, the Company shall give the Holder at least five (5) Trading Days prior written notice along with the calculations as to such Holder's allotment. In the event the Company amends the Initial Registration Statement in accordance with the foregoing, the Company will use its best efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form F-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended.

(d) If: (i) the Initial Registration Statement is not filed on or prior to its Filing Date (if the Company files the Initial Registration Statement without affording the Holders the opportunity to review and comment on the same as required by Section 3(a) herein, the Company shall be deemed to have not satisfied this clause (i)), or (ii) the Company fails to file with the Commission a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the Commission pursuant to the Securities Act, within five Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review, or (iii) prior to the effective date of a Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the Commission in respect of such Registration Statement within ten (10) calendar days after the receipt of comments by or notice from the Commission that such amendment is required in order for such Registration Statement to be declared effective, or (iv) a Registration Statement registering for resale all of the Registrable Securities is not declared effective by the Commission by the Effectiveness Date of the Initial Registration Statement, or (v) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Holders are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than ten (10) consecutive calendar days or more than an aggregate of fifteen (15) calendar days (which need not be consecutive calendar days) during any 12-month period (any such failure or breach being referred to as an "Event", and for purposes of clauses (i) and (iv), the date on which such Event occurs, and for purpose of clause (ii) the date on which such five (5) Trading Day period is exceeded, and for purpose of clause (iii) the date which such ten (10) calendar day period is exceeded, and for purpose of clause (v) the date on which such ten (10) or fifteen (15) calendar day period, as applicable, is exceeded being referred to as "Event Date"), then, in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to the product of 1.5% multiplied by the aggregate Subscription Amount paid by such Holder pursuant to the Purchase Agreement; provide that the aggregate liquidated damages payable hereunder shall not exceed, in the aggregate, 6% of the aggregate Subscription Amount paid by such Holder. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 18% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro rata basis for any portion of a month prior to the cure of an Event.

(e) If Form F-3 is not available for the registration of the resale of Registrable Securities hereunder, the Company shall (i) register the resale of the Registrable Securities on another appropriate form and (ii) undertake to register the Registrable Securities on Form F-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form F-3 covering the Registrable Securities has been declared effective by the Commission.

(f) Notwithstanding anything to the contrary contained herein, in no event shall the Company be permitted to name any Holder or affiliate of a Holder as any Underwriter without the prior written consent of such Holder.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than five (5) Trading Days prior to the filing of each Registration Statement and not less than one (1) Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall (i) furnish to each Holder copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of such Holders, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to each Holder, to conduct a reasonable investigation within the meaning of the Securities Act. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Holders of a majority of the Registrable Securities shall reasonably object in good faith, provided that, the Company is notified of such objection in writing no later than five (5) Trading Days after the Holders have been so furnished copies of a Registration Statement or one (1) Trading Day after the Holders have been so furnished copies of any related Prospectus or amendments or supplements thereto. Each Holder agrees to furnish to the Company a completed questionnaire in the form attached to this Agreement as Annex C (a "Selling Stockholder Questionnaire") on a date that is not less than two (2) Trading Days prior to the Filing Date or by the end of the fourth (4^{th}) Trading Day following the date on which such Holder receives draft materials in accordance with this Section.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to a Registration Statement and the Prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities, (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424, (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to a Registration Statement or any amendment thereto and provide as promptly as reasonably possible to the Holders true and complete copies of all correspondence from and to the Commission relating to a Registration Statement (provided that, the Company shall excise any information contained therein which would constitute material non-public information regarding the Company or any of its Subsidiaries), and (iv) comply in all material respects with the applicable provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented.

(c) If during the Effectiveness Period, the number of Registrable Securities at any time exceeds 100% of the number of shares of Common Stock then registered in a Registration Statement, then the Company shall file as soon as reasonably practicable, but in any case prior to the applicable Filing Date, an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities.

(d) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (iii) through (vi) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible (and, in the case of (i)(A) below, not less than one (1) Trading Day prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed, (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement, and (C) with respect to a Registration Statement or any post-effective amendment, when the same has become effective, (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information, (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose, (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in a Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to a Registration Statement, Prospectus or other documents so that, in the case of a Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus; provided, however, that in no event shall any such notice contain any information which would constitute material, non-public information regarding the Company or any of its Subsidiaries.

(e) Use its best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order stopping or suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(f) Furnish to each Holder, without charge, at least one conformed copy of each such Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission, provided that any such item which is available on the EDGAR system (or successor thereto) need not be furnished in physical form.

(g) Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(d).

(h) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(i) If requested by a Holder, cooperate with such Holder to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request.

(j) Upon the occurrence of any event contemplated by Section 3(d), as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to a Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither a Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (iii) through (vi) of Section 3(d) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(j) to suspend the availability of a Registration Statement and Prospectus, subject to the payment of partial liquidated damages otherwise required pursuant to Section 2(d), for a period not to exceed 60 calendar days (which need not be consecutive days) in any 12-month period.

(k) Otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final Prospectus, including any supplement or amendment thereof, with the Commission pursuant to Rule 424 under the Securities Act, promptly inform the Holders in writing if, at any time during the Effectiveness Period, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the Holders are required to deliver a Prospectus in connection with any disposition of Registrable Securities and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder.

(l) The Company shall use its best efforts to maintain eligibility for use of Form F-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(m) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and, if required by the Commission, the natural persons thereof that have voting and dispositive control over the shares. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request, any liquidated damages that are accruing at such time as to such Holder only shall be tolled and any Event that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Registration Expenses. All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, and (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, stockholders, partners, agents and employees (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or (ii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Holder and prior to the receipt by such Holder of the Advice contemplated in Section 6(d). The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Holders in accordance with Section 6(h).

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act of (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder to the Company expressly for inclusion in such Registration Statement or such Prospectus, (ii) to the extent, but only to the extent, that such information relates to such Holder's information provided in the Selling Stockholder Questionnaire or the proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or in any amendment or supplement thereto, or (iii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Holder of an outdated, defective or otherwise unavailable for use by such Holder after the receipt by such Holder of the written Advice contemplated in Section 6(d). In no event shall the liability of a selling Holder be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue statement or omission) received by such Holder upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof, provided that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses, (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding, or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and counsel to the Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and the reasonable fees and expenses of no more than one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all reasonable fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party, provided that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) not to be entitled to indemnification hereunder.

(d) Contribution. If the indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. In no event shall the contribution obligation of a Holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 5 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(b) No Piggyback on Registrations; Prohibition on Filing Other Registration Statements. Except as set forth on Schedule 6(b) attached hereto, neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto) may include securities of the Company in any Registration Statements other than the Registrable Securities. The Company shall not file any other registration statements until all Registrable Securities are registered pursuant to a Registration Statement that is declared effective by the Commission, provided that this Section 6(b) shall not prohibit the Company from filing amendments to registration statements filed prior to the date of this Agreement.

(c) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

(d) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(d)(iii) through (vi), such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company will use its best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company agrees and acknowledges that any periods during which the Holder is required to discontinue the disposition of the Registrable Securities hereunder shall be subject to the provisions of Section 2(d).

(e) Piggy-Back Registrations. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form F-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, then the Company shall deliver to each Holder a written notice of such determination and, if within fifteen days after the date of the delivery of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered; provided, however, that the Company shall not be required to register any Registrable Securities pursuant to this Section 6(e) that are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act or that are the subject of a then effective Registration Statement that is available for resales or other dispositions by such Holder.

(f) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of 50.1% or more of the then outstanding Registrable Securities (for purposes of clarification, this includes any Registrable Securities issuable upon exercise or conversion of any Security), provided that, if any amendment, modification or waiver disproportionately and adversely impacts a Holder (or group of Holders), the consent of such disproportionately impacted Holder (or group of Holders) shall be required. If a Registration Statement does not register all of the Registrable Securities pursuant to a waiver or amendment done in compliance with the previous sentence, then the number of Registrable Securities to be registered for each Holder shall be reduced pro rata among all Holders and each Holder shall have the right to designate which of its Registrable Securities shall be omitted from such Registration Statement. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder or some Holders and that does not directly or indirectly affect the rights of other Holders may be given only by such Holder or Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the first sentence of this Section 6(f). No consideration shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

(g) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(h) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign (except by merger) its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under Section 5.7 of the Purchase Agreement.

(i) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Except as set forth on Schedule 6(i), neither the Company nor any of its Subsidiaries has previously entered into any agreement granting any registration rights with respect to any of its securities to any Person that have not been satisfied in full.

(j) Execution and Counterparts. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

(k) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

(l) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(m) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(n) Headings. The headings in this Agreement are for convenience only, do not constitute a part of the Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(o) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Holder, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Holder. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

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(Signature Pages Follow)

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

SAFE-T GROUP LTD.

By: _____
Name:
Title:

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

[SIGNATURE PAGES CONTINUE]

Annex A

Plan of Distribution

Each Selling Stockholder (the "Selling Stockholders") of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the principal Trading Market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 or any other exemption from registration under the Securities Act of 1933, as amended (the "Securities Act"), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the securities. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the securities may be resold by the Selling Stockholders without registration and without regard to any volume or manner-of-sale limitations by reason of Rule 144, without the requirement for the Company to be in compliance with the current public information under Rule 144 under the Securities Act or any other rule of similar effect or (ii) all of the securities have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale securities will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale securities covered hereby may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale securities may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

SELLING SHAREHOLDERS

The common stock being offered by the selling shareholders are those previously issued to the selling shareholders, and those issuable to the selling shareholders, upon exercise of the warrants. For additional information regarding the issuances of those shares of common stock and warrants, see “Private Placement of Shares of Common Stock and Warrants” above. We are registering the shares of common stock in order to permit the selling shareholders to offer the shares for resale from time to time. Except for the ownership of the shares of common stock and the warrants, the selling shareholders have not had any material relationship with us within the past three years.

The table below lists the selling shareholders and other information regarding the beneficial ownership of the shares of common stock by each of the selling shareholders. The second column lists the number of shares of common stock beneficially owned by each selling shareholder, based on its ownership of the shares of common stock and warrants, as of _____, 2019, assuming exercise of the warrants held by the selling shareholders on that date, without regard to any limitations on exercises.

The third column lists the shares of common stock being offered by this prospectus by the selling shareholders.

In accordance with the terms of a registration rights agreement with the selling shareholders, this prospectus generally covers the resale of the sum of (i) the number of shares of common stock issued to the selling shareholders in the “Private Placement of Shares of Common Stock and Warrants” described above and (ii) the maximum number of shares of common stock issuable upon exercise of the related warrants, determined as if the outstanding warrants were exercised in full as of the trading day immediately preceding the date this registration statement was initially filed with the SEC, each as of the trading day immediately preceding the applicable date of determination and all subject to adjustment as provided in the registration right agreement, without regard to any limitations on the exercise of the warrants. The fourth column assumes the sale of all of the shares offered by the selling shareholders pursuant to this prospectus.

Under the terms of the warrants, a selling shareholder may not exercise the warrants to the extent such exercise would cause such selling shareholder, together with its affiliates and attribution parties, to beneficially own a number of shares of common stock which would exceed [4.99]% of our then outstanding common stock following such exercise, excluding for purposes of such determination shares of common stock issuable upon exercise of the warrants which have not been exercised. The number of shares in the second column does not reflect this limitation. The selling shareholders may sell all, some or none of their shares in this offering. See "Plan of Distribution."

Name of Selling Shareholder	Number of shares of Common Stock Owned Prior to Offering	Maximum Number of shares of Common Stock to be Sold Pursuant to this Prospectus	Number of shares of Common Stock Owned After Offering

Annex C

SAFE-T GROUP LTD.

Selling Stockholder Notice and Questionnaire

The undersigned beneficial owner of common stock (the "Registrable Securities") of Safe-T Group Ltd., an Israeli corporation (the "Company"), understands that the Company has filed or intends to file with the Securities and Exchange Commission (the "Commission") a registration statement (the "Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the "Registration Rights Agreement") to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling stockholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling stockholder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "Selling Stockholder") of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE

1. Name.

(a) Full Legal Name of Selling Stockholder

_____

(b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities are held:

_____

(c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

_____

2. Address for Notices to Selling Stockholder:

_____

_____

_____

Telephone: _____

Fax: _____

Contact Person: _____

3. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes ☐ No ☐

(b) If "yes" to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes ☐ No ☐

Note: If "no" to Section 3(b), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

(d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If "no" to Section 3(d), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

4. Beneficial Ownership of Securities of the Company Owned by the Selling Stockholder.

Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities issuable pursuant to the Purchase Agreement.

(a) Type and Amount of other securities beneficially owned by the Selling Stockholder:

5. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

_____

_____

The undersigned agrees to promptly notify the Company of any material inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective; provided, that the undersigned shall not be required to notify the Company of any changes to the number of securities held or owned by the undersigned or its affiliates.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus and any amendments or supplements thereto.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Date: _____

Beneficial Owner: _____

By: _____

Name:
Title:

PLEASE FAX A COPY (OR EMAIL A .PDF COPY) OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE TO:

Exhibit C

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

WARRANT TO PURCHASE ORDINARY SHARES REPRESENTED BY AMERICAN DEPOSITARY SHARES

SAFE-T GROUP LTD.

Warrant ADSs: _____ Initial Exercise Date: April 11, 2019

THIS WARRANT TO PURCHASE ORDINARY SHARES REPRESENTED BY AMERICAN DEPOSITARY SHARES (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on April 11, 2024 (the "Termination Date") but not thereafter, to subscribe for and purchase from Safe-T Group Ltd., an Israeli corporation (the "Company"), up to _____ Ordinary Shares (the "Warrant Shares") represented by _____ American Depositary Shares ("ADSs") as subject to adjustment hereunder (the "Warrant ADSs"). The purchase price of one Warrant ADS under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated April 9, 2019, among the Company and the purchasers signatory thereto.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency that the Company may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) and the Depositary of a duly executed facsimile copy or PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant ADSs available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant ADSs available hereunder shall have the effect of lowering the outstanding number of Warrant ADSs purchasable hereunder in an amount equal to the applicable number of Warrant ADSs purchased. The Holder and the Company shall maintain records showing the number of Warrant ADSs purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant ADSs hereunder, the number of Warrant ADSs available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding the above, this Warrant may not be exercised on the Record Date (as such term is defined under the Tel-Aviv Stock Exchange Ltd. (the "TASE") rules and regulations) of: (i) a distribution of bonus shares; (ii) a rights offer; (iii) any distribution of dividends; (iv) a consolidation of the share capital of the Company; (v) a share split; or (vi) a reduction of the share capital of the Company (each of the aforementioned events shall be called: "Corporate Event"). In addition, if the Ex-Date (as such term is defined under the TASE rules and regulations) of a Corporate Event occurs before the Record Date of a Corporate Event, then the Warrant shall not be exercised on the Ex-Date.

b) Exercise Price. The exercise price per ADS under this Warrant shall be **$**2.3575, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at any time after the six-month anniversary of the applicable Closing Date, there is no effective registration statement registering, or no current prospectus available for, the resale of the Warrant ADSs by the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant ADSs equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the ADSs on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant ADSs that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant ADSs are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant ADSs shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrant ADSs being issued may be tacked on to the holding period of this Warrant. The Company agrees not to take any position contrary to this Section 2(c).

"Bid Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the ADSs are then listed or quoted on a Trading Market, the bid price of the ADSs for the time in question (or the nearest preceding date) on the Trading Market on which the ADSs are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the ADSs for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the ADSs are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the ADSs are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per ADS so reported, or (d) in all other cases, the fair market value of an ADS as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the ADSs then listed or quoted on a Trading Market, the daily volume weighted average price of the ADSs for such date (or the nearest preceding date) on the Trading Market on which the ADSs are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the ADSs for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the ADSs are not then listed or quoted for trading on OTCQB or OTCQX and if prices for the ADSs are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per ADS so reported, or (d) in all other cases, the fair market value of an ADS as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant ADSs Upon Exercise. The Company shall deposit the Warrant Shares subject to such exercise with The Bank of New York Mellon, the Depositary for the ADSs (the "Depositary") and instruct the Depositary to credit the account of the Holder's prime broker with The Depository Trust Company through its Deposit/Withdrawal At Custodian system ("DWAC") if the Depositary in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant ADSs to or resale of the Warrant ADSs by the Holder or (B) the Warrant ADSs are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant ADSs to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is two (2) Trading Days after the delivery to the Company of the Notice of Exercise, (such date, the "Warrant ADS Delivery Date") provided that the Warrant ADS Delivery Date shall not be deemed to have occurred until such time that the Company has received the aggregate Exercise Price. Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant ADSs with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant ADSs, provided that payment of the aggregate Exercise Price (other than in the case of a cashless exercise) is received within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant ADSs subject to a Notice of Exercise by the Warrant ADS Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant ADSs subject to such exercise (based on the VWAP of the ADSs on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant ADS Delivery Date until such Warrant ADSs are delivered or Holder rescinds such exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant ADSs, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant ADSs called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Depositary to transmit to the Holder the Warrant ADSs pursuant to Section 2(d)(i) by the Warrant ADS Delivery Date, then the Holder will have the right to rescind such exercise; provided, however, that the Holder shall be required to return any Warrant ADSs or Ordinary Shares subject to any such rescinded exercise notice concurrently with the return to Holder of the aggregate Exercise Price paid to the Company for such Warrant ADSs and the restoration of Holder's right to acquire such Warrant ADSs pursuant to this Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant ADSs Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Depositary to transmit to the Holder the Warrant ADSs in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant ADS Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, ADSs to deliver in satisfaction of a sale by the Holder of the Warrant ADSs which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the ADSs so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant ADSs that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant ADSs for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of ADSs that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases ADSs having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of ADSs with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver ADSs upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional Warrant Shares or Warrant ADSs shall be issued upon the exercise of this Warrant. As to any fraction of an ADS which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole ADS.

vi. Charges, Taxes and Expenses. Issuance of Warrant ADSs shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant ADSs, all of which taxes and expenses shall be paid by the Company, and such Warrant ADSs shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant ADSs are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Depositary fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant ADSs.

vii. Closing of Books. The Company will not close its shareholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of ADSs beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of ADSs issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of ADSs which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Ordinary Share Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding ADSs, a Holder may rely on the number of outstanding ADSs as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Depositary setting forth the number of ADSs outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of ADSs then outstanding. In any case, the number of outstanding ADSs shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding ADSs was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of Ordinary Shares or Ordinary Share Equivalents outstanding immediately after giving effect to the issuance of Warrant Shares represented by Warrants ADSs issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of Ordinary Shares outstanding immediately after giving effect to the issuance of ADSs upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Share Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a share dividend or otherwise makes a distribution or distributions on its Ordinary Shares or ADSs or any other equity or equity equivalent securities payable in Ordinary Shares or ADSs (which, for avoidance of doubt, shall not include any ADSs issued by the Company upon exercise of this Warrant), as applicable, (ii) subdivides outstanding Ordinary Shares or ADSs into a larger number of shares or ADSs, as applicable, (iii) combines (including by way of reverse share split) outstanding Ordinary Shares or ADSs into a smaller number of shares or ADSs, as applicable, or (iv) issues by reclassification of Ordinary Shares, ADSs or any shares of capital stock of the Company, as applicable, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of ADSs (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of ADSs outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Equity Sales. If the Company or any Subsidiary thereof, as applicable, at any time on or after the Initial Exercise Date until the eighteen (18) month anniversary of the Initial Exercise Date, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Ordinary Shares or Ordinary Share Equivalents, at an effective price per share less than the Exercise Price then in effect (such lower price, the "Base Share Price" and such issuances collectively, a "Dilutive Issuance") (it being understood and agreed that if the holder of the Ordinary Shares or Ordinary Share Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive Ordinary Shares at an effective price per share that is less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance at such effective price), then simultaneously with the consummation (or, if earlier, the announcement) of each Dilutive Issuance the Exercise Price shall be reduced and only reduced to equal the Base Share Price, provided that the Base Share Price shall not be less than $0.40 (subject to adjustment for reverse and forward stock splits, recapitalizations and similar transactions following the Initial Exercise Date. Notwithstanding the foregoing, no adjustments shall be made, paid or issued under this Section 3(b) in respect of an Exempt Issuance. The Company shall notify the Holder, in writing, no later than the Trading Day following the issuance or deemed issuance of any Ordinary Shares or Ordinary Share Equivalents subject to this Section 3(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 3(b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Warrant ADSs based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. If the Company enters into a Variable Rate Transaction, the Company shall be deemed to have issued Ordinary Shares or Ordinary Share Equivalents at the lowest possible conversion or exercise price at which such securities may be converted or exercised

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Ordinary Share Equivalents or rights to purchase shares, warrants, securities or other property pro rata to the record holders of any class of Ordinary Shares or ADSs (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of Ordinary Shares or ADSs acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of Ordinary Shares or ADSs are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such ADSs as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Ordinary Shares or ADSs, by way of return of capital or otherwise (including, without limitation, any distribution of cash, shares or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of Ordinary Shares or ADSs acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of Ordinary Shares or ADSs are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any Ordinary Shares or ADSs as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Warrant is outstanding,(i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Ordinary Shares are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Ordinary Shares, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Ordinary Shares or any compulsory share exchange pursuant to which the Ordinary Shares are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding Ordinary Shares (not including any Ordinary Shares held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of ADSs of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of ADSs for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one Ordinary Shares in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Ordinary Shares are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction, the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on the date of the consummation of such Fundamental Transaction; provided, however, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity, as of the date of consummation of such Fundamental Transaction, the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Ordinary Shares of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Ordinary Shares are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction "Black Scholes Value" means the value of this Warrant based on the Black-Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the greater of (i) the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (ii) the greater of (x) the last VWAP immediately prior to the public announcement of such Fundamental Transaction and (y) the last VWAP immediately prior to the consummation of such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds within five Business Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the ADSs acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the ADSs pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of an ADS, as the case may be. For purposes of this Section 3, the number of Ordinary Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Ordinary Shares (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant ADSs and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Ordinary Shares, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Ordinary Shares or ADSs, (C) the Company shall authorize the granting to all holders of the Ordinary Shares or ADSs rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Ordinary Shares or ADSs, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Ordinary Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Ordinary Shares or ADSs of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Ordinary Shares of record shall be entitled to exchange their Ordinary Shares for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Report on Form 6-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1 of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant ADSs without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Initial Exercise Date and shall be identical with this Warrant except as to the number of Warrant ADSs issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with the provisions of Section 5.7 of the Purchase Agreement.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant ADSs issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant ADSs or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Shareholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a shareholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant ADSs, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Ordinary Shares and a sufficient number of shares to provide for the issuance of the Warrant ADSs and underlying Ordinary Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the Warrant Shares needed for the Depositary to issue the necessary Warrant ADSs upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant ADSs may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the applicable Trading Market upon which the Ordinary Shares and ADSs may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant ADSs in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its articles of association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant ADSs for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares and Warrant ADSs acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant ADSs, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Ordinary Shares or ADSs or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant ADSs.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

SAFE-T GROUP LTD.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: SAFE-T GROUP LTD.

(1) The undersigned hereby elects to purchase _____ Warrant ADSs of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] if permitted the cancellation of such number of Warrant ADSs as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant ADSs purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant ADSs in the name of the undersigned or in such other name as is specified below:

_____

The Warrant ADSs shall be delivered to the following DWAC Account Number:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase Warrant ADSs.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____
Holder's Signature: _____
Holder's Address: _____

Exhibit D

FORM OF LOCK-UP AGREEMENT

April __, 2019

Each Purchaser referenced below:

Re: Securities Purchase Agreement, dated as of April 9, 2019 (the "Purchase Agreement"), between Safe-T Group Ltd., an Israeli corporation (the "Company") and the purchasers signatory thereto (each, a "Purchaser" and, collectively, the "Purchasers")

Ladies and Gentlemen:

Defined terms not otherwise defined in this letter agreement (the "Letter Agreement") shall have the meanings set forth in the Purchase Agreement. Pursuant to Section 2.1(a) of the Purchase Agreement and in satisfaction of a condition of the Company's obligations under the Purchase Agreement, the undersigned irrevocably agrees with the Company that, from the date hereof until the later of (i) 10 Trading Days after the Effective Date or (ii) June 15, 2019 (such period, the "Restriction Period"), the undersigned will not offer, sell, contract to sell, hypothecate, pledge or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the undersigned or any Affiliate of the undersigned or any person in privity with the undersigned or any Affiliate of the undersigned), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act with respect to, any shares of Common Stock or Common Stock Equivalents beneficially owned, held or hereafter acquired by the undersigned (the "Securities"). Beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. In order to enforce this covenant, the Company shall impose irrevocable stop-transfer instructions preventing the Transfer Agent from effecting any actions in violation of this Letter Agreement.

The undersigned acknowledges that the execution, delivery and performance of this Letter Agreement is a material inducement to each Purchaser to complete the transactions contemplated by the Purchase Agreement and that each Purchaser (which shall be a third party beneficiary of this Letter Agreement) and the Company shall be entitled to specific performance of the undersigned's obligations hereunder. The undersigned hereby represents that the undersigned has the power and authority to execute, deliver and perform this Letter Agreement, that the undersigned has received adequate consideration therefor and that the undersigned will indirectly benefit from the closing of the transactions contemplated by the Purchase Agreement.

This Letter Agreement may not be amended or otherwise modified in any respect without the written consent of each of the Company, each Purchaser and the undersigned. This Letter Agreement shall be construed and enforced in accordance with the laws of the State of New York without regard to the principles of conflict of laws. The undersigned hereby irrevocably submits to the exclusive jurisdiction of the United States District Court sitting in the Southern District of New York and the courts of the State of New York located in Manhattan, for the purposes of any suit, action or proceeding arising out of or relating to this Letter Agreement, and hereby waives, and agrees not to assert in any such suit, action or proceeding, any claim that (i) it is not personally subject to the jurisdiction of such court, (ii) the suit, action or proceeding is brought in an inconvenient forum, or (iii) the venue of the suit, action or proceeding is improper. The undersigned hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by receiving a copy thereof sent to the Company at the address in effect for notices to it under the Purchase Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. The undersigned hereby waives any right to a trial by jury. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The undersigned agrees and understands that this Letter Agreement does not intend to create any relationship between the undersigned and each Purchaser and that each Purchaser is not entitled to cast any votes on the matters herein contemplated and that no issuance or sale of the Securities is created or intended by virtue of this Letter Agreement.

By its signature below, the Transfer Agent hereby acknowledges and agrees that, reflecting this Letter Agreement, it has placed an irrevocable stop transfer instruction on all Securities beneficially owned by the undersigned until the end of the Restriction Period. This Letter Agreement shall be binding on successors and assigns of the undersigned with respect to the Securities and any such successor or assign shall enter into a similar agreement for the benefit of the Purchasers.

*** SIGNATURE PAGE FOLLOWS***

This Letter Agreement may be executed in two or more counterparts, all of which when taken together may be considered one and the same agreement.

Signature

Print Name

Position in Company

Address for Notice:

Number of shares of Common Stock

Number of shares of Common Stock underlying subject to warrants, options, debentures or other convertible securities

By signing below, the Company agrees to enforce the restrictions on transfer set forth in this Letter Agreement.

By:
Name:
Title:

Exhibit E

SUBSIDIARY GUARANTEE

SUBSIDIARY GUARANTEE, dated as of April __, 2019 (this "Guarantee"), made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Guarantors"), in favor of the purchasers signatory (together with their permitted assigns, the "Purchasers") to that certain Securities Purchase Agreement, dated as of the date hereof, between Safe-T Group Ltd., an Israeli company (the "Company") and the Purchasers.

W I T N E S S E T H:

WHEREAS, pursuant to that certain Securities Purchase Agreement, dated as of the date hereof, by and between the Company and the Purchasers (the "Purchase Agreement"), the Company has agreed to sell and issue to the Purchasers, and the Purchasers have agreed to purchase from the Company the Debentures, subject to the terms and conditions set forth therein; and

WHEREAS, each Guarantor will directly benefit from the extension of credit to the Company represented by the issuance of the Debentures; and

NOW, THEREFORE, in consideration of the premises and to induce the Purchasers to enter into the Purchase Agreement and to carry out the transactions contemplated thereby, each Guarantor hereby agrees with the Purchasers as follows:

1. Definitions. Unless otherwise defined herein, terms defined in the Purchase Agreement and used herein shall have the meanings given to them in the Purchase Agreement. The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Guarantee shall refer to this Guarantee as a whole and not to any particular provision of this Guarantee, and Section and Schedule references are to this Guarantee unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. The following terms shall have the following meanings:

"Guarantee" means this Subsidiary Guarantee, as the same may be amended, supplemented or otherwise modified from time to time.

"Obligations" means, in addition to all other costs and expenses of collection incurred by Purchasers in enforcing any of such Obligations and/or this Guarantee, all of the liabilities and obligations (primary, secondary, direct, contingent, sole, joint or several) due or to become due, or that are now or may be hereafter contracted or acquired, or owing to, of the Company or any Guarantor to the Purchasers, including, without limitation, all obligations under this Guarantee, the Debentures and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from any of the Purchasers as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time. Without limiting the generality of the foregoing, the term "Obligations" shall include, without limitation: (i) principal of, and interest on the Debentures and the loans extended pursuant thereto; (ii) any and all other fees, indemnities, costs, obligations and liabilities of the Company or any Guarantor from time to time under or in connection with this Guarantee, the Debentures and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith; and (iii) all amounts (including but not limited to post-petition interest) in respect of the foregoing that would be payable but for the fact that the obligations to pay such amounts are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Company or any Guarantor. "Obligations" shall exclude any obligations under the Warrants or in respect of any ADSs of the Company issued to the Secured Parties.

2. Guarantee.

(a) Guarantee.

(i) The Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantee to the Purchasers and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(ii) Anything herein or in any other Transaction Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Transaction Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws, including laws relating to the insolvency of debtors, fraudulent conveyance or transfer or laws affecting the rights of creditors generally (after giving effect to the right of contribution established in Section 2(b)).

(iii) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Purchasers hereunder.

(iv) The guarantee contained in this Section 2 shall remain in full force and effect until all the Obligations and the obligations of each Guarantor under the guarantee contained in this Section 2 shall have been satisfied by indefeasible payment in full.

(v) No payment made by the Company, any of the Guarantors, any other guarantor or any other Person or received or collected by the Purchasers from the Company, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Obligations or any payment received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Obligations are indefeasibly paid in full.

(vi) Notwithstanding anything to the contrary in this Guarantee, with respect to any defaulted non-monetary Obligations the specific performance of which by the Guarantors is not reasonably possible (e.g. the issuance of the Company's Common Stock), the Guarantors shall only be liable for making the Purchasers whole on a monetary basis for the Company's failure to perform such Obligations in accordance with the Transaction Documents.

(b) Right of Contribution. Subject to Section 2(c), each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2(c). The provisions of this Section 2(b) shall in no respect limit the obligations and liabilities of any Guarantor to the Purchasers and each Guarantor shall remain liable to the Purchasers for the full amount guaranteed by such Guarantor hereunder.

(c) No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Purchasers, no Guarantor shall be entitled to be subrogated to any of the rights of the Purchasers against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Purchasers for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Purchasers by the Company on account of the Obligations are indefeasibly paid in full. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Purchasers, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Purchasers in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Purchasers, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Purchasers may determine.

(d) Amendments, Etc. With Respect to the Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Purchasers may be rescinded by the Purchasers and any of the Obligations continued, and the Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Purchasers, and the Purchase Agreement and the other Transaction Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Purchasers may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Purchasers for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. The Purchasers shall have no obligation to protect, secure, perfect or insure any Lien at any time held by them as security for the Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

(e) Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Purchasers upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Company and any of the Guarantors, on the one hand, and the Purchasers, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives to the extent permitted by law diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company or any of the Guarantors with respect to the Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment and performance without regard to (a) the validity or enforceability of the Purchase Agreement or any other Transaction Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Purchasers, (b) any defense, set-off or counterclaim (other than a defense of payment or performance or fraud by Purchasers) which may at any time be available to or be asserted by the Company or any other Person against the Purchasers, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Company for the Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Purchasers may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as they may have against the Company, any other Guarantor or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Purchasers to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Purchasers against any Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

(f) Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Purchasers upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

(g) Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Purchasers without set-off or counterclaim in U.S. dollars at the address set forth or referred to in the Signature Pages to the Purchase Agreement.

3. Representations and Warranties. Each Guarantor hereby makes the following representations and warranties to Purchasers as of the date hereof:

(a) Organization and Qualification. The Guarantor is a entity, duly incorporated or otherwise organized, validly existing and, if applicable under the laws of the jurisdiction in which they are formed, in good standing under the laws of the applicable jurisdiction set forth on Schedule 1, with the requisite entity power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Guarantor has no subsidiaries other than those identified as such on the Disclosure Schedules to the Purchase Agreement. The Guarantor is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not, individually or in the aggregate, (x) adversely affect the legality, validity or enforceability of any of this Guaranty in any material respect, (y) have a material adverse effect on the results of operations, assets, prospects, or financial condition of the Guarantor or (z) adversely impair in any material respect the Guarantor's ability to perform fully on a timely basis its obligations under this Guaranty (a "Material Adverse Effect").

(b) Authorization; Enforcement. The Guarantor has the requisite entity power and authority to enter into and to consummate the transactions contemplated by this Guaranty, and otherwise to carry out its obligations hereunder. The execution and delivery of this Guaranty by the Guarantor and the consummation by it of the transactions contemplated hereby have been duly authorized by all requisite entity action on the part of the Guarantor. This Guaranty has been duly executed and delivered by the Guarantor and constitutes the valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

(c) No Conflicts. The execution, delivery and performance of this Guaranty by the Guarantor and the consummation by the Guarantor of the transactions contemplated thereby do not and will not (i) conflict with or violate any provision of its Certificate of Incorporation or By-laws or other organizational documents or (ii) conflict with, constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Guarantor is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Guarantor is subject (including Federal and State securities laws and regulations), or by which any material property or asset of the Guarantor is bound or affected, except in the case of each of clauses (ii) and (iii), such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as could not, individually or in the aggregate, have or result in a Material Adverse Effect. The business of the Guarantor is not being conducted in violation of any law, ordinance or regulation of any governmental authority, except for violations which, individually or in the aggregate, do not have a Material Adverse Effect.

(d) Consents and Approvals. The Guarantor is not required to obtain any consent, waiver, authorization or order of, or make any filing or registration with, any court or other federal, state, local, foreign or other governmental authority or other person in connection with the execution, delivery and performance by the Guarantor of this Guaranty.

(e) Purchase Agreement. The representations and warranties of the Company set forth in the Purchase Agreement that are made as to such Guarantor, each of which is hereby incorporated herein by reference, are true and correct as of each time such representations are deemed to be made pursuant to such Purchase Agreement, and the Purchasers shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Company's knowledge shall, for the purposes of this Section 3, be deemed to be a reference to such Guarantor's knowledge.

(f) Foreign Law. Each Guarantor has consulted with appropriate foreign legal counsel with respect to any of the above representations for which non-U.S. law is applicable. Such foreign counsel have advised each applicable Guarantor that such counsel knows of no reason why any of the above representations would not be true and accurate. Such foreign counsel were provided with copies of this Subsidiary Guarantee and the Transaction Documents prior to rendering their advice.

4. Covenants.

(a) Each Guarantor covenants and agrees with the Purchasers that, from and after the date of this Guarantee until the Obligations shall have been indefeasibly paid in full, such Guarantor shall take, and/or shall refrain from taking, as the case may be, each commercially reasonable action that is necessary to be taken or not taken, as the case may be, so that no Event of Default (as defined in the Debentures) is caused by the failure to take such action or to refrain from taking such action by such Guarantor.

(b) So long as any of the Obligations are outstanding, unless Purchasers holding at least 51% of the aggregate principal amount of the then outstanding Debentures shall otherwise consent in writing, each Guarantor will not directly or indirectly on or after the date of this Guarantee:

i. other than Permitted Indebtedness, enter into, create, incur, assume or suffer to exist any indebtedness for borrowed money of any kind, including but not limited to, a guarantee, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

ii. other than Permitted Liens, enter into, create, incur, assume or suffer to exist any liens of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

iii. amend its certificate of incorporation, bylaws or other charter documents so as to adversely affect any rights of any Purchaser;

iv. repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its securities or debt obligations;

v. pay cash dividends on any equity securities of the Company;

vi. enter into any transaction with any Affiliate of the Guarantor which would be required to be disclosed in any public filing of the Company with the Commission, unless such transaction is made on an arm's-length basis and expressly approved by a majority of the disinterested directors of the Company (even if less than a quorum otherwise required for board approval); or

vii. enter into any agreement with respect to any of the foregoing.

5. Miscellaneous.

(a) Amendments in Writing. None of the terms or provisions of this Guarantee may be waived, amended, supplemented or otherwise modified except in writing by the Purchasers.

(b) Notices. All notices, requests and demands to or upon the Purchasers or any Guarantor hereunder shall be effected in the manner provided for in the Purchase Agreement, provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 5(b).

(c) No Waiver By Course Of Conduct; Cumulative Remedies. The Purchasers shall not by any act (except by a written instrument pursuant to Section 5(a)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default under the Transaction Documents or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Purchasers, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Purchasers of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Purchasers would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

(d) Enforcement Expenses; Indemnification.

(i) Each Guarantor agrees to pay, or reimburse the Purchasers for, all its costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Guarantee and the other Transaction Documents to which such Guarantor is a party, including, without limitation, the reasonable fees and disbursements of counsel to the Purchasers.

(ii) Each Guarantor agrees to pay, and to save the Purchasers harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable in connection with any of the transactions contemplated by this Guarantee.

(iii) Each Guarantor agrees to pay, and to save the Purchasers harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Guarantee to the extent the Company would be required to do so pursuant to the Purchase Agreement.

(iv) The agreements in this Section shall survive repayment of the Obligations and all other amounts payable under the Purchase Agreement and the other Transaction Documents.

(e) Successor and Assigns. This Guarantee shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Purchasers and their respective successors and assigns; provided that no Guarantor may assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Purchasers.

(f) Set-Off. Each Guarantor hereby irrevocably authorizes the Purchasers at any time and from time to time while an Event of Default under any of the Transaction Documents shall have occurred and be continuing, without notice to such Guarantor or any other Guarantor, any such notice being expressly waived by each Guarantor, to set-off and appropriate and apply any and all deposits, credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Purchasers to or for the credit or the account of such Guarantor, or any part thereof in such amounts as the Purchasers may elect, against and on account of the obligations and liabilities of such Guarantor to the Purchasers hereunder and claims of every nature and description of the Purchasers against such Guarantor, in any currency, whether arising hereunder, under the Purchase Agreement, any other Transaction Document or otherwise, as the Purchasers may elect, whether or not the Purchasers have made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Purchasers shall notify such Guarantor promptly of any such set-off and the application made by the Purchasers of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Purchasers under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Purchasers may have.

(g) Counterparts. This Guarantee may be executed by one or more of the parties to this Guarantee on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

(h) Severability. Any provision of this Guarantee which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(i) Section Headings. The Section headings used in this Guarantee are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

(j) Integration. This Guarantee and the other Transaction Documents represent the agreement of the Guarantors and the Purchasers with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Purchasers relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Transaction Documents.

(k) Governing Laws. All questions concerning the construction, validity, enforcement and interpretation of this Guarantee shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each of the Company and the Guarantors agree that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Guarantee (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York, Borough of Manhattan. Each of the Company and the Guarantors hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Guarantee and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Guarantee or the transactions contemplated hereby.

(l) Acknowledgements. Each Guarantor hereby acknowledges that:

(i) it has been advised by counsel in the negotiation, execution and delivery of this Guarantee and the other Transaction Documents to which it is a party;

(ii) the Purchasers have no fiduciary relationship with or duty to any Guarantor arising out of or in connection with this Guarantee or any of the other Transaction Documents, and the relationship between the Guarantors, on the one hand, and the Purchasers, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(iii) no joint venture is created hereby or by the other Transaction Documents or otherwise exists by virtue of the transactions contemplated hereby among the Guarantors and the Purchasers.

(m) Additional Guarantors. The Company shall cause each of its subsidiaries formed or acquired on or subsequent to the date hereof to become a Guarantor for all purposes of this Guarantee by executing and delivering an
Assumption Agreement in the form of Annex 1 hereto.

(n) Release of Guarantors. Each Guarantor will be released from all liability hereunder concurrently with the indefeasible repayment in full of all amounts owed under the Purchase Agreement, the Debentures and the other Transaction Documents.

(o) Seniority. The Obligations of each of the Guarantors hereunder rank senior in priority to any other Indebtedness (as defined in the Purchase Agreement) of such Guarantor.

(p) WAIVER OF JURY TRIAL. **EACH GUARANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, THE PURCHASERS, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTEE AND FOR ANY COUNTERCLAIM THEREIN.**

****

(Signature Pages Follow)

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee to be duly executed and delivered as of the date first above written.

SAFE-T DATA A.R LTD.

By: _____
Name:
Title:

SCHEDULE 1

GUARANTORS

The following are the names, notice addresses and jurisdiction of organization of each Guarantor.

Safe-T Data A.R Ltd. 8 Abba Eban Ave. Herzliya 4672526, Israel	COMPANY JURISDICTION OF INCORPORATION Israel	OWNED BY PERCENTAGE 100%

Annex 1 to
SUBSIDIARY GUARANTEE

ASSUMPTION AGREEMENT, dated as of ____ __, _____ made by _____, a _____ corporation (the "Additional Guarantor"), in favor of the Purchasers pursuant to the Purchase Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Purchase Agreement.

W I T N E S S E T H :

WHEREAS, [COMPANY, a [_____ corporation (the "Company") and the Purchasers have entered into a Securities Purchase Agreement, dated as of [_____ ___, 20__ (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement");

WHEREAS, in connection with the Purchase Agreement, the Subsidiaries of the Company (other than the Additional Guarantor) have entered into the Subsidiary Guarantee, dated as of [_____ ____, 20__ (as amended, supplemented or otherwise modified from time to time, the "Guarantee") in favor of the Purchasers;

WHEREAS, the Purchase Agreement requires the Additional Guarantor to become a party to the Guarantee; and

WHEREAS, the Additional Guarantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee. By executing and delivering this Assumption Agreement, the Additional Guarantor, as provided in Section 5(m) of the Guarantee, hereby becomes a party to the Guarantee as a Guarantor thereunder with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor thereunder. The information set forth in Annex 1 hereto is hereby added to the information set forth in Schedule 1 to the Guarantee. The Additional Guarantor hereby represents and warrants that each of the representations and warranties contained in Section 3 of the Guarantee is true and correct on and as the date hereof as to such Additional Guarantor (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. Governing Law. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GUARANTOR]

By: _____
Name:
Title:

Extraordinary General Meeting of Safe-T Group LTD.

Date: May 16, 2019

See Voting Instruction On Reverse Side.

Please make your marks like this: ☒ Use pen only

		For	Against	Abstain
1.	To appoint Mr. Chen Kaz as a member of the Company's Board of Directors, until the next annual general meeting of the Company's shareholders.	☐	☐	☐
2.	To appoint Ms. Noa Maschlach as a member of the Company's Board of Directors, until the next annual general meeting of the Company's shareholders.	☐	☐	☐
3.	To approve Mr. Chen Kaz's Proposed Compensation as set forth in the proxy statement, effective as of January 20, 2019.	☐	☐	☐
4.	To approve Mr. Amir Mizhar's terms of compensation as set forth in the proxy statement, effective as of January 20, 2019.	☐	☐	☐
5.	To re-appoint Mr. Yehuda Halfon for an additional (second) three-year term as an external director of the Company, commencing on the date of the Meeting; and To approve the payment of the remuneration set forth in this proxy statement to Mr. Halfon. In the event that during the term of Mr. Halfon's office, the Company grants options to purchase the Company's securities to its directors which do not hold executive positions with the Company, the Company will grant options to Mr. Halfon, on the same terms and in a manner conforming to the External Directors Compensation Regulations and the Company's Compensation Policy. Mr. Halfon will continue to benefit from the same insurance, indemnification and exculpation arrangements, as currently in effect for other Company's directors and officers.	☐	☐	☐
	Are you a controlling shareholder of the Company and or have a personal interest (as such terms are defined in the Companies Law and in the proxy statement, other than a personal interest that is not the result of the shareholder's connections with a controlling shareholder) in the re-appointment of Mr. Halfon as an external director of the Company and/or approval of his remuneration?*	Yes ☐	No ☐	
	* If you do not mark either Yes or No, your shares will not be voted for Proposal No. 5.			
6.	To appoint Mr. Moshe Tal for a first three year term as an external director of the Company, commencing on the date of the Meeting; and To approve the payment of the remuneration set forth in this proxy statement to Mr. Tal. In the event that during the term of Mr. Tal's office, the Company grants options to purchase the Company's securities to its directors which do not hold executive positions with the Company, the Company will grant options to Mr. Tal, on the same terms and in a manner conforming to the External Directors Compensation Regulations and the Company's Compensation Policy. Mr. Tal will benefit from the same insurance, indemnification and exculpation arrangements, as currently in effect for other Company's directors and officers.	☐	☐	☐
	Are you a controlling shareholder of the Company and or have a personal interest (as such terms are defined in the Companies Law and in the proxy statement, other than a personal interest that is not the result of the shareholder's connections with a controlling shareholder) in the appointment of Mr. Tal as an external director of the Company and/or approval of his remuneration?*	Yes ☐	No ☐	
	* If you do not mark either Yes or No, your shares will not be voted for Proposal No. 6.			
7.	To increase the Company's registered capital to 5,000,000,000 Ordinary Shares, no par value, and to amend and restate the Company's articles of association to reflect the same.	☐	☐	☐
8.	To adopt, authorize and approve the U.S. Addendum to the Safe-T Group Global Equity Plan, under which Insandex stock options may be granted to our U.S. subsidiary employees and to any other employees of any U.S. affiliate of the Company that may be incorporated in the future in accordance with the U.S. Internal Revenue Code of 1986, as amended, as described in the proxy statement.	☐	☐	☐
9.	To approve the (i) Nichia Transaction and the ensuring inc, execution, delivery and performance of the Share and Asset Purchase Agreement, and (ii) issuance and allocation of Ordinary Shares to be made in connection with the Nichia Transaction to Nerifna's shareholders and DWI, in its capacity as a seller of the Purchased Assets, in accordance with the provisions of the Share and Asset Purchase Agreement, all as set forth in this proxy statement; provided that such issuance and allocation shall be deemed approved as a material private offering, whose purpose is to give the acquiror at least 25% of the voting rights in the Company, and/or as a private offering whose purpose is to give the acquiror 45% of the voting rights in the Company, in accordance with Section 328(b) of the Companies Law.	☐	☐	☐
10.	To approve the (i) CLA Transaction and the ensuring inc, execution, delivery and performance of the CLA, and (ii) issuance and allocation of the Debentures and Warrants to the Lenders, as well as the ADSs, and the Ordinary Shares underlying same, originating from conversion or exercise of such Debentures and Warrants, in accordance with the provisions of the CLA, all as set forth in the proxy statement; provided that such issuance and allocation shall be deemed approved as a material private offering, whose purpose is to give the acquiror at least 25% of the voting rights in the Company, and as a private offering whose purpose is to give the acquiror 45% of the voting rights in the Company, in accordance with Section 328(b) of the Companies Law.	☐	☐	☐

Authorized Signatures - This section must be completed for your instructions to be executed.

Please Sign Here _____ Please Date Above _____

Please Sign Here _____ Please Date Above _____

↑ Please separate carefully at the perforation and return just this portion in the envelope provided. ↑

Extraordinary General Meeting of Safe-T Group LTD.
to be held on May 16, 2019
For Holders as of April 15, 2019

MAIL

- Mark, sign and date your Voting Instruction Form.
- Detach your Voting Instruction Form.
- Return your Voting Instruction Form in the postage-paid envelope provided.

For additional information, please visit:
https://www.safe-t.com/investors-relations/#generalmeetings

All votes must be received by 12:00 p.m. EST, on May 13, 2019.

PROXY TABULATOR FOR
SAFE-T GROUP LTD.
P.O. BOX 8016
CARY, NC 27512-9903

EVENT #

CLIENT #

Safe-T Group LTD.

Instructions to The Bank of New York Mellon, as Depositary
(Must be received prior to 12:00 p.m. EST on May 13, 2019)

The undersigned registered owner of American Depositary Shares hereby requests and instructs The Bank of New York Mellon, as Depositary, to endeavor, in so far as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by such Shares of **Safe-T Group LTD.** registered in the name of the undersigned on the books of the Depositary as of the close of business on **April 15, 2019** at the **Extraordinary General Meeting** of the Shareholders of **Safe-T Group LTD.** to be held on **May 16, 2019** or any postponement or adjournment thereof in respect of the resolutions specified on the reverse.

NOTES:

1. **Please direct the Depositary how it is to vote by placing an "X" in the appropriate box opposite each agenda item.**

PROXY TABULATOR FOR
SAFE-T GROUP LTD.
P.O. BOX 8016
CARY, NC 27512-9903