

## MTI Wireless Edge Ltd. (the "**Company**")

### **Shareholders' Agreement**

Below are details of the main points of an agreement between Mokirei Aya Ltd. (individually and by means of a corporation wholly controlled and owned by it) (a company owned equally by Messrs Zvi Borovitz, Amelia Borovitz-Brill, Moshe Borovitz, and Alexander Borovitz (i.e. 25% each)) ("**Mokirei Aya**"), Zvi Borovitz, Moshe Borovitz, and Jacques and Rina Beer (the "**Beer Family**"), that was executed simultaneously with the Merger Agreement, and which will come into effect (subject to qualifications as specified below) on the date of the completion of the Merger (the "**Shareholders' Agreement**" and the "**Completion Date**" respectively). The main points of the Shareholders' Agreement are as follows:

- (1) The Shareholders' Agreement will take effect, subject to the completion of the Merger by no later than 31 August 2018, as of the date on which the parties thereto shall receive the shares of the Company to which they are entitled based on the Merger Agreement in place of their shares in MTI Computers and Software Services (1982) Ltd. ("**MTIC**")<sup>1</sup>, other than the undertakings provided by Mokirei Aya and the Beer Family not to dispose of the MTIC shares held by them on the date of execution of the Shareholders' Agreement,<sup>2</sup> which shall expire on the Completion Date.
- (2) The Shareholders' Agreement will only apply to the parties with respect to their holdings of the Company's shares on the date of the execution thereof and their holdings of the Company's shares which they shall receive pursuant to the Merger Agreement in place of their shares in MTIC on the Completion Date (as applicable) (the "**Effective Holdings**"). Except with respect to paragraphs (5)-(7) below the Shareholders' Agreement shall not apply to any additional shares of the Company acquired by the parties thereto following the Completion Date and will not apply to the shares purchased by Zvi Borovitz or Moshe Borovitz upon exercise of the options over the Company's shares held by them<sup>3</sup>.
- (3) For as long as the Shareholders' Agreement is in effect, the Beer Family shall not enter into a voting and/or joint holding and/or coordination and/or collaboration agreement with another holder of the Company's Shares.

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<sup>1</sup> On said date, subject to completion of the Merger, the shareholders' agreement between Mokirei Aya and the Beer Family dated 12 January 2017 in relation to their holdings of the MTIC shares, shall lapse.

<sup>2</sup> As of the date of the execution of the Shareholders' Agreement, the parties' holdings of the MTIC shares are as follows: Mokirei Aya holds both directly and indirectly by means of a corporation wholly owned and controlled by it, 5,472,391 ordinary shares of MTIC, constituting approximately 47.18% of MTIC's issued and paid up share capital and the voting rights therein, and the Beer Family holds 1,874,537 ordinary shares of MTIC, constituting approximately 16.16% of MTIC's issued and paid up share capital and the voting rights therein.

<sup>3</sup> Said holdings of the Company's shares on the Completion Date according to the Conversion Ratio (as defined in the Merger Agreement) as of the date of the execution of the Shareholders' Agreement amount to approximately 39,777,952 of the Company's shares that on the Completion Date shall constitute approximately 45.70% of the Company's issued and paid up share capital and the voting rights therein (approximately 45.44% assuming full dilution): Approximately 28,833,511 of the Company's shares held by Mokirei Aya, approximately 9,876,758 of the Company's shares held by the Beer Family, approximately 946,429 of the Company's shares held by Zvi Borovitz, and approximately 121,254 of the Company's shares held by Moshe Borovitz.

- (4) The Shareholders' Agreement will lapse in relation to a party whose percentage holdings of the Company's issued and paid up share capital or voting rights decreases below the thresholds set out below, and in the event it decreases below the relevant threshold in relation to the Beer Family, it will lapse in relation to all of the parties to the agreement; other than where such a decrease in the parties percentage holdings is as a result of an offering (public or private) in the Company's shares. The relevant holding thresholds are: (A) Mokirei Aya - 25%; (B) Beer Family - 7.5%; Zvi Borovitz - 1%; Moshe Borovitz - 0.01%.
- (5) The parties will coordinate their votes at the Company's shareholder meetings, prior to such meetings taking place, so as to ensure that they vote at such meeting in the same manner and if they fail to reach agreement on how to vote - Mokirei Aya's vote shall be the decisive.
- (6) Four (4) independent directors shall be appointed directors in the Company (including the Company's CEO), as well as three (3) additional directors, and in any event, the directors in the Company shall not be less than is required under the AIM rules for companies. The directors who shall be presented for approval by the meeting of the Company's shareholders, to the extent they are presented, including under circumstances involving extension of the term of service and/or replacement of directors, will include two candidates (including the chairman of the board) whose candidacy shall be determined by Mokirei Aya and one candidate whose identity shall be decided by the Beer Family (the "**Joint List of Candidates**"), and the parties undertake that each of them shall vote "in favour" of the Joint List of Candidates to the extent it is presented for approval by a meeting of the Company's shareholders.
- (7) The parties will act to ensure that the salary of the directors chosen from the Joint List of Candidates and who are not officers of the Company shall be as is usual in the Company for a director who is not a Company employee, and shall not be less than the sum of US\$ 18,000 per annum, unless the Beer Family's approval is given for such reduction. Furthermore, said directors shall be entitled to reimbursement for expenses, as is usual in the Company, which shall not exceed the sum of US\$ 6,000 per annum.
- (8) It is clarified that each director in the Company shall have all of the rights and powers granted to him under the Israeli Companies Law, 1999 and under the law that applies to companies traded on the AIM Market of the London Stock Exchange, and in the event any provision of the Shareholders' Agreement is inconsistent with the provisions of law relating to the service of any of the parties to the Shareholders' Agreement as a director or as an officer of the Company - the fulfilment of his role under his authority and responsibility as a director or officer of the Company shall not be viewed as a breach of the provisions of the Shareholders' Agreement.
- (9) Subject to law, and as long as the Shareholders' Agreement is in effect, Mr. Jacques Beer shall serve as an observer on the Company's board of directors (the "**Observer**").

The Observer shall not have the right to a vote at the Company's board meetings and shall not have the right to receive remuneration of any kind whatsoever with respect to this role from the Company or the other parties to the Shareholders' Agreement. The Observer shall be entitled to receive copies of notice of meetings sent to the board as well as the documents distributed by the Company to directors prior to such meetings, in exchange for him executing an undertaking of non-disclosure and an undertaking to avoid conflicts of interest with the Company or from competing with the Company, in an agreed upon wording.

- (10) The provisions of the Shareholders' Agreement and Mokirei Aya's undertaking thereunder are subject to the relationship agreement between the Company and Mokirei Aya, which shall come into effect subject to completion of the Merger by no later than 31 August 2018 (the "**Relationship Agreement**"). The Beer Family undertook to fully cooperate with Mokirei Aya in order to permit Mokirei Aya to fulfil its obligations under the Relationship Agreement, as well as to act, jointly and severally, in order not to breach the provisions of the Relationship Agreement.
- (11) In relation to the Effective Holdings, provisions were stipulated between the parties granting the parties the right of first offer and the right of first refusal under certain circumstances in the event of the sale of the Effective Holdings by any of the parties to a third party (subject to exclusions, including the transfer to an 'permitted transferee' as defined in the Shareholders' Agreement), as well as the Beer Family's right to join the sale of all or part of Mokirei Aya's holdings to a third party.