

## AMENDED AND RESTATED SHAREHOLDERS' RIGHTS AGREEMENT

**THIS AMENDED AND RESTATED SHAREHOLDERS' RIGHTS AGREEMENT** (this "**Agreement**") is made and entered into as of March 12, 2015, by and among Prana Essentials, Inc., a company incorporated under the laws of the State of Delaware (the "**Company**") and the parties listed in **Schedule A** attached hereto (each, a "**Shareholder**" and collectively, the "**Shareholders**"). The Company and the Shareholders shall be sometimes referred to collectively as the "**Parties**" and separately as a "**Party**").

### WITNESSETH:

**WHEREAS**, the Company and certain Shareholders are parties to that certain Shareholders Rights Agreement dated as of November 30, 2014 (the "**Prior Agreement**"), and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement, *in lieu* of the rights granted to them under the Prior Agreement; and

**WHEREAS**, the Shareholders desire to make certain provisions, as hereinafter set forth regarding the ownership of the Company's shares and relating to the rights and obligations of the Shareholders as shareholders of the Company.

**NOW, THEREFORE**, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, and intending to be legally bound hereby, the Parties agree as follows:

### **1. Definitions**

In this Agreement, unless the context otherwise requires:

1.1. "**Board of Directors**" shall mean the Board of Directors of the Company.

1.2. "**Control**" shall mean the ownership (of record or beneficially) or control of a majority of the voting rights or other voting interests of the applicable entity and/or the ability to appoint or elect a majority of the members of the board of directors (or similar organ) of such entity and/or the ability to direct the operations of the entity.

1.3. "**Equity Securities**" shall mean any shares of the Company, options, warrants, securities, convertible deeds, convertible notes and loans, and other rights exercisable or convertible into shares of the Company.

1.4. "**IPO**" shall mean an initial public offering of Company shares pursuant to an effective registration statement under the US Securities Act of 1933, as amended, or any equivalent law of another jurisdiction.

1.5. "**Investor(s)**" the investors under the Share Purchase Agreements dated June 22, 2011 (including any Joinder thereto), April 2, 2012, June 13, 2012, September 20, 2012, January 29, 2013 and March 12, 2015 (the "**Share Purchase Agreements**").

1.6. "**Liquidation**" shall mean the liquidation or winding up of the Company (whether voluntary or involuntary), the lawful commencement of any bankruptcy or insolvency proceeding under any bankruptcy or insolvency or similar law (whether voluntary or involuntary), by or against the Company, or the appointment of a receiver or liquidator to all or substantially all of the Company's assets or the making an assignment for the benefit of creditors.

1.7. "**New Securities**" shall mean any Equity Securities, *excluding* (i) shares issued upon the exercise of options or warrants or other rights to purchase shares of the Company;

(ii) shares, warrants and options to purchase shares issued to employees, advisors, service providers, officers or directors of the Company, pursuant to an approved Company incentive plan; (iii) securities issued as part of an event of share combination or subdivision, distribution of bonus shares or any other similar reclassification, reorganization or recapitalization of the Company's share capital ("**Recapitalization Event**"); (iv) Equity Securities issued in any public offering of the Company's securities; (v) Equity Securities issued as consideration for the acquisition by the Company of another business entity or the merger of any business entity with or into the Company; and (vi) Equity Securities that the Board has unanimously resolved that shall not be deemed New Securities.

1.8. "**Permitted Transferee**" shall mean with respect to a Shareholder: (i) such Shareholder's spouse, child, parent or sibling (including step and adopted children, siblings and parents) ancestors or descendants, and any trusts for the benefit of a Shareholder or any such persons; (ii) any person or entity which Controls, is Controlled by or is under common Control with such Shareholder (*provided, however*, that if such person or entity does not remain so Controlled or Controlling, then the Equity Securities shall be transferred back to the original Shareholder); (iii) if such Shareholder is a trust or trustee, the beneficiary or beneficiaries thereof; (iv) if such Shareholder is a company - such Shareholder's shareholders in the event of the dissolution of such Shareholder; and (v) if such Shareholder is a limited or general partnership - its partners, affiliated partnerships managed by the same management company or managing (general) partner or by an entity which Controls, is Controlled by, or is under common Control with, such management company or managing (general) partner.

1.9. "**M&A Transaction**" shall mean a transaction or a series of related transactions which entails a consolidation, merger or reorganization of the Company with or into, or a sale of all or substantially all of the Company's assets, or substantially all of the Company's issued and outstanding share capital, excluding a transaction in which shareholders of the Company prior to the transaction will maintain voting control of the resulting entity after the transaction (*provided, however*, that shares of the surviving entity held by shareholders of the Company acquired by means other than the exchange or conversion of the shares of the Company shall not be used in determining if the shareholders of the Company own more than fifty percent (50%) of the voting power of the surviving entity (or its parent), but shall be used for determining the total outstanding voting power of the surviving entity).

1.10. "**Transfer**" shall mean any sale, assignment, transfer, pledge, conveyance, hypothecating or other disposal or encumbrance.

## **2. Transfer and Transmission of Shares**

Until the consummation of an IPO, any Transfer of Equity Securities shall be conditioned upon the following:

2.1. The approval of the Board of Directors, which may, at its sole discretion, refuse to approve a Transfer of Equity Securities, without need to provide reasons for its decision, provided that such approval shall not be unreasonably withheld. Notwithstanding, the Board of Directors' approval shall not be unreasonably withheld in the event of a Transfer to a Permitted Transferee; and

2.2. The transferee shall have agreed in writing to be bound by the terms applicable to and the obligations of the transferor under this Agreement, the Company's Bylaws, Certificate of Incorporation, and all other agreements involving the Company in respect of the transferred Equity Securities and their holding.

### **3. Right of First Refusal**

3.1. Except for Transfers to Permitted Transferees, until the consummation of an IPO, any Shareholder wishing to Transfer any of its Equity Securities (the “**Offered Shares**”) pursuant to the terms of a bona fide offer received from any person or entity (including another Shareholder) (the “**Third Party**”), must first offer the Offered Shares to the other Shareholders (the “**Offerees**”), on terms and conditions not less favorable than those proposed by the Third Party, by a written notice to the Offerees, with a copy to the Company (the “**Notice of Sale**”).

For the purposes of this Section 3, a Shareholder wishing to Transfer any Equity Securities shall be referred to as the “**Selling Shareholder**”.

3.2. The Notice of Sale shall state the number and kind of Offered Shares, whether the Offered Shares will, upon the Transfer, be free of all liens, charge and encumbrances, that a bona fide offer has been received from the Third Party and the terms of the offer, the identity of the Third Party and the price and terms of payment for the Offered Shares.

3.3. Each Offeree shall be entitled to purchase its Proportional Part (as defined below) of the Offered Shares, or any portion thereof, at the price and under the conditions stated in the Notice of Sale, within fifteen days (15) of its receipt (the “**Notice Period**”), by giving written notice of his wish to do so to the Selling Shareholder, with copies to the Company (the “**Response Notice**”).

Each Offeree shall also be entitled to purchase Offered Shares that are not purchased by the other Offerees, by so indicating in the Response Notice. If the Response Notices, in the aggregate, are in respect of more than the Offered Shares, then the accepting Offerees shall be cut back with respect to their oversubscriptions, on a pro-rata basis between them in proportion to their respective Proportional Parts.

The “**Proportional Part**” of each Shareholder for the purposes hereof shall equal the number of aggregate Offered Shares multiplied by a fraction, the numerator of which is the number of Company shares then held by such Offeree and the denominator of which is the aggregate number of shares then held by all Offerees.

3.4. The Response Notice shall, when taken in conjunction with the offer as set forth in the Notice of Sale, be deemed to constitute a valid, legally binding and enforceable agreement for the sale and purchase of such Offered Shares.

3.5. If a Response Notice has not been given by an Offeree within the Notice Period, then such Offeree shall be deemed to have waived its right of first refusal pursuant to this Section 3.

3.6. Upon expiration of the Notice Period:

3.6.1. If the Response Notices, in the aggregate, are in respect of all of, or more than, the Offered Shares, then the Offerees who sent such Response Notices shall acquire the Offered Shares, on the terms aforementioned, at a closing that shall take place (i) within seven (7) days following the expiration of the Response Period (or any such other date as shall be agreed upon between the parties); or (ii) upon the closing of the Third Party transaction, as applicable.

3.6.2. In the event that the Offerees have not realized their first refusal rights hereunder in their entirety, then the Selling Shareholder shall be entitled to transfer the Offered Shares to the Third Party, within ninety (90) days thereafter, except that the Offered Shares may not be sold at a price and under conditions more favorable to the transferee than the price and conditions under which they were offered to the Offerees.

3.7. If the Offered Shares have not been sold within the aforesaid ninety (90) days, their Transfer shall once again be subject to the provisions of this Section 3.

3.8. The right of first refusal granted to the Shareholders under this Agreement is non-transferable other than in conjunction with the Transfer of Equity Securities by such Shareholder.

#### **4. Bring Along**

4.1. In the event that, prior to the consummation of an IPO, any person or entity (including another Shareholder) (“**Purchaser**”), (i) offers to purchase all of the issued share capital of the Company, whether in one transaction or in a series of related transactions (the “**Purchase Offer**”), and (ii) Shareholders holding at least 80% of the voting power in the Company (the “**Selling Shareholders**”) agree to accept the Purchase Offer, then all other Shareholders (the “**Remaining Shareholders**”) shall be obligated to sell their shares upon the closing of the Purchase Offer agreement (the “**Closing**”) on the terms and conditions thereof and shall not object to, shall vote in favor of, execute the relevant documentation in connection with and otherwise take all necessary and reasonable actions relating to, such sale, *provided, however*, that (a) no Remaining Shareholder shall be obligated to make any out-of-pocket expenses in connection with the Purchase Offer; and (b) in the event that the Remaining Shareholders are required to provide any representations or indemnities in connection with the Purchase Offer (other than customary representations and indemnities), then each Remaining Shareholder shall not be liable for more than its pro-rata share (based upon the amount of consideration received) of any liability for misrepresentation or indemnity and in any event such liability shall not exceed the total consideration received by such Remaining Shareholder for its shares pursuant to this Section 4. At the closing, the Selling Shareholders and the Remaining Shareholders shall deliver to the Company certificates for such shares duly endorsed, or accompanied by written instruments of transfer duly executed by such Selling Shareholders and/or Remaining Shareholders, free and clear of any liens, charges, claims, rights or encumbrances whatsoever, or shall approve and vote in favor of such sale in the Purchase Notice, as the case may be.

4.2. If a Selling Shareholder or a Remaining Shareholder is obligated to sell its shares, or approve and vote in favor of such sale in accordance with this Section 4, and such Selling Shareholder or Remaining Shareholder fails to deliver the certificates representing such shares in accordance with the terms of this Section 4 or fails to approve and vote in favor of such sale, the Company shall cancel on its register of the shareholders (the “**Register**”) the certificate or certificates representing the shares required to be sold pursuant to this Section 4 (and shall issue new certificates in the name of the Purchaser) and such shares in the possession of the Selling Shareholder or Remaining Shareholder, as the case may be, shall cease to be outstanding for any purpose other than evidencing such Selling Shareholder or Remaining Shareholder’s right to receive the consideration for its shares, whereupon all of the rights of such Selling Shareholder or Remaining Shareholder in and to such shares shall terminate. Further, the Board of Directors shall be authorized to establish an escrow account, for the benefit of such failing Selling Shareholder or Remaining Shareholder, as applicable, into which the consideration for such securities represented by such cancelled certificate shall be deposited and to appoint a trustee to administer such account.

5.4. The provisions of Sections 2 and 3 shall not apply to a Purchase Offer pursuant to this Section 4. The provisions of this Section 4 shall not apply to an IPO.

#### **5. Pre-Emptive Right**

5.1. Until the consummation of an IPO, each of the Shareholders shall have the pre-emptive right to purchase its pro-rata portion, or any part thereof, of any New Securities that the Company may, from time to time, propose to sell and issue.

5.2. The Shareholder’s pro-rata portion shall be the ratio of the number of shares of

the Company held by such Shareholder as of the date of the Rights Notice (as defined below), to the aggregate number of shares held by all Shareholders as of such date.

Each Shareholder shall be also entitled to purchase any New Securities that are not purchased by the other Shareholders, by indicating such intent in its response notice to the Company as set forth below, *provided, however*, that if such over-subscriptions exceed the total number of New Securities available for sale and issue by the Company in such instance, then the over-subscriptions shall be cut back in accordance with each Shareholder's pro-rata portion calculated based on ratio of the number of shares of the Company held by such Shareholder as of the date of the Rights Notice, to the aggregate number of shares held by all other Shareholders entitled to and who intend to participate in the over-allotment as aforesaid, as of such date.

5.3. If the Company proposes to issue New Securities, it shall deliver to the Shareholders written notice thereof (the "**Rights Notice**") stating its bona fide intention to offer such New Securities, describing the New Securities, the price thereof, the general terms upon which the Company proposes to issue them, and the number of New Securities that the Shareholder has the right to purchase under this Section and the aggregate purchase price payable therefor. Each Shareholder shall then be entitled to notify the Company, by written notice received by the Company within fifteen (15) days after receipt of the Rights Notice by such Shareholder, of the number of New Securities it wishes to purchase or obtain, at the price and on the terms specified in the Rights Notice.

5.4. If any Shareholder fails to provide the Company its notice as aforesaid within fifteen (15) days, then such Shareholder shall be deemed to have waived its pre-emptive right pursuant to this Section 5.

5.5. If the Shareholders fail to exercise in full their pre-emptive right within the period or periods specified in Section 5.3 above, then the Company may, during the ninety (90) day period following the expiration of the fifteen (15) days' period, offer New Securities unsubscribed for by the Shareholders to any person or persons at a price not less than, and upon terms no more favorable to the offeree, than those specified in the Rights Notice. If the Company does not consummate the sale of the New Securities within such period, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first re-offered to the Shareholders in accordance herewith.

5.6. The pre-emptive right granted to the Shareholders under this Section is non-transferable other than in conjunction with the Transfer of Equity Securities by such Shareholder.

## **6. Co-Sale**

6.1. Except for Transfers to Permitted Transferees, until the consummation of an IPO, in the event of a Transfer of Initial Equity Securities by Mr. Yaron Meerfeld (the "**Founder**"), for as long as the Founder is employed as a senior officer of the Company, each Offeree may, within the Notice Period, in lieu of exercising its right of first refusal set forth in Section 3 above, by written notice to the Company and such Selling Shareholder (the "**Co-Sale Response Notice**"), elect to participate in such Transfer in an amount equal to all or part of such Offeree's Co-Sale Proportional Part (as defined below) of the Offered Shares, on the terms and conditions set forth in the Notice of Sale (a "**Selling Offeree**"). "**Initial Equity Securities**" shall mean any of the 47,500 shares of common stock issued to the Founder by the Company upon incorporation.

6.2. The "**Co-Sale Proportional Part**" of each Offeree in this context shall equal the aggregate Offered Shares multiplied by a fraction, the numerator of which is the number of shares then held by such Offeree and the denominator of which is the aggregate number of shares then held by all Selling Offerees and the Founder.

6.3. The Co-Sale Response Notice shall, when taken in conjunction with the offer as contained within the Notice of Sale, be deemed to constitute a valid, legally binding and enforceable agreement for the sale of such Offered Shares.

6.4. If an Offeree elects to participate in this right of co-sale, the Founder shall ensure that the proposed Transfer includes the amount of Equity Securities so requested to be transferred by such Selling Offeree, in lieu of such Founder's Offered Shares as set forth in the Notice of Sale.

## **7. Effect of Change in Company's Capital Structure**

If, from time to time until consummation of an IPO, there is any Recapitalization Event or other change in the character or amount of any of the outstanding shares of the Company, and in any event that any of the Shareholders purchases or otherwise acquires any additional Equity Securities, then in such event any and all new, substituted or additional Equity Securities to which a Shareholder is entitled by reason of its ownership of Equity Securities or that by reason of such transaction are distributed with respect to Equity Securities or into which such Equity Securities thereby become convertible or that are purchased or otherwise acquired by a Shareholder, shall be immediately subject to the rights and obligations set forth in this Agreement, with the same force and effect as the shares subject to such rights immediately before such event.

## **8. Board of Directors**

8.1. Agreement to Vote. Each Shareholder agrees to vote all shares beneficially owned by such Shareholder in accordance with the provisions of this Section 8.

8.2. Number of Directors. Each Shareholder agrees to vote all shares beneficially owned by such Shareholder at any regular or special meeting of stockholders (or consent pursuant to a written consent in lieu of such meeting) to ensure that the total number of authorized directors of the Company shall be set and remain at six (6) directors.

8.3. Election of Directors. At any time at which shareholders of the Company will have the right to or will vote shares of capital stock of the Company in an election of directors, including by written consent, each Shareholder shall vote all shares of capital stock of the Company presently owned or hereafter acquired by it in favor of the following action:

(a) to cause and maintain the election to the Board of Directors of three individuals nominated by holders of the majority of the issued and outstanding share capital of the Company (the "**Majority Directors**");

(b) to cause and maintain the election to the Board of Directors of one individual nominated by the Founder as long as the Founder holds more than 13% of the issued and outstanding share capital of the Company (the "**Meerfeld Director**");

(c) to cause and maintain the election to the Board of Directors of two individuals nominated by Investors holding a majority of the shares purchased pursuant to the Share Purchase Agreements (the "**Investors Directors**").

8.4. Removal of Directors. Each of the directors designated in Section 8.3 shall be elected at any annual or special meeting of stockholders (or by written consent in lieu of a meeting of stockholders) and shall serve until his or her successor is elected and qualified or until his or her earlier resignation or removal, provided that:

(a) The Majority Director may be removed during his or her term of office, with or without cause, by and only by the written consent of holders of the majority of the issued and outstanding share capital of the Company;

(b) The Meerfeld Director may be removed during his or her term of office, with or without cause, by and only by the written consent of the Founder (as long as the Founder holds more than 13% of the issued and outstanding share capital of the Company); and

(c) The Investors Director may be removed during his or her term of office, with or without cause, by and only by the written consent of Investors holding a majority of the shares purchased pursuant to the Share Purchase Agreements.

## **9. Notices**

All notices and other communications required or permitted hereunder to be given to a Party shall be in writing. All notices shall be given by registered mail (postage prepaid), by facsimile or email or otherwise delivered by hand or by messenger to the Parties' respective addresses as set forth below and as shall be designated by notice from time to time. Any notice sent in accordance with this Section shall be deemed received upon the earlier of: (i) if sent by facsimile or email, upon transmission and confirmation of transmission or (if transmitted and received on a non-business day) on the first business day following transmission and confirmation of transmission; (ii) if sent by registered mail, upon 3 (three) days of mailing; (iii) if sent by messenger, upon delivery; and (iv) the actual receipt thereof.

If to the Company: Prana Essentials, Inc.  
Attn.: Mr. Yaron Meerfeld  
14 Imber St. Petach Tikva, Israel

With a copy to: Horn & Co. - Law Offices  
Attn: Yuval Horn, Adv.  
5 Azrieli Center  
The Square Tower, 40th Floor  
Tel-Aviv 67021, Israel

If to the Shareholders: To the addresses set forth in **Schedule A**.

## **10. Miscellaneous**

10.1. Further Assurances. Each of the Parties shall perform such further acts and execute such further documents as may reasonably be necessary to carry out and give full effect to the provisions of this Agreement and the intentions of the Parties as reflected thereby.

10.2. Expenses. Each Party shall bear its own expenses incurred in connection with this Agreement and the consummation of the transactions contemplated hereby.

10.3. Headings; Interpretation. All article and section headings herein are inserted for convenience only and shall not be used for any purposes, including for the construction or interpretation of any provision of this Agreement. Unless the context requires otherwise, words importing the singular shall include the plural and vice versa; words importing the masculine gender shall include the feminine and words importing persons shall include bodies corporate.

10.4. Entire Agreement. This Agreement, including all schedules attached thereto, constitutes the full and entire understanding and agreement between the Parties with regard to the subject matters hereof and thereof and terminates and replaces any previous

agreements and/or arrangements between the Parties relating thereto, including the Prior Agreement.

10.5. Amendment; Waiver. Any term of this Agreement may be amended only with the written consent of the Company and the holders of shares representing 60% of the voting power in the Company (and shall be thereupon binding on all Parties). Notwithstanding the foregoing, any amendment to Sections 8.3 and 8.4, which amends a Party's right to nominate or consent to the removal of directors, shall require the consent of such Party (for as long as such Party is entitled to such right). No delay or omission to exercise any right, power, or remedy accruing to any Party upon any breach or default under this Agreement, shall be deemed a waiver thereof or of any other breach or default theretofore or thereafter occurring. The observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) with the written consent of the Party against such waiver is sought.

10.6. Assignment. Except as otherwise limited herein, this Agreement and the provisions hereof shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and assigns. None of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred without the prior consent in writing of the Parties, except that (a) a Shareholder may freely assign this Agreement to a party that has acquired the Shareholder's shares in accordance with the provisions of this Agreement, the Bylaws and the Certificate of Incorporation, as may be amended from time to time in accordance with their terms, and has agreed to be bound by the terms of this Agreement, the Bylaws and the Certificate of Incorporation, as may be amended from time to time in accordance with their terms; and (b) the Company may freely assign this Agreement to a successor in interest.

10.7. Governing Law; Jurisdiction. This Agreement shall be governed by and construed according to the laws of the State of Israel, except, that the provisions applicable to the Company's shares and/or the exercise of rights by virtue of any shareholding in the Company shall be governed by and construed according to the laws of Delaware. The Parties hereby irrevocably submit to the jurisdiction of the courts of Tel-Aviv in respect of any dispute or matter arising out of or connected with this Agreement.

10.8. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Facsimile or email signatures of a Party shall be binding as evidence of such Party's agreement hereto and acceptance hereof.

10.10. Additional Shareholders. Upon the future purchase by any person or entity of any Ordinary Shares or preferred shares of the Company, either from the Company or from any other shareholder thereof, such purchased shares shall be subject to the provisions of this Agreement and such purchaser shall become bound by the provisions of this Agreement as a Party hereunder, subject to the approval of the Company's Board of Directors. Schedule A hereof shall be updated automatically to reflect such joining to the Agreement.

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*[Signature Page to Prana Essentials, Inc. Amended and Restated Shareholders' Rights Agreement]*

**IN WITNESS WHEREOF** the Parties have signed this Shareholders Rights Agreement as of the date first hereinabove set forth.

**PRANA ESSENTIALS, INC.**

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Name: Yaron Meerfeld

Title: CEO

**IN WITNESS WHEREOF** the Parties have signed this Amended and Restated Shareholders Rights Agreement as of the date first hereinabove set forth.

Additional Shareholder:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone: \_\_\_\_\_

**SCHEDULE A**  
**THE SHAREHOLDERS**