

## **SIDE LETTER**

November \_\_, 2021

Between:

**Keepers Child Safety Ltd.** (the “**Company**”)

515405066

Shoken 13, Tel Aviv

and

**Together Business Innovation (2018) Ltd.** (“**Together**”)

515804680

Medinat Hayehudim 85, Herzliya

and

**Meir Sharvit** (“**Meir**”)

I.D 029043304

A'aliya 33, Nahariya

(Together and Meir shall be referred to herein together as the “**Investors**”)

### **Ref: Together and Meir's Investment in Keepers Child Safety Ltd.**

We refer to the Simple Agreement for Future Equity instrument dated as of the date hereof and November 9, 2021 (as may be amended in accordance with its terms) between Together and the Company (the “**Together SAFEs**”). Capitalized terms not otherwise defined herein shall have the meaning ascribed to these in the Together Safe.

By executing this side letter agreement (this “**Agreement**”), the Company and Together agree as follows:

#### **1. THE INVESTMENT AND PARTICIPATION BY OTHER SHAREHOLDERS**

- (i) The Investors has a commitment in the Together SAFEs to fund the Company with an amount of US\$ 500,000 which would be transferred to the Company in three payments:
  - (A) US\$160,771 has been transferred to the Company on November 10, 2021.
  - (B) US\$89,229 shall be transferred to the Company not later than within 3 days following the fulfilment of the conditions to closing set forth in section 2 below.
  - (C) Additional US\$250,000 shall be transferred to the Company on December 5, 2021 but in no event before the fulfilment of the conditions to closing set forth in section 2 below.
- (ii) The Company will send a letter to its shareholders, in the form attached as **Schedule 1** hereto (the “**Offer**”), offering them to invest in the Company a minimum amount of US\$ 125,000 on similar terms to the Together SAFEs and the SPA between the Investors, Mr. Hanan Lipskin and the Company (the “**SPA**”), under the terms specified in **Schedule 1** (the “**Additional**

**Investments”**). If there will be Additional Investments, then the SPA will be amended to include the investors in such Additional Investments.

- (iii) The total investment in the Together SAFEs and the Additional Investments will be between US\$ 500,000 and US\$ 1,000,000 (the “**Upper Limit**”), subject to the responses from the shareholders to the Offer. If the responses of the shareholders exceed the Upper Limit (“**High Response Amount**”), then all shareholders who accepted the Offer will be included in the investment, but each shareholder will not invest the full amount he requested to invest, but a pro-rata amount, based on his part of the High Response Amount and the Upper Limit Provided however that the amount invested by the Investors under the SAFE shall not be lower than US\$333,000.

## 2. CONDITIONS TO CLOSING

- (a) Investors’ obligations under the Together Safe shall be conditional upon the following (unless waived by the Together):
  - (i) Finalizing and signing of the SPA in the form attached hereto as Schedule [\_\_\_\_], under which 247,415 shares (the “**Transferred Shares**”) shall be transferred to the Investors and the investors in the Additional Investments so that each of the investors will be entitled to such part of such shares equal to its part in the aggregate investment in the SAFEs. For example – in the event that the aggregate amount under the SAFE’s will be US\$1,000,000 and Together’s investment amount under the SAFEs will be US\$500,000, together shall be entitled to half of the Transferred Shares.
  - (ii) The approval of the Agreement and the adoption amended Articles of Association in a form attached as **Schedule 2(a)(iii)** in the meeting of the shareholders of the Company, hereto. Attached hereto as exhibit [\_\_\_\_] is the undertaking by Mr. Hanan Lipskin to vote his shares in order to approve the resolutions as set forth above and the Company providing the Investors a copy of resolution of such meeting to the shareholders of the Company.
  - (iii) The Company will enter into a new employment agreement with Mr. Aviad Meshel, in the form that shall be approved by Together.

## 3. ADDITIONAL REPRESENTATIONS AND WARRANTIES

Provision of Section 3(a)(v) of the Together Safe notwithstanding, the Company hereby represents, warrants, undertakes and covenants as of the date hereof, to the Investors as follows:

- (a) All corporate action on the part of the Company, its shareholders and directors necessary for the authorization, execution and delivery of the and performance of SAFE’s the SPA and this Agreement (and all exhibits thereto) (the “Transaction Documents”) and all of the Company’s obligations under the Transaction Documents have been taken. The Transaction Documents, when executed and delivered by or on behalf of the Company, shall constitute the valid and legally binding obligations of the Company, legally enforceable against the Company in accordance with their respective terms. Without derogating from the representations of the Company above, attached hereto as **Exhibit [ ]** is a copy of resolution of the Board of Directors of the Company approving the Transaction Documents. Without derogating from the representations of

the Company above, attached hereto as **Exhibit [ ]** is a copy of resolution of the meeting of the shareholders of the Company approving the Transaction Documents.

- (b) No consent, approval, order, license, permit, action by, or authorization of, or designation, declaration, notice to, or filing with, any third party or any governmental authority on the part of the Company is required that has not been obtained.

(c) Capitalization

- (i) The share capital of the Company on a fully-diluted basis (including the breakdown of all granted options) and calculated including (A) all shares issued and outstanding; (B) all converting securities (excluding under Together SAFEs and the Additional SAFEs); (C) all issued and outstanding options and promised options; and (D) the unissued option pool, is as set forth in the capitalization table attached hereto as **Schedule 3(a)(i)**.
- (ii) All issued and outstanding securities of the Company are, and upon the issuance of the SAFE Shares to the Investors in accordance with the Together SAFEs, the SAFE Shares will be, duly and validly authorized and issued, fully paid and non-assessable, and the Investors will own valid title to the SAFE Shares, free and clear from any encumbrances created by the Company.
- (iii) Except as set forth in **Schedule 3(a)(iii)** there is no Shareholders Agreement, Investors' Rights Agreement or other agreement between the Company and its shareholders.

(d) Subsidiaries and associations

Except as provided under **Schedule 3(b)**, the Company does not own or control nor has it agreed to acquire, directly or indirectly, any interest or any other right in any other corporation, association, or other business entity.

(e) Compliance with laws and other instruments

Subject to other representations hereunder (including with respect to data privacy), to the Company's knowledge, the Company is not, and has never been, in default or violation in any material respects, with all applicable laws relevant to the Company or to the conduct of operation of its business. The Company has not received any written notice of or been charged with the violation of any law and, to Company's knowledge, there is no threatened action or proceeding against the Company under any of such laws. Subject to other representations hereunder, to the Company's knowledge, as of the date hereof, the Company is not in a material violation of or default under (i) any provisions of its By Laws and Certificate of Incorporation; or (ii) any order, writ, injunction, decree or judgment of any court or any governmental department, commission or agency, domestic or foreign, to which it is subject or by which it is bound.

(f) Financials – No material liabilities

- (i) The Company's outstanding liabilities, do not exceed, individually and in the aggregate, US\$ **[ ]**. Company's outstanding liabilities above US \$25,000 are listed in **Schedule 3(d)(i)**.

- (ii) The financial statements of the Company as of December 31<sup>st</sup> 2020 and a balance sheet of the Company, as of September 30, 2021, both of which are confirmed and approved by [\_\_\_\_\_] are attached as **Schedule 3(d)(ii)**.
  - (iii) To the Company's knowledge, the Company is not a guarantor or indemnitor of any debt or obligation of another, nor has the Company given any loan, security or otherwise agreed to become liable for any obligation of any person. To the Company's knowledge, no person has given any guarantee of, or security for, any obligation of the Company. The Company did not extend any loans or advances to any person, other than advances for expenses to its employees in the ordinary course of business.
  - (iv) To the Company's knowledge, the Company maintains a standard system of accounting established and administered in accordance with Tax Basis of Accounting.
- (g) Intellectual property

For the purposes of this sub-paragraph 2(f), "**Company Intellectual Property**" means all patents, patent applications, registered and unregistered trademarks, trademark applications, registered and unregistered service marks, service mark applications, tradenames, copyrights, trade secrets, domain names, mask works, information and proprietary rights and processes, similar or other intellectual property rights, subject matter of any of the foregoing, tangible embodiments of any of the foregoing, licenses in, to and under any of the foregoing, and any and all such cases that are owned or used by the Company in the conduct of the Company's business as now conducted.

- (i) The Company owns or has the right to use, or can acquire on commercially reasonable terms, sufficient legal rights to all Company Intellectual Property without any known conflict with, or infringement of, the rights of others, including without limitation the past and present employees and consultants and employers of the past and present employees and consultants of the Company, free and clear of all liens, charges, claims and restrictions. To the Company's knowledge, no product or service marketed, sold or rendered (or proposed to be marketed, sold or rendered) by the Company violates or will violate any license or infringes or will infringe any intellectual property rights of any other person. Other than as provided under **Schedule 3(e)(i)** or with respect to commercially available software products under standard end-user object code or open source code or off the shelf software license agreements entered into in the ordinary course of business, all material agreement of which the Company is in compliance with, the Company is not bound by or a party to any options, licenses or agreements of any kind with respect to the patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information, proprietary rights and processes of any other person. Other than as provided under **Schedule 3(e)(i)**, and non-exclusive license agreements in the Company's standard form of license agreement and other than with respect to commercially available software products under standard end-user object code or open source code or off the shelf software license agreements entered into in the ordinary course of business, there are no outstanding options, licenses, agreements, claims, encumbrances or shared ownership interests of any kind relating to the Company Intellectual Property. Other than as provided hereof or under **Schedule 3(e)(i)**, the Company is not obligated or under any liability whatsoever (contingent or otherwise) to make any payments by way of royalties, fees or otherwise to any owner or licensee of, or other claimant to, any patent, trademark, service mark, trade name, copyright or other intangible asset, with respect to the use thereof or

in connection with the conduct of its business as currently conducted and as currently proposed to be conducted. The Company has not received and is not aware of any communications alleging that the Company has violated or, by conducting Company's business, would violate any of the patents, trademarks, service marks, trade names, copyrights, trade secrets, mask works or other proprietary rights or processes of any other person. To the Company's knowledge, no person has violated or is violating the Company Intellectual Property owned by the Company. The Company has obtained and possesses valid licenses to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with the Company's business.

- (ii) To the Company's best knowledge, all of the Company's current employees and consultants, that have entered into written agreements with the Company are subject to customary provisions of assignment of intellectual property rights. Other than as provided in **Schedule 3(e)(ii)**, to the Company's knowledge any and all Company Intellectual Property is currently being or will be developed by any employee or consultant of the Company is and shall be the sole property of the Company.

(h) Material agreements

For the purposes of this sub-paragraph 2(h), "**Material Agreements**" means:

- (i) any obligations (contingent or otherwise) of, or payments to, the Company in excess of US\$50,000 individually or in the aggregate;
- (ii) any license of any patent, copyright, trademark, trade secret or other proprietary right to or from the Company (other than non-exclusive licenses from the Company entered into in the ordinary course of business, or commercially available software products under standard end-user object code license agreements licensed to the Company);
- (iii) any grant of rights to manufacture, produce or assemble the Company's products to any other person;
- (iv) any agreement granting any other person the right to market, distribute or resell (including as an OEM or value-added reseller) any of the Company's technology, products or services;
- (v) any covenants, restrictions or limitations on the Company's right to do business (including, the Company's exclusive right to develop, manufacture, assemble, distribute, market or sell its products or services) or compete in any area, field or geography with any person (including any exclusivity with respect to any geographic territory, any customer, or any product or service),
- (vi) or any agreement providing any person a right of first notification, right of first offer, right of first refusal or exclusivity in case of a sale (or offer to sell) the Company or any of its shares or assets;
- (vii) any indemnification by the Company with respect to infringements of proprietary rights (other than non-exclusive licenses from the Company entered into in the ordinary course of business);

- (viii) any joint development agreement, joint venture agreement, collaboration agreement, strategic alliance agreement or agreement involving the sharing of profits, losses, costs or liabilities with any other person;
- (ix) any lien, charge, pledge or other encumbrance on the Company's material assets, properties or rights; or
- (x) any agreement for the sale, exchange or other disposition of any of the material assets or rights of the Company to any person, or of any person by the Company, other than the sale of inventory in the ordinary course of business;

To the Company's knowledge, the Material Agreements which were not yet terminated or expired, are valid, binding and in full force and effect, except (i) as limited and provided in the provision of each Material Agreements; (ii) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally; or (iii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies. To the Company's knowledge, neither the Company nor any other party thereto, is in a material breach of any Material Agreement. No party to any Material Agreement has made a written claim to the Company to the effect that the Company has failed to perform any material obligation thereunder, nor has any such party notified the Company of an intention to terminate, or not to renew, any such contract or agreement.

- (i) Labour matters
  - (i) The Company has no employment agreement or engagement with any officer, employee or consultant, which is not terminable by it at will without liability, upon up to 60 days prior notice.
  - (ii) To the Company's knowledge, the Company has complied, in all material respects, with all applicable employment laws, policies, procedures and agreements relating to employment, and terms and conditions of employment. To the Company's knowledge, the Company has paid in full to all of its respective employees and consultants all wages, salaries, commissions, bonuses, benefits and other compensation due and payable to such employees or consultants on or prior to the date of this Agreement. The Company has complied in all material respects with the applicable laws relating to the proper withholding and remittance to the proper tax and other authorities of all sums required to be withheld from employees or persons deemed to be employees under applicable laws.
  - (iii) To the Company's knowledge, no current employee of the Company nor any current consultant with whom the Company has contracted, is in violation of any material term of any employment or engagement contract with the Company, assignment agreement, non-competition agreement, restrictive covenant or any other contract or agreement with the Company, or is subject to any judgment, decree or order of any court or administrative agency, that would materially interfere with such employee's or consultant's ability to promote the interest of the Company or to comply with its obligations to the Company (including the obligation to assign intellectual property rights) or that would conflict with the Company's business, and the continued employment or engagement of such employee or consultant by the Company will not result in any such material violation. The Company has not received any notice alleging that any such violation has occurred.

(j) Taxes

- (i) The Company has duly and timely filed all tax returns and reports (including information returns and reports) as required by applicable law. Each such return or report was true and complete in all material respects when filed. Except as stated in **Schedule 3(h)(i)**, none of such returns or reports has been audited by any taxing authority and the Company has not been advised that any of such returns or reports will be audited. Except as stated in **Schedule 3(h)(i)**, there is no pending (or threatened by written notice delivered to the Company prior to the date hereof) dispute, examination, audit, claim or other action concerning any tax or tax return of the Company claimed or raised by any tax authority. Except as stated in **Schedule 3(h)(i)**, any and all taxes and other charges due by the Company to any local or foreign tax authorities (including, without limitation, those due in respect of the properties, income, franchises, licenses, sales or payrolls) have been timely paid and the Company is unaware of any possible claim by any tax authority. Except as stated in **Schedule 3(h)(i)**, the Company has never had any tax deficiency proposed or assessed against it and has not executed any waiver of any statute of limitations on the assessment or collection of any tax or governmental charge. The Company has not incurred any taxes, assessments or governmental charges other than in the ordinary course of business. To the Company's knowledge, the Company is not subject to tax in any country other than its jurisdiction of incorporation by virtue of being treated as a resident of or having a permanent establishment or other place of business in that country, and no claim has ever been made by a tax authority in a jurisdiction where the Company does not file tax returns that it is or may be subject to taxation by that jurisdiction.
- (ii) The Company is not subject to any tax ruling nor has it ever applied to receive any tax determination or ruling.

(k) Litigation

To the Company's knowledge, except as provided in **Schedule 3(i)**, there is no claim, action, suit, proceeding, arbitration, complaint, charge or, investigation pending, or, to the Company's knowledge, currently threatened against the Company, any of its properties, or any officer, director or employee of the Company, including, without limitation, arising out of their employment or board relationship with the Company or in their capacity as such. Neither the Company nor, to the Company's knowledge, any of its officers, directors, consultants or employees is a party or is named as subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality (in the case of officers, directors or employees, such as would affect the Company). There is no action, suit, proceeding or investigation by the Company pending or which the Company intends to initiate. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or, to the Company's knowledge, threatened (or any basis therefor known to the Company) involving the prior engagement of any of the Company's employees, their services provided in connection with the Company's business, any information or technologies allegedly proprietary to any of their former employers or their obligations under any agreements with former employers.

(l) Insolvency

- (i) No receiver or receiver and manager has been appointed in respect of the Company or in respect of the whole or any part of the assets, properties or undertaking of the Company.

- (ii) No administration order has been made and no petition has been presented for such an order in respect of the Company.
  - (iii) No resolution has been passed in a meeting for the winding up of the Company.
  - (iv) No unsatisfied judgment, order or award is outstanding against the Company and no distress or execution has been levied on, or other process commenced against, any asset of the Company.
- (m) Disclosure

The Company has made available to the Investors all the information reasonably available to the Company that the Investors has requested for deciding whether to enter into the Together Safe and this Agreement. To the Company's knowledge, no representation or warranty of the Company contained in the Together Safe or this Agreement contains any untrue statement of a material fact or, to the Company's knowledge, omits to state a material fact necessary in order to make the statements contained therein or herein not misleading in light of the circumstances under which they were made. There is no material fact or information relating to the business, condition (financial or otherwise), affairs, operations, or assets of the Company that has not been disclosed in writing to the Purchasers by the Company.

#### 4. **BOARD OBSERVER AND REPRESENTATION RIGHTS**

(a) The Investors shall have the right to designate three members of the Board of Directors of the Company (the “**Board**” and the “**Investors’ Directors**”), one of which would be appointed by Meir and two would be appointed by Together, or in lieu of each of such members, nonvoting observers. However, if there will be Additional Investments by the Company’s shareholders, and if any Additional Investment of a shareholder will be at a minimum amount of US\$ 333,000, then any such shareholder will have the right to appoint a member of the Board instead of one of the Investors’ Directors (the “**Additional Shareholders’ Directors**”).

(b) The Investors’ Directors and the Additional Shareholders’ Directors shall be entitled to receive options to purchase shares of the Company, at a total amount of 224,865, so that each of the three director to be appointed by the investors shall be entitled to options to purchase up to 74,955 shares of the Company at an exercise price of NIS 0.01 per share.

(c) In that regard, the representative and/or observer shall receive (at the same time and in the same manner provided to the directors) notice of and copies of all materials provided to directors in connection with all meetings of the Board of Directors; provided that the representative and/or observer shall agree in advance and in writing to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided or otherwise learned by him/her in such capacity, in a form required by the Company, and to disclose to the Company any personal interest or a conflict of interest in an existing or proposed transaction of the Company, without delay and not later than the Board of Directors meeting at which the transaction is first discussed by the Board of Directors.

#### 5. **INFORMATION RIGHTS**

the Investors shall be entitled to receive from the Company (1) information regarding the accounting records of the Company, and (2) any and all reasonable information it requires in order to comply with ongoing reporting obligations that the Investors is required to make under any law and regulations as a public traded company.

**6. EMPLOYMENT OF MR. AVIAD MESHEL BY THE COMPANY**

The Company and the Investors agree that the Company will enter into a new employment agreement with Mr. Aviad Meshel, who will serve as the CEO of the Company for a minimum term of 12 months, in the form that shall be approved by Together.

**7. MISCELLANEOUS**

(a) Neither this Agreement nor the rights contained herein may be assigned, by operation of law or otherwise, by the Investors without the prior written consent of the Company; *provided*, however, that this Agreement and/or the rights contained herein may be assigned without the Company's consent by the Investors to any other entity who directly or indirectly, controls, is controlled by or is under common control with the Investors , including, without limitation, any general partner, managing member, officer or director of the Investors, or any venture capital fund now or hereafter existing which is controlled by one or more general partners or managing members of, or shares the same management company with, the Investors.

(b) No provision of this Agreement may be amended, waived or modified without the written consent of both the Company and the Investors.

(c) The choice of law governing any dispute or claim arising out of or in connection with this Agreement shall be consistent with that set forth in the Together Safe.

(d) For the avoidance of doubt, Together will not be entitled to any finder's fee and/or commission of any kind in connection with this Agreement, the Together SAFEs and the SPA, including any cash success fee and/or warrants under previous agreements between Together and the Company.

[Signature page follows]

**IN WITNESS WHEREOF**, the undersigned have caused this Agreement to be duly executed and delivered.

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**Keepers Child Safety Ltd.**

**By:**

**Title:**

**Email:**

**Address:**

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**Together Business Innovation (2018) Ltd.**

**By:**

**Title:**

**Email:**

**Address:**

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**Meir Sharvit**

**Title:**

**Email:**

**Address:**

*[Signature Page - Side Letter - Keepers - Together - Safe 2021]*

## **SCHEDULE 1**

**SCHEDULE 2(a)(i)**  
**CURRENT CAPITALIZATION TABLE**