

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 17, 2020

MICT, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction
of incorporation)

001-35850

(Commission
File Number)

27-0016420

(IRS Employer
Identification No.)

28 West Grand Avenue, Suite 3, Montvale, New Jersey

(Address of principal executive offices)

07645

(Zip Code)

(201) 225-0190

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	MICT	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into Material Definitive Agreement.

In connection with that certain previously disclosed Securities Purchase Agreement (the "**Primary Purchase Agreement**") entered into on November 7, 2019 by and among MICT, Inc., a Delaware corporation (the "**Company**") and certain investors identified therein (the "**Primary Purchasers**"), pursuant to which, among other things, the Primary Purchasers agreed, subject to satisfaction or waiver of the conditions set forth in the Primary Purchase Agreement, to purchase from the Company certain 5% senior secured convertible debentures due 2020 (the "**Primary Convertible Debentures**") with an aggregate principal amount of approximately \$15.9 million, the Company has entered into the following additional material definitive agreements:

Primary Security Agreement

On January 17, 2020, the Company, certain of its subsidiaries, the Primary Purchasers and the representative thereof, as collateral agent, entered into a security agreement (the "**Primary Security Agreement**"). Pursuant to the Security Agreement, the Company and certain of its subsidiaries granted to the Primary Purchasers a first priority security interest in, a lien upon and a right of set-off against all of their personal property (subject to certain exceptions) to secure the Primary Convertible Debentures.

Primary Registration Rights Agreement

On January 17, 2020, the Company and each of the Primary Purchasers entered into a registration rights agreement (the "**Primary Registration Rights Agreement**"). Pursuant to the Primary Registration Rights Agreement, the Company has agreed to, among other things, (i) file a registration statement (the "**Resale Registration Statement**") with the Securities and Exchange Commission (the "**SEC**") within seven business days following the filing of an initial proxy statement with respect to the contemplated merger by and among the Company, GFH Intermediate Holdings Ltd., a British Virgin Islands company, and MICT Merger Subsidiary Inc., a to-be-formed British Virgin Islands company and a wholly-owned subsidiary of MICT (the "**Merger**"), for purposes of registering the shares of common stock issuable upon conversion of the Primary Convertible Debentures, and (ii) use its best efforts to cause the Resale Registration Statement to be declared effective by the SEC as soon as practicable after filing, and in any event no later than the effectiveness of the Merger. The Primary Registration Rights Agreement contains customary terms and conditions for a transaction of this type, including certain customary cash penalties on the Company for its failure to satisfy the specified filing and effectiveness time periods.

The foregoing description of the Primary Security Agreement and the Primary Registration Rights Agreement is qualified in its entirety by reference to the Primary Security Agreement and the Primary Registration Rights Agreement, forms of which are filed as exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K. The representations, warranties and covenants contained in the Primary Security Agreement and the Primary Registration Rights Agreement were made only for purposes of such agreements and as of specific dates, were solely for the benefit of the parties thereto, and may be subject to limitations agreed upon by the contracting parties. Accordingly, the Primary Security Agreement and the Primary Registration Rights Agreement are incorporated herein by reference only to provide information regarding the terms thereof, and not to provide any other factual information regarding the Company or its business, and should be read in conjunction with the disclosures in the Company's periodic reports and other filings with the SEC.

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

As previously disclosed, on July 22, 2019, the Company received a written notice from the Nasdaq Stock Market LLC ("**Nasdaq**") indicating that the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2), as the Company's closing bid price for its common stock was below \$1.00 per share for the last 30 consecutive business days.

Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the Company was granted a 180-calendar day compliance period, or until January 20, 2020, to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of the Company's common stock was required to meet or exceed \$1.00 per share for at least 10 consecutive business days during the 180-calendar day compliance period.

On January 23, 2020, the Company received a written notice from Nasdaq that the Company had regained compliance with the bid price requirement as the Company's common stock met or exceeded \$1.00 per share for least 10 consecutive business. As a result, the matter is now closed.

Item 9.01 Financial Statements and Exhibits.

(d)

10.1 [Form of Primary Security Agreement.](#)

10.2 [Form of Primary Registration Rights Agreement.](#)

* Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish a supplemental copy of any omitted schedule to the SEC (as defined below) upon request.

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 hereunto duly authorized.

MICT, INC.

Dated: January 24, 2020

By: /s/ David Lucatz

Name: David Lucatz

Title: President and Chief Executive Officer

SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of [] (this "Agreement"), is entered by and among MICT, Inc., a Delaware corporation (the "Company"), each Subsidiary of the Company party hereto from time to time (together with the Company, collectively, the "Debtor" and each, a "Debtor"), the holders of the Company's 5% Secured Convertible Debentures due six months following their issuance in the original aggregate principal amount of \$[] (collectively, the "Debentures") signatory hereto (together with their endorsees, transferees, successors and assigns, collectively, the "Secured Parties"), and [], a company incorporated under the laws of [], as Agent (as defined in Section 18 hereof) for the Secured Parties.

WITNESSETH:

WHEREAS, pursuant to the Purchase Agreement (as defined in the Debentures), the Secured Parties have severally agreed to extend the loans to the Company evidenced by the Debentures; and

WHEREAS, in order to induce the Secured Parties to extend the loans evidenced by the Debentures, the Debtor has agreed to execute and deliver to the Secured Parties this Agreement and to grant the Secured Parties, pari passu with each other Secured Party and through the Agent, a security interest in substantially all personal property of the Debtor to secure the prompt payment, performance and discharge in full of all of the Company's obligations under the Debentures.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Certain Definitions.** As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "account", "chattel paper", "commercial tort claim", "deposit account", "document", "equipment", "fixtures", "general intangibles", "goods", "instruments", "inventory", "investment property", "letter-of-credit rights", "proceeds" and "supporting obligations") shall have the respective meanings given such terms in Article 9 of the UCC.

- (a) "Blocked Account" shall have the meaning ascribed to such term in the Purchase Agreement (as defined in the Debentures).
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(b) “Collateral” means all personal property of each Debtor, whether presently owned or existing or hereafter acquired or coming into existence, wherever situated, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith, and all dividends, interest, cash, notes, securities, equity interest or other property at any time and from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Securities (as defined below). Without limiting the generality of the foregoing, the “Collateral” shall include, without limitation:

(i) all goods, including, without limitation, (A) all machinery, equipment, computers, motor vehicles, trucks, tanks, boats, ships, appliances, furniture, special and general tools, fixtures, test and quality control devices and other equipment of every kind and nature and wherever situated, together with all documents of title and documents representing the same, all additions and accessions thereto, replacements therefor, all parts therefor, and all substitutes for any of the foregoing and all other items used and useful in connection with the Debtor’s businesses and all improvements thereto; and (B) all inventory;

(ii) all contract rights and other general intangibles, including, without limitation, all partnership interests, membership interests, stock or other securities, rights under any of the Organizational Documents, agreements related to the Pledged Securities, licenses, distribution and other agreements, computer software (whether “off-the-shelf”, licensed from any third party or developed by the Debtor), computer software development rights, leases, franchises, customer lists, quality control procedures, grants and rights, goodwill, Intellectual Property and income tax refunds;

(iii) all accounts, together with all instruments, all documents of title representing any of the foregoing, all rights in any merchandising, goods, equipment, motor vehicles and trucks which any of the same may represent, and all right, title, security and guaranties with respect to each account, including any right of stoppage in transit;

(iv) all documents, letter-of-credit rights, instruments and chattel paper;

(v) all commercial tort claims;

(vi) all deposit accounts and all cash (whether or not deposited in such deposit accounts);

(vii) all investment property;

(viii) all supporting obligations;

(ix) all files, records, books of account, business papers and computer programs;

(x) all investment property and general intangibles respecting ownership and/or other equity interests in each subsidiary of each Debtor, including, without limitation, the shares of capital stock and the other equity interests listed on Schedule H hereto (other than the Micronet Shares), as the same may be modified from time to time pursuant to the terms hereof, and any other shares of capital stock and/or other equity interests of any other direct or indirect subsidiary of each Debtor obtained in the future, and, in each case, all certificates representing such shares and/or equity interests and, in each case, all rights, options, warrants, stock, other securities and/or equity interests that may hereafter be received, receivable or distributed in respect of, or exchanged for, any of the foregoing and all rights arising under or in connection with the Pledged Securities, including, but not limited to, all dividends, interest and cash; and

(xi) the products and proceeds of all of the foregoing Collateral set forth in clauses (i)-(x) above.

Notwithstanding the foregoing, nothing herein shall be deemed to constitute an assignment or pledge of (A) any (I) permit, lease, license, franchise or other agreement to the extent, and for so long as, any law applicable thereto is effective to prohibit the creation of a security interest therein or (II) General Intangible, Chattel Paper or Instrument which by its terms prohibit the creation of a security interest therein, in each case, solely to the extent that such applicable law, term or prohibition is still in effect or not overridden by Sections 9-406, 9-407 and/or 9-408 of the UCC or other similar applicable law; provided, that the Collateral shall include, and the Agent's and the Secured Parties' lien shall attach immediately at such time as the condition causing such void or prohibition shall cease, and to the extent severable, shall attach immediately to, any portion of any such asset that does not result in any violation of applicable law; provided, however, that to the extent permitted by applicable law, this Agreement shall create a valid security interest in such asset and, to the extent permitted by applicable law, this Agreement shall create a valid security interest in the proceeds of such asset, (B) each deposit account of the Debtors (other than the Blocked Account) and all cash or other funds deposited in such deposit accounts (collectively, the "Excluded Accounts") and (C) 12,146,309 ordinary shares of Micronet Ltd., each share with par value NIS 0.1, held by MICT Telematics Limited and any other ordinary shares of Micronet Ltd. held by MICT Telematics Limited from time to time and any shares issued as a result of such holding, including bonus shares of Micronet Ltd. held by MICT Telematics Limited (collectively, the "Micronet Shares").

(c) "Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, (ii) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof, and all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, (iii) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, logos, domain names and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common law rights related thereto, (iv) all trade secrets arising under the laws of the United States, any other country or any political subdivision thereof, (v) all rights to obtain any reissues, renewals or extensions of the foregoing, (vi) all licenses for any of the foregoing, and (vii) all causes of action for infringement of the foregoing.

(d) “Majority in Interest” means, at any time of determination, the majority in interest (based on then-outstanding principal amounts of the Debentures at the time of such determination) of the Secured Parties.

(e) “Necessary Endorsement” means undated stock powers endorsed in blank or other proper instruments of assignment duly executed and such other instruments or documents as the Agent may reasonably request, in each case, in form and substance satisfactory to the Agent.

(f) “Obligations” means 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, of the Debtor to the Secured Parties and the Agent, including, without limitation, all obligations under this Agreement, the Debentures, the Purchase Agreement (as defined in the Debentures), any other Transaction Documents (as defined in the Purchase Agreement (as defined in the Debentures)) and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith (collectively, the “Transaction Documents”), 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 Secured Parties or the Agent 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 Debtor from time to time under or in connection with this Agreement, the Debentures, the other Transaction Documents 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 Debtor.

(g) “Organizational Documents” means, with respect to each Debtor, the documents by which such Debtor was organized (such as a certificate of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of such Debtor (such as bylaws, a partnership agreement or an operating, limited liability company or members agreement).

(h) “Pledged Interests” shall have the meaning ascribed to such term in Section 4(j).

(i) “Pledged Securities” shall have the meaning ascribed to such term in Section 4(i).

(j) “UCC” means the Uniform Commercial Code of the State of New York and/or any other applicable law of any state or states which has jurisdiction with respect to all, or any portion of, the Collateral or this Agreement, from time to time. It is the intent of the parties that defined terms in the UCC should be construed in their broadest sense so that the term “Collateral” will be construed in its broadest sense. Accordingly if there are, from time to time, changes to defined terms in the UCC that broaden the definitions, they are incorporated herein and if existing definitions in the UCC are broader than the amended definitions, the existing ones shall be controlling.

2. **Grant of Security Interest in Collateral.** As an inducement for the Secured Parties to extend the loans as evidenced by the Debentures and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, each Debtor hereby unconditionally and irrevocably pledges, grants and hypothecates to the Secured Parties a security interest in and to, a lien upon and a right of set-off against all of their respective right, title and interest of whatsoever kind and nature in and to, the Collateral (a “Security Interest” and, collectively, the “Security Interests”).

3. **Delivery of Certain Collateral.** On or prior to the date of effectiveness of the Purchase Agreement (as defined in the Debentures) (the “Effective Date”), the Debtor shall deliver or cause to be delivered to the Agent (a) any and all certificates and other instruments representing or evidencing the Pledged Securities, (b) any and all certificates and other instruments or documents representing any of the other Collateral, in each case, together with all Necessary Endorsements, (c) duly executed Intellectual Property Security Agreements in respect of all Intellectual Property of each Debtor in existence as of the Effective Date, (d) Uniform Commercial Code financing statements in form and substance satisfactory to the Agent, (e) a duly executed blocked deposit account control agreement, in form and substance satisfactory to the Agent and otherwise satisfying the requirements of Section 9-104(a)(2) of the UCC, with respect to the Blocked Account, which shall be the deposit account holding the amount advanced under the Debentures and (f) duly executed securities account control agreements, in form and substance satisfactory to the Agent, with respect to each securities account of each Debtor in existence as of the Effective Date. The Debtor is, contemporaneously with the execution hereof, delivering to Agent, or has previously delivered to Agent, a true and correct copy of each Organizational Document governing any of the Pledged Securities.

4. Representations, Warranties, Covenants and Agreements of the Debtor: Except as set forth under the corresponding section of the disclosure schedules delivered to the Secured Parties concurrently herewith (the "Disclosure Schedules"), which Disclosure Schedules shall be deemed a part hereof, each Debtor represents and warrants to, and covenants and agrees with, the Secured Parties as follows:

(a) Each Debtor has the requisite corporate, partnership, limited liability company or other power and authority to enter into this Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by each Debtor of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of such Debtor and no further action is required by such Debtor. This Agreement has been duly executed by each Debtor. This Agreement constitutes the legal, valid and binding obligation of each Debtor, enforceable against such Debtor in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors and by general principles of equity.

(b) Each Debtor has no place of business or offices where its books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where Collateral is stored or located, except as set forth on Schedule A attached hereto. Except as specifically set forth on Schedule A, the Debtor is the record owner of the real property where such Collateral is located, and there exist no mortgages or other liens on any such real property except for Permitted Liens (as defined in the Debentures). Except as disclosed on Schedule A, none of such Collateral is in the possession of any consignee, bailee, warehouseman, agent or processor.

(c) Except for Permitted Liens (as defined in the Debentures) and except as set forth on Schedule B attached hereto, the Debtor is the sole owner of the Collateral (except for non-exclusive licenses granted by the Debtor in the ordinary course of business), free and clear of any liens, security interests, encumbrances, rights or claims, and are fully authorized to grant the Security Interests. Except as set forth on Schedule C attached hereto, there is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that will be filed in favor of the Secured Parties pursuant to this Agreement) covering or affecting any of the Collateral. Except as set forth on Schedule C attached hereto and except pursuant to this Agreement, as long as this Agreement shall be in effect, the Debtor shall not execute and shall not knowingly permit to be on file in any such office or agency any other financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Parties pursuant to the terms of this Agreement).

(d) No written claim has been received that any Collateral or the Debtor's use of any Collateral violates the rights of any third party. There has been no adverse decision to the Debtor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to the Debtor's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of the Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) The Debtor shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and its Collateral at the locations set forth on Schedule A attached hereto and may not relocate such books of account and records or tangible Collateral, unless it delivers to the Secured Parties at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements under the UCC and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interests to create in favor of the Secured Parties a valid, perfected and continuing perfected first priority lien in the Collateral.

(f) This Agreement creates in favor of the Secured Parties a valid, first priority security interest in the Collateral, subject only to Permitted Liens (as defined in the Debentures) securing the payment and performance of the Obligations. Upon making the filings described in the immediately following paragraph, all security interests created hereunder in any Collateral which may be perfected by filing Uniform Commercial Code financing statements shall have been duly perfected. Except for the filing of the Uniform Commercial Code financing statements referred to in the immediately following paragraph, the recordation of the Intellectual Property Security Agreement (as defined in Section 4(p) hereof) with respect to copyrights and copyright applications in the United States Copyright Office referred to in paragraph (m), the execution and delivery of deposit account control agreements that are "blocked" and otherwise satisfy the requirements of Section 9-104(a)(2) of the UCC with respect to each deposit account of the Debtor in accordance with clause (dd) below, and the delivery of the certificates and other instruments provided in Section 3, no action is necessary to create, perfect or protect the security interests created hereunder. Without limiting the generality of the foregoing, except for the filing of said financing statements, the recordation of said Intellectual Property Security Agreement, and the execution and delivery of said deposit account control agreements, no consent of any third parties and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (i) the execution, delivery and performance of this Agreement, (ii) the creation or perfection of the Security Interests created hereunder in the Collateral or (iii) the enforcement of the rights of the Agent and the Secured Parties hereunder.

(g) Each Debtor hereby authorizes the Agent to file one or more financing statements under the UCC, with respect to the Security Interests, with the proper filing and recording agencies in any jurisdiction deemed proper by it.

(h) The execution, delivery and performance of this Agreement by each Debtor does not (i) violate any of the provisions of any of its Organizational Documents or any judgment, decree, order or award of any court, governmental body or arbitrator or any applicable law, rule or regulation applicable to such Debtor 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, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing such Debtor's debt or otherwise) or other understanding to which such Debtor is a party or by which any property or asset of such Debtor is bound or affected. All consents (including, without limitation, from stockholders or creditors of each Debtor) necessary for the Debtor to enter into and perform its obligations hereunder have been obtained.

(i) The capital stock and other equity interests listed on Schedule H hereto (the "Pledged Securities") represent all of the capital stock and other equity interests of each Debtor's subsidiaries, and represent all capital stock and other equity interests owned, directly or indirectly, by each Debtor. All of the Pledged Securities are validly issued, fully paid and nonassessable, and each Debtor is the legal and beneficial owner of its applicable Pledged Securities, free and clear of any lien, security interest or other encumbrance except for the security interests created by this Agreement.

(j) The ownership and other equity interests in partnerships and limited liability companies (if any) included in the Collateral (the "Pledged Interests") by their express terms do not provide that they are securities governed by Article 8 of the UCC and are not held in a securities account or by any financial intermediary.

(k) Except for Permitted Liens (as defined in the Debentures), the Debtor shall at all times maintain the liens and Security Interests provided for hereunder as valid and perfected first priority liens and security interests in the Collateral in favor of the Secured Parties until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section 14 hereof. The Debtor hereby agrees to defend the same against the claims of any and all persons and entities. The Debtor shall safeguard and protect all Collateral for the account of the Secured Parties. At the request of the Agent, the Debtor will sign and deliver to the Agent on behalf of the Secured Parties at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to the Agent and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Agent to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, the Debtor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interests hereunder, and the Debtor shall obtain and furnish to the Agent from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interests hereunder.

(l) The Debtor will not transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral (except for non-exclusive licenses granted by the Debtor in its ordinary course of business and sales of inventory by the Debtor in its ordinary course of business) without the prior written consent of a Majority in Interest.

(m) The Debtor shall keep and preserve its equipment, inventory and other tangible Collateral in good condition, repair and order and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(n) The Debtor shall maintain with financially sound and reputable insurers, insurance with respect to the Collateral, including Collateral hereafter acquired, against loss or damage of the kinds and in the amounts customarily insured against by entities of established reputation having similar properties similarly situated and in such amounts as are customarily carried under similar circumstances by other such entities and otherwise as is prudent for entities engaged in similar businesses but in any event sufficient to cover the full replacement cost thereof. The Debtor shall cause each insurance policy issued in connection herewith to provide, and the insurer issuing such policy to certify to the Agent, that (a) the Agent will be named as lender loss payee and additional insured under each such insurance policy; (b) if such insurance be proposed to be cancelled or materially changed for any reason whatsoever, such insurer will promptly notify the Agent and such cancellation or change shall not be effective as to the Agent for at least thirty (30) days (or ten (10) days in the case of non-payment) after receipt by the Agent of such notice, unless the effect of such change is to extend or increase coverage under the policy; and (c) the Agent will have the right (but no obligation) at its election to remedy any default in the payment of premiums within thirty (30) days of notice from the insurer of such default. Copies of such policies or the related certificates, in each case, naming the Agent as lender loss payee and additional insured shall be delivered to the Agent on or prior to the Effective Date and thereafter at least annually and at the time any new policy of insurance is issued.

(o) The Debtor shall, within three (3) days of obtaining knowledge thereof, advise the Secured Parties promptly, in sufficient detail, of any material adverse change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Parties' security interest, through the Agent, therein.

(p) The Debtor shall promptly execute and deliver to the Agent such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Agent may from time to time request and may in its reasonable discretion deem necessary to perfect, protect or enforce the Secured Parties' security interest in the Collateral including, without limitation, if applicable, the execution and delivery of a separate security agreement with respect to the Debtor's Intellectual Property ("Intellectual Property Security Agreement") in which the Secured Parties have been granted a security interest hereunder, substantially in a form reasonably acceptable to the Agent, which Intellectual Property Security Agreement, other than as stated therein, shall be subject to all of the terms and conditions hereof.

(q) The Debtor shall permit the Agent and its representatives and agents to, at the Debtor's sole expense, inspect the Collateral during normal business hours and upon reasonable prior notice, and to make copies of records pertaining to the Collateral as may be reasonably requested by the Agent from time to time.

(r) The Debtor shall take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(s) The Debtor shall promptly notify the Agent in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by the Debtor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Parties hereunder.

(t) All information heretofore, herein or hereafter supplied to the Secured Parties by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(u) The Debtor shall at all times preserve and keep in full force and effect their respective valid existence and good standing and any rights and franchises material to its business.

(v) The Debtor will not change its name, type of organization, jurisdiction of organization, organizational identification number (if it has one), legal or corporate structure, or identity, or add any new fictitious name unless it provides at least 30 days prior written notice to the Secured Parties of such change and, at the time of such written notification, the Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(w) Except in the ordinary course of business, the Debtor may not consign any of its inventory or sell any of its inventory on bill and hold, sale or return, sale on approval, or other conditional terms of sale without the consent of the Agent which shall not be unreasonably withheld.

(x) The Debtor may not relocate its chief executive office to a new location without providing 30 days prior written notification thereof to the Secured Parties and so long as, at the time of such written notification, the Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(y) Each Debtor was organized and remains organized solely under the laws of the state set forth next to such Debtor's name in Schedule D attached hereto, which Schedule D sets forth each Debtor's organizational identification number or, if such Debtor does not have one, states that one does not exist.

(z) (i) The actual name of each Debtor is the name set forth in Schedule D attached hereto; (ii) each Debtor has no trade names except as set forth on Schedule E attached hereto; (iii) each Debtor has not used any name other than that stated in the preamble hereto or as set forth on Schedule E for the preceding five years; and (iv) no entity has merged into any Debtor or has been acquired by any Debtor within the past five years except as set forth on Schedule E.

(aa) At any time and from time to time that any Collateral consists of instruments, certificated securities or other items that require or permit possession by the secured party to perfect the security interest created hereby, the Debtor shall deliver such Collateral to the Agent.

(bb) Each Debtor, in its capacity as issuer, hereby agrees to comply with any and all orders and instructions of Agent regarding the Pledged Interests consistent with the terms of this Agreement without the further consent of such Debtor as contemplated by Section 8-106 (or any successor section) of the UCC. Further, each Debtor agrees that it shall not enter into a similar agreement (or one that would confer "control" within the meaning of Article 8 of the UCC) with any other person or entity.

(cc) The Debtor shall cause all tangible chattel paper constituting Collateral to be delivered to the Agent, or, if such delivery is not possible, then to cause such tangible chattel paper to contain a legend noting that it is subject to the security interest created by this Agreement. To the extent that any Collateral consists of electronic chattel paper, the Debtor shall cause the underlying chattel paper to be "marked" within the meaning of Section 9-105 of the UCC (or successor section thereto).

(dd) If there is any investment property or deposit account included as Collateral that can be perfected by "control" through an account control agreement, the Debtor shall cause such an account control agreement, in form and substance in each case satisfactory to the Agent, to be entered into and delivered to the Agent for the benefit of the Secured Parties no later than (A) with respect to the Blocked Account, the Effective Date and (B) with respect to any such investment property or deposit account existing as of the Effective Date or opened or acquired after the Effective Date (in each case, other than the Blocked Account or any Excluded Account), thirty (30) days after the request of the Agent following the occurrence and during the continuance of an Event of Default.

(ee) To the extent that any Collateral consists of letter-of-credit rights, the Debtor shall cause the issuer of each underlying letter of credit to consent to an assignment of the proceeds thereof to the Secured Parties.

(ff) To the extent that any Collateral is in the possession of any third party, the Debtor shall join with the Agent in notifying such third party of the Secured Parties' security interest in such Collateral and shall use its best efforts to obtain an acknowledgement and agreement from such third party with respect to the Collateral, in form and substance reasonably satisfactory to the Agent.

(gg) If the Debtor shall at any time hold or acquire a commercial tort claim, the Debtor shall promptly notify the Secured Parties in a writing signed by the Debtor of the particulars thereof and grant to the Secured Parties in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Agent.

(hh) The Debtor shall immediately provide written notice to the Secured Parties of any and all accounts which arise out of contracts with any governmental authority and, to the extent necessary to perfect or continue the perfected status of the Security Interests in such accounts and proceeds thereof, shall execute and deliver to the Agent an assignment of claims for such accounts and cooperate with the Agent in taking any other steps required, in its judgment, under the Federal Assignment of Claims Act or any similar federal, state or local statute or rule to perfect or continue the perfected status of the Security Interests in such accounts and proceeds thereof.

(ii) The Debtor shall cause each subsidiary of the Debtor to immediately become a party hereto (an "Additional Debtor"), by executing and delivering an Additional Debtor Joinder in substantially the form of Annex A attached hereto and comply with the provisions hereof applicable to the Debtors. Concurrent therewith, the Additional Debtor shall deliver replacement schedules for, or supplements to all other Schedules to (or referred to in) this Agreement, as applicable, which replacement schedules shall supersede, or supplements shall modify, the Schedules then in effect. The Additional Debtor shall also deliver such authorizing resolutions, good standing certificates, incumbency certificates, organizational documents, financing statements and other information and documentation as the Agent may reasonably request. Upon delivery of the foregoing to the Agent, the Additional Debtor shall be and become a party to this Agreement with the same rights and obligations as the Debtor, for all purposes hereof as fully and to the same extent as if it were an original signatory hereto and shall be deemed to have made the representations, warranties and covenants set forth herein as of the date of execution and delivery of such Additional Debtor Joinder, and all references herein to the "Debtors" shall be deemed to include each Additional Debtor.

(jj) The Debtor shall vote the Pledged Securities to comply with the covenants and agreements set forth herein and in the Debentures.

(kk) The Debtor shall register the pledge of the applicable Pledged Securities on the books of the Debtor. The Debtor shall notify each issuer of Pledged Securities to register the pledge of the applicable Pledged Securities in the name of the Secured Parties on the books of such issuer. Further, except with respect to certificated securities delivered to the Agent, the Debtor shall deliver to Agent an acknowledgement of pledge (which, where appropriate, shall comply with the requirements of the relevant UCC with respect to perfection by registration) signed by the issuer of the applicable Pledged Securities, which acknowledgement shall confirm that: (a) it has registered the pledge on its books and records; and (b) at any time directed by Agent during the continuation of an Event of Default, such issuer will transfer the record ownership of such Pledged Securities into the name of any designee of Agent, will take such steps as may be necessary to effect the transfer, and will comply with all other instructions of the Agent regarding such Pledged Securities without the further consent of the Debtor.

(ll) In the event that, upon an occurrence of an Event of Default, the Agent shall sell all or any of the Pledged Securities to another party or parties (herein called the “Transferee”) or shall purchase or retain all or any of the Pledged Securities, the Debtor shall, to the extent applicable: (i) deliver to Agent or the Transferee, as the case may be, the articles of incorporation, bylaws, minute books, stock certificate books, corporate seals, deeds, leases, indentures, agreements, evidences of indebtedness, books of account, financial records and all other Organizational Documents and records of the Debtor and its direct and indirect subsidiaries; (ii) use its best efforts to obtain resignations of the persons then serving as officers and directors of the Debtor and its direct and indirect subsidiaries, if so requested; and (iii) use its best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Pledged Securities to the Transferee or the purchase or retention of the Pledged Securities by the Agent and allow the Transferee or the Agent to continue the business of the Debtor and its direct and indirect subsidiaries.

(mm) Without limiting the generality of the other obligations of the Debtor hereunder, the Debtor shall promptly (i) cause to be registered at the United States Copyright Office all of its material copyrights, (ii) cause the security interest contemplated hereby with respect to all Intellectual Property registered at the United States Copyright Office or United States Patent and Trademark Office to be duly recorded at the applicable office, and (iii) give the Agent notice whenever it acquires (whether absolutely or by license) or creates any additional material Intellectual Property.

(nn) The Debtor will from time to time, at the joint and several expense of the Debtor, promptly execute and deliver all such further instruments and documents, and take all such further action as may be necessary or as the Agent may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Parties to exercise and enforce their rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

(oo) Schedule F attached hereto lists all of the patents, patent applications, trademarks, trademark applications, registered copyrights, and domain names owned by the Debtor as of the date hereof. Schedule F lists all material licenses in favor of the Debtor for the use of any patents, trademarks, copyrights and domain names as of the date hereof. All material patents and trademarks of the Debtor have been duly recorded at the United States Patent and Trademark Office and all material copyrights of the Debtor have been duly recorded at the United States Copyright Office.

(pp) Except as set forth on Schedule G attached hereto, none of the account debtors or other persons or entities obligated on any of the Collateral is a governmental authority covered by the Federal Assignment of Claims Act or any similar federal, state or local statute or rule in respect of such Collateral.

5. **Effect of Pledge on Certain Rights.** If any of the Collateral subject to this Agreement consists of nonvoting equity or ownership interests (regardless of class, designation, preference or rights) that may be converted into voting equity or ownership interests upon the occurrence of certain events (including, without limitation, upon the transfer of all or any of the other stock or assets of the issuer), it is agreed that the pledge of such equity or ownership interests pursuant to this Agreement or the enforcement of any of the Agent's rights hereunder shall not be deemed to be the type of event which would trigger such conversion rights notwithstanding any provisions in the Organizational Documents or agreements to which the Debtor is subject or to which the Debtor is party.

6. **Defaults.** The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Debentures) under the Debentures;

(b) Any representation or warranty of the Debtor in this Agreement shall prove to have been incorrect in any material respect when made;

(c) The failure by any Debtor to observe or perform any of its obligations hereunder for the earlier of (i) five (5) days after delivery to the Company of notice of such failure by or on behalf of a Secured Party and (ii) ten (10) days after any Debtor has become or should have become aware of such failure; or

(d) If any provision of this Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by the Debtor, or a proceeding shall be commenced by the Debtor, or by any governmental authority having jurisdiction over the Debtor, seeking to establish the invalidity or unenforceability thereof, or the Debtor shall deny that the Debtor has any liability or obligation purported to be created under this Agreement.

7. **Duty To Hold In Trust**

(a) Upon the occurrence of any Event of Default and at any time thereafter, the Debtor shall, upon receipt of any revenue, income, dividend, interest or other sums subject to the Security Interests, whether payable pursuant to the Debentures or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Parties and shall forthwith endorse and transfer any such sums or instruments, or both, to the Secured Parties, pro-rata in proportion to their respective then-currently outstanding principal amount of Debentures for application to the satisfaction of the Obligations (and if any Debenture is not outstanding, pro-rata in proportion to the initial purchases of the remaining Debentures).

(b) If the Debtor shall become entitled to receive or shall receive any securities or other property (including, without limitation, shares of Pledged Securities or instruments representing Pledged Securities acquired after the date hereof, or any options, warrants, rights or other similar property or certificates representing a dividend, or any distribution in connection with any recapitalization, reclassification or increase or reduction of capital, or issued in connection with any reorganization of the Debtor or any of its direct or indirect subsidiaries) in respect of the Pledged Securities (whether as an addition to, in substitution of, or in exchange for, such Pledged Securities or otherwise), the Debtor agrees to (i) accept the same as the agent of the Secured Parties; (ii) hold the same in trust on behalf of and for the benefit of the Secured Parties; and (iii) to deliver any and all certificates or instruments evidencing the same to Agent on or before the close of business on the fifth business day following the receipt thereof by the Debtor, in the exact form received together with the Necessary Endorsements, to be held by the Agent subject to the terms of this Agreement as Collateral.

8. Rights and Remedies Upon Default

(a) Upon the occurrence of any Event of Default and at any time thereafter, the Secured Parties, acting through the Agent, shall have the right to exercise all of the remedies conferred hereunder and under the Debentures, and the Secured Parties shall have all the rights and remedies of a secured party under the UCC. Without limitation, the Agent, for the benefit of the Secured Parties, shall have the following rights and powers:

(i) The Agent shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and the Debtor shall assemble the Collateral and make it available to the Agent at places which the Agent shall reasonably select, whether at the Debtor's premises or elsewhere, and make available to the Agent, without rent, all of the Debtor's respective premises and facilities for the purpose of the Agent taking possession of, removing or putting the Collateral in saleable or disposable form.

(ii) Upon notice to the Debtor by the Agent, all rights of the Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise and all rights of the Debtor to receive the dividends and interest which it would otherwise be authorized to receive and retain, shall cease. Upon such notice, the Agent shall have the right to receive, for the benefit of the Secured Parties, any interest, cash dividends or other payments on the Collateral and, at the option of the Agent, to exercise in the Agent's discretion all voting rights pertaining thereto. Without limiting the generality of the foregoing, the Agent shall have the right (but not the obligation) to exercise all rights with respect to the Collateral as it were the sole and absolute owner thereof, including, without limitation, to vote and/or to exchange, at its sole discretion, any or all of the Collateral in connection with a merger, reorganization, consolidation, recapitalization or other readjustment concerning or involving the Collateral or the Debtor or any of its direct or indirect subsidiaries.

(iii) The Agent shall have the right to operate the business of the Debtor using the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Agent may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Debtor or right of redemption of the Debtor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, the Agent, for the benefit of the Secured Parties, may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of the Debtor, which are hereby waived and released.

(iv) The Agent shall have the right (but not the obligation) to notify any account debtors and any obligors under instruments or accounts to make payments directly to the Agent, on behalf of the Secured Parties, and to enforce the Debtor's rights against such account debtors and obligors.

(v) The Agent, for the benefit of the Secured Parties, may (but is not obligated to) direct any financial intermediary or any other person or entity holding any investment property to transfer the same to the Agent, on behalf of the Secured Parties, or its designee.

(vi) The Agent may (but is not obligated to) transfer any or all Intellectual Property registered in the name of the Debtor at the United States Patent and Trademark Office and/or the United States Copyright Office into the name of the Secured Parties or any designee or any purchaser of any Collateral.

(vii) Subject to Section 8(d)(i) below, the Agent may (but is not obligated to) withdraw all or any portion of the balance in the Blocked Account, or instruct the depository institution at which the Blocked Account is maintained to pay any amount in the Blocked Account to or for the benefit of the Secured Parties, in each case, to be applied pursuant to the Transaction Documents.

(b) The Agent shall comply with any applicable law in connection with a disposition of Collateral and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. The Agent may sell the Collateral without giving any warranties and may specifically disclaim such warranties. If the Agent sells any of the Collateral on credit, the Debtor will only be credited with payments actually made by the purchaser. In addition, the Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Agent's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

(c) For the purpose of enabling the Agent to further exercise rights and remedies under this Section 8 or elsewhere provided by agreement or applicable law, the Debtor hereby grants to the Agent, for the benefit of the Agent and the Secured Parties, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Debtor) to use, license or sublicense following an Event of Default, any Intellectual Property now owned or hereafter acquired by the Debtor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

(d) Notwithstanding anything to the contrary contained in this Agreement, (i) the Agent and the Secured Parties shall first attempt to exercise the remedy set forth in Section 8(a)(vii) above with respect to the Obligations and to the extent the aggregate amount of cash in the Blocked Account is not sufficient to satisfy the Obligations in full or if the depository institution at which the Blocked Account is maintained does not promptly release the funds in the Blocked Account immediately to the Secured Party, then the Agent and the Secured Parties shall be permitted to exercise the other remedies provided under this Section 8 with respect to the remaining unpaid Obligations and (ii) the Agent shall have the right and power at any time following (A) the occurrence of any Triggering Event (as defined in the Debentures) in which any Secured Party exercises its right to require an Optional Redemption (as defined in the Debentures) or (B) the acceleration of the obligations under the Debentures in accordance with Section 8(b) of the Debentures to withdraw all or any portion of the balance in the Blocked Account, or instruct the depository institution at which the Blocked Account is maintained to pay any amount in the Blocked Account to or for the benefit of the Secured Parties, in each case, to be applied against the Obligations pursuant to the Transaction Documents.

9. Applications of Proceeds. The proceeds of any such sale, lease or other disposition of the Collateral hereunder or from payments made on account of any insurance policy insuring any portion of the Collateral shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by the Agent in enforcing the Secured Parties' rights hereunder and in connection with collecting, storing and disposing of the Collateral, and then to satisfaction of the Obligations pro rata among the Secured Parties (based on then-outstanding principal amounts of Debentures at the time of any such determination), and to the payment of any other amounts required by applicable law, after which the Secured Parties shall pay to the Debtor any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Parties are legally entitled, the Debtor will be liable for the deficiency, together with interest thereon, at the rate of 18% per annum or the lesser amount permitted by applicable law (the "Default Rate"), and the reasonable fees of any attorneys employed by the Secured Parties to collect such deficiency. To the extent permitted by applicable law, the Debtor waives all claims, damages and demands against the Secured Parties arising out of the repossession, removal, retention or sale of the Collateral, unless due solely to the gross negligence or willful misconduct of the Secured Parties as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction.

10. Securities Law Provision. The Debtor recognizes that Agent may be limited in its ability to effect a sale to the public of all or part of the Pledged Securities by reason of certain prohibitions in the Securities Act of 1933, as amended, or other federal or state securities laws (collectively, the “Securities Laws”), and may be compelled to resort to one or more sales to a restricted group of purchasers who may be required to agree to acquire the Pledged Securities for their own account, for investment and not with a view to the distribution or resale thereof. The Debtor agrees that sales so made may be at prices and on terms less favorable than if the Pledged Securities were sold to the public, and that Agent has no obligation to delay the sale of any Pledged Securities for the period of time necessary to register the Pledged Securities for sale to the public under the Securities Laws. The Debtor shall cooperate with the Agent in its attempt to satisfy any requirements under the Securities Laws (including, without limitation, registration thereunder if requested by the Agent) applicable to the sale of the Pledged Securities by the Agent.

11. Costs and Expenses. Each Debtor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including, without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Agent. The Debtor shall also pay all amounts owed by any Debtor to the applicable depository institution with respect to the Blocked Account or to the extent required by the Blocked DACA so as not to prejudice or imperil the interests of the Agent and the Secured Parties in the Blocked Account. The Debtor will also, upon demand, pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and other advisors, which the Agent, for the benefit of the Secured Parties, may incur in connection with the creation, perfection, protection, satisfaction, foreclosure, collection or enforcement of the Security Interest and the preparation, administration, continuance, amendment or enforcement of this Agreement and pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and other advisors, which the Agent, for the benefit of the Secured Parties, and the Secured Parties may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Parties under the Debentures. Until so paid, any fees payable hereunder shall be added to the principal amount of the Debentures and shall bear interest at the Default Rate.

12. Responsibility for Collateral. The Debtor assumes all liabilities and responsibility in connection with all Collateral, and the Obligations shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason. Without limiting the generality of the foregoing, (a) neither the Agent nor any Secured Party (i) has any duty (either before or after an Event of Default) to collect any amounts in respect of the Collateral or to preserve any rights relating to the Collateral, or (ii) has any obligation to clean-up or otherwise prepare the Collateral for sale, and (b) the Debtor shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by the Debtor thereunder. Neither the Agent nor any Secured Party shall have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Agent or any Secured Party of any payment relating to any of the Collateral, nor shall the Agent or any Secured Party be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Agent or any Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Agent or to which the Agent or any Secured Party may be entitled at any time or times.

13. Security Interests Absolute. All rights of the Secured Parties and all obligations of the Debtor hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Debentures or any agreement entered into in connection with the foregoing, or any portion hereof or thereof; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Debentures or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guarantee, or any other security, for all or any of the Obligations; (d) any action by the Secured Parties to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to the Debtor, or a discharge of all or any part of the Security Interests granted hereby (other than payment and performance in full of the Obligations). Until the Obligations shall have been paid and performed in full, the rights of the Secured Parties shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations or bankruptcy. The Debtor expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Parties hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Parties, then, in any such event, the Debtor's obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Debtor waives all right to require the Secured Parties to proceed against any other person or entity or to apply any Collateral which the Secured Parties may hold at any time, or to marshal assets, or to pursue any other remedy. The Debtor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

14. Term of Agreement. This Agreement and the Security Interests shall terminate on the date on which all payments under the Debentures have been indefeasibly paid in full and all other Obligations have been paid or discharged; provided, however, that all indemnities provided by the Debtor pursuant to this Agreement (including, without limitation, Annex B hereto) shall survive and remain operative and in full force and effect regardless of the termination of this Agreement.

15. Power of Attorney; Further Assurances.

(a) The Debtor authorizes the Agent, and does hereby make, constitute and appoint the Agent and its officers, agents, successors or assigns with full power of substitution, as the Debtor's true and lawful attorney-in-fact, with power, in the name of the Agent or the Debtor, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any note, checks, drafts, money orders or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Agent; (ii) to sign and endorse any financing statement pursuant to the UCC or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; (v) to transfer any Intellectual Property or provide licenses respecting any Intellectual Property; and (vi) generally, at the option of the Agent, and at the expense of the Debtor, at any time, or from time to time, to execute and deliver any and all documents and instruments and to do all acts and things which the Agent deems necessary to protect, preserve and realize upon the Collateral and the Security Interests granted therein in order to effect the intent of this Agreement and the Debentures all as fully and effectually as the Debtor might or could do; and the Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding. The designation set forth herein shall be deemed to amend and supersede any inconsistent provision in the Organizational Documents or other documents or agreements to which the Debtor is subject or to which the Debtor is a party. Without limiting the generality of the foregoing, after the occurrence and during the continuance of an Event of Default, each Secured Party is specifically authorized to execute and file any applications for or instruments of transfer and assignment of any patents, trademarks, copyrights or other Intellectual Property with the United States Patent and Trademark Office and the United States Copyright Office.

(b) On a continuing basis, the Debtor will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording agencies in any jurisdiction, including, without limitation, the jurisdictions indicated on Schedule C attached hereto, all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by the Agent, to perfect the Security Interests granted hereunder and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Agent the grant or perfection of a perfected security interest in all the Collateral under the UCC.

(c) The Debtor hereby irrevocably appoints the Agent as the Debtor's attorney-in-fact, with full authority in the place and instead of the Debtor and in the name of the Debtor, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of the Debtor where permitted by law, which financing statements may (but need not) describe the Collateral as "all assets" or "all personal property" or words of like import, and ratifies all such actions taken by the Agent. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding.

16. **Notices.** All notices, requests, demands and other communications hereunder shall be subject to the notice provision of the Purchase Agreement (as such term is defined in the Debentures).

17. **Other Security.** To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Agent shall have the right, in its sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Parties' rights and remedies hereunder.

18. **Appointment of Agent.** The Secured Parties hereby appoint [_____] to act as their collateral agent (in such capacity, together with its successors and assigns in such capacity, the "Agent") for purposes of exercising any and all rights and remedies of the Secured Parties hereunder. The Agent shall have the rights, responsibilities and immunities set forth in Annex B hereto.

19. **Miscellaneous.**

(a) No course of dealing between the Debtor and the Secured Parties, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder or under the Debentures shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Parties with respect to the Collateral, whether established hereby or by the Debentures or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Agreement, together with the exhibits and schedules hereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into this Agreement and the exhibits and schedules hereto. 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 Debtor, the Agent and the Secured Parties holding 67% or more of the principal amount of Debentures then outstanding, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought.

(d) 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.

(e) 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.

(f) 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 the Agent and each Secured Party. Any Secured Party may assign any or all of its rights under this Agreement to any Person (as defined in the Purchase Agreement) to whom such Secured Party assigns or transfers any Obligations, provided such transferee agrees in writing to be bound, with respect to the transferred Obligations, by the provisions of this Agreement that apply to the "Secured Parties."

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, all questions concerning the construction, validity, enforcement and interpretation of this Agreement 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. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, the Debtor agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and the Debentures (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. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, the Debtor 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 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 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 Agreement or the transactions contemplated hereby.

(i) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) Any and all rights and claims of any Debtor against any other Debtor or against any other Person or property, arising by reason of any payment by any Debtor to the Agent or any Secured Party pursuant to the provisions, or in respect, of this Agreement shall be subordinate, junior and subject in right of payment to the prior and indefeasible payment in full of all Obligations to the Agent and the other Secured Parties, and until such time, each Debtor defers all rights of subrogation, contribution or any similar right and until such time agrees not to enforce any such right or remedy the Agent or any Secured Party may now or hereafter have against the Company, any endorser or any other Debtor of all or any part of the Obligations and any right to participate in, or benefit from, any security given to the Agent or any other Secured Party to secure any of the Obligations. All liens and security interests of any Debtor, whether now or hereafter arising and howsoever existing, in assets of any Debtor (other than the Excluded Accounts) shall be and hereby are subordinated to the rights and interests of the Agent and the other Secured Parties and in those assets until the prior and indefeasible final payment in full of all Obligations to the Agent. If any amount shall be paid to any Debtor contrary to the provisions of this clause (j) at any time when any of the Obligations shall not have been indefeasibly paid in full, such amount shall be held in trust for the benefit of the Agent and shall forthwith be turned over in kind in the form received to the Agent (duly endorsed if necessary) to be credited and applied against the Obligations, whether matured or unmatured, in accordance with the terms of the Transaction Documents.

(k) The Debtor shall indemnify, reimburse and hold harmless the Agent and the Secured Parties and their respective partners, members, shareholders, officers, directors, employees, advisors, attorneys and agents (and any other persons with other titles that have similar functions) (collectively, "Indemnitees") from and against any and all losses, claims, liabilities, damages, penalties, suits, costs and expenses, of any kind or nature, (including fees relating to the cost of investigating and defending any of the foregoing) imposed on, incurred by or asserted against such Indemnitee in any way related to or arising from or alleged to arise from this Agreement or the Collateral, except any such losses, claims, liabilities, damages, penalties, suits, costs and expenses which result from the gross negligence or willful misconduct of the Indemnitee as determined by a final, nonappealable decision of a court of competent jurisdiction. This indemnification provision is in addition to, and not in limitation of, any other indemnification provision in the Debentures, the Purchase Agreement (as such term is defined in the Debentures) or any other agreement, instrument or other document executed or delivered in connection herewith or therewith.

(l) Nothing in this Agreement shall be construed to subject Agent or any Secured Party to liability as a partner in the Debtor or any of its direct or indirect subsidiaries that is a partnership or as a member in the Debtor or any of its direct or indirect subsidiaries that is a limited liability company, nor shall Agent or any Secured Party be deemed to have assumed any obligations under any partnership agreement or limited liability company agreement, as applicable, of the Debtor or any of its direct or indirect subsidiaries or otherwise, unless and until any such Secured Party exercises its right to be substituted for the Debtor as a partner or member, as applicable, pursuant hereto.

(m) To the extent that the grant of the security interest in the Collateral and the enforcement of the terms hereof require the consent, approval or action of any partner or member, as applicable, of the Debtor or any direct or indirect subsidiary of the Debtor or compliance with any provisions of any of the Organizational Documents, the Debtor hereby grants such consent and approval and waive any such noncompliance with the terms of said documents.

18. Subject to Intercreditor Agreement. Notwithstanding anything herein to the contrary, (i) the Liens granted to the Agent and the Secured Parties pursuant to this Agreement are expressly subject to the Intercreditor Agreement and (ii) the exercise of any right or remedy by the Agent or the Secured Parties under this Agreement or under the Intercreditor Agreement is subject to the limitations and provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, the terms of the Intercreditor Agreement shall govern.

19. Termination. Upon payment in full in cash of the Obligations and the cancellation or termination of any commitment to extend credit under the Debentures or any of the other Transaction Documents, this Agreement shall terminate and the Agent and the Secured Parties shall, at the sole cost and expenses of the Debtor and without any representations, warranties or recourse of any kind whatsoever, return such Collateral in the possession or control of the Agent or the Secured Parties, as the case may be, as has not theretofore been disposed of pursuant to the provisions hereof, together with any moneys and other property of the Debtor at the time held by the Agent or the Secured Parties pursuant to this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the day and year first above written.

MICT, INC.

By: _____
Name:
Title:

MICT TELEMATICS LIMITED

By: _____
Name:
Title:

MICT MANAGEMENT LIMITED

By: _____
Name:
Title:

[SIGNATURE PAGE OF COLLATERAL AGENT FOLLOWS]

[____], as Agent

By: _____
Name:
Title:

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDERS OF THE DEBENTURES]

Signature of Investing Person: _____

Name of Investing Person: [_____]

Address of Investing Person: [_____]

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

REGISTRATION RIGHTS AGREEMENT

by and among

MICT, INC.

AND

THE HOLDERS SIGNATORY HERETO

Dated as of [____]

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of [____], among those parties signatories hereto who purchased 5% Senior Secured Convertible Debentures pursuant to the Purchase Agreement (as defined below) (the "**Holder**s"), and MICT, Inc., a Delaware corporation (the "**Company**").

WHEREAS:

A. Pursuant to that Securities Purchase Agreement, dated as of November 5, 2019 (the "**Purchase Agreement**"), between the Company and the Holders, the Holders purchased from the Company 5% Senior Secured Convertible Debentures due 2020 (the "**Debentures**"). The shares sold under the Purchase Agreement were sold only to "accredited investors" pursuant to a private placement under Section 4(a)(2) under the Securities Act of 1933, as amended.

B. The Company has agreed to file a resale Registration Statement for the Holders to cover the resale of the shares of Common Stock underlying the Debentures;

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

1. **Definitions.**

In addition to the terms defined elsewhere herein and the capitalized terms set forth in the Purchase Agreement that are not otherwise defined herein, which terms shall have the same meanings herein as in the Purchase Agreement, the following terms shall have the following meanings when used herein with initial capital letters:

"**Advice**" has the meaning set forth in Section 3(b).

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls or is controlled by or is under common control with such Person. For the purposes of this definition, "control", when used with respect to any Person, means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms of "affiliated", "controlling" and "controlled" have meanings correlative to the foregoing.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which banking institutions in New York, New York are permitted or required by any applicable law to close.

"**Commission**" means the U.S. Securities and Exchange Commission or any successor thereto.

“**Common Stock**” means (i) the Company’s shares of common stock, par value \$0.0001 per share, and (ii) any share of capital into which Common Stock shall have been changed or any share capital resulting from a reclassification of such Common Stock.

“**Company**” has the meaning set forth in the Preamble and also includes the Company’s successors.

“**Debentures**” has the meaning set forth in the Recitals.

“**Debenture Shares**” means the Common Stock issued or issuable to the Holders upon the conversion of any of the Debentures.

“**Delay Notice**” has the meaning set forth in Section 2(c).

“**Delay Period**” has the meaning set forth in Section 2(c).

“**Effectiveness Deadline**” means the Closing Date (as defined in the Merger Agreement).

“**Effectiveness Period**” has the meaning set forth in Section 2(b).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**FINRA**” means the Financial Industry Regulatory Authority

“**Holder**” or “**Holders**” has the meaning set forth in the Preamble. The Holder of a Debenture shall be deemed to be the Holder of Debenture Shares issuable with respect to such Debenture.

“**Merger Agreement**” means that certain Agreement and Plan of Merger, dated as of November 5, 2019, by and among, the Company, MICT Merger Subsidiary Inc., upon execution of a joinder thereto, a to-be-formed British Virgin Islands company and a wholly-owned subsidiary of the Company, and GFH Intermediate Holdings Ltd., a British Virgin Islands company, as in effect on the date hereof and as the same may be amended, restated, supplemented or otherwise modified to the extent permitted by Section 7 of each Debenture.

“**Person**” means a natural person, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or other entity, or a governmental entity or any department, agency or political subdivision thereof.

“**Purchase Agreement**” has the meaning set forth in the Recitals.

“**Prospectus**” shall mean the prospectus included in a Resale Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Resale Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and, in each case, including all documents incorporated by reference therein.

“**Registrable Securities**” shall mean (i) any Debenture Shares issued to the Holders upon the conversion of the Debentures, and (ii) any other securities issued as a result of, or in connection with, any stock dividend, stock split or reverse stock split, combination, recapitalization, reclassification, merger or consolidation, exchange or distribution in respect of the Common Stock or the Debentures referred to above. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities on the earliest to occur of: (a) the date on which a Registration Statement with respect to the sale of such Registrable Securities shall have become effective under the Securities Act and such Registrable Securities shall have been sold, transferred, disposed of in accordance with such Registration Statement; (b) the date on which such Registrable Securities shall have ceased to be outstanding; or (c) any date on which such Holder’s Registrable Securities are eligible for sale without registration pursuant to Rule 144 (or any successor provision) under the Securities Act and without volume limitations or other restrictions on transfer thereunder; or (d) the date on which such Registrable Securities have been sold to a third party and all transfer restrictions and restrictive legends with respect to such Registrable Securities are removed upon the consummation of such sale.

“**Resale Registration**” shall mean a registration effected pursuant to Section 2(a).

“**Resale Registration Statement**” shall mean a “resale” registration statement of the Company pursuant to the provisions of Section 2(a) which covers the resale of all of the Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act, on Form S-3 (or if such form is not available, any other appropriate available form) under the Securities Act, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all documents incorporated by reference therein.

“**Rule 144**” shall mean Rule 144 promulgated under the Securities Act.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**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.

“**Transfer**” means and includes the act of selling, giving, transferring, creating a trust (voting or otherwise), assigning or otherwise disposing of (other than pledging, hypothecating or otherwise transferring as security or any transfer upon any merger or consolidation) (and correlative words shall have correlative meanings); provided, however, that any transfer or other disposition upon foreclosure or other exercise of remedies of a secured creditor after an event of default under or with respect to a pledge, hypothecation or other transfer as security shall constitute a Transfer.

2. Resale Registration Statement.

(a) Registration Requirement.

The Company shall prepare and file with the Commission a Resale Registration Statement within seven (7) Business Days of the date that the Company or any affiliate of the Company first files with the Commission any preliminary or definitive proxy or information statement relating to any business combination involving the Company or any affiliate thereof and in no event later than [_____] meeting the requirements of the Securities Act and will use its best efforts to cause the Resale Registration Statement to be declared effective by the Commission as soon as practicable thereafter and in any event not later than the Effectiveness Deadline.

(b) Effectiveness Requirement.

The Company agrees to use its best efforts to keep the Resale Registration Statement continuously effective and the Prospectus usable for resales for a period commencing on the date that such Resale Registration Statement is initially declared effective by the Commission and terminating on the date when all of the Registrable Securities covered by such Resale Registration Statement have ceased to be Registrable Securities (the "**Effectiveness Period**").

(c) Notice.

The Company will, in the event a Resale Registration Statement is declared effective, notify each such Holder as promptly as practicable, and in any event no later than the next Business Day, when such Resale Registration Statement has become effective and take such other actions as are necessary to permit resales of the Registrable Securities, including providing to each Holder a reasonable number of copies of the Prospectus which is a part of such Resale Registration Statement as is requested by such Holder. The Company further agrees to supplement or amend the Resale Registration Statement if and as required by the rules, regulations or instructions applicable to the registration form used by the Company for such Resale Registration Statement or by the Securities Act or by any other rules and regulations thereunder for registrations, and the Company agrees to notify the Holders of Registrable Securities of any such supplement or amendment promptly after its being used or filed with the Commission.

(d) Cutback.

Notwithstanding any other provision of this Agreement, if the Commission or any SEC Guidance sets forth a limitation on the number of Registrable Securities permitted to be registered on a particular Resale Registration Statement as a secondary offering (and notwithstanding that the Company used its best 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 Resale Registration Statement will be reduced as follows:

(i) *first*, the Company shall reduce or eliminate any securities to be included other than Registrable Securities;

(ii) *second*, the Company shall reduce Registrable Securities represented by Debenture Shares (applied, in the case that some Debenture Shares may be registered, to the Holders on a pro rata basis based on the total number of unregistered Debenture 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 Resale Registration Statement in accordance with the foregoing, the Company will use its best efforts to file with the Commission, as promptly as allowed by the Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to register for resale those Registrable Securities that were not registered for resale on the initial Resale Registration Statement, as amended.

(c) Effect of Failure to File and Obtain and Maintain Effectiveness of Registration Statement.

If (i) subject to Section 2(d) above, the Resale Registration Statement when declared effective fails to register the entire amount of the shares of Common Stock issued to Holders pursuant to the Purchase Agreement and the Debenture Shares issued to the Holders upon conversion of the Debentures (a "**Registration Failure**"), (ii) a Resale Registration Statement covering all of the Registrable Securities required to be covered thereby and required to be filed by the Company pursuant to this Agreement is (A) not filed with the Commission on or before the applicable filing deadline provided for in Section 2(a) (a "**Filing Failure**") or (B) not declared effective by the Commission on or before the applicable deadline provided for in Section 2(a), (an "**Effectiveness Failure**"), (iii) the Holders of Registrable Securities are not permitted to utilize the prospectus contained in the Resale Registration Statement to resell such Registrable Securities for any reason (other than due to a change in the "Plan of Distribution" in the form attached hereto as Exhibit B that is approved in writing by Holders of a majority of interest of the Registrable Securities or the inaccuracy in any material respect of any information regarding the Holders), in each case, (A) on any day after the initial Effective Date until the forty-fifth (45th) day following the Closing Date (as defined in the Merger Agreement), (B) for more than an aggregate of ten (10) consecutive Trading Days thereafter or (C) for more than twenty-five (25) Trading Days (which need not be consecutive days) during any twelve (12) month period (other than as a result of a material breach of this Agreement by a Holder of Registrable Securities) (a "**Maintenance Failure**") or (iv) if a Resale Registration Statement is not effective for any reason or, subject to clause (iii) above, the prospectus contained therein is not available for use for any reason, and the Company fails to file with the Commission any required reports under Section 13 or 15(d) of the 1934 Act such that it is not in compliance with Rule 144(c) (1) (or Rule 144(i)(2), if applicable) (a "**Current Public Information Failure**") as a result of which any of the Holders are unable to sell Registrable Securities without restriction under Rule 144 (including, without limitation, volume restrictions) then, as partial relief for the damages to any Holder by reason of any such delay in or reduction of its ability to sell the underlying shares of Common Stock (which remedy shall not be exclusive of any other remedies available at law or in equity, including, without limitation, specific performance), the Company shall pay to each holder of Registrable Securities relating to such Resale Registration Statement an amount in cash equal to (x) two percent (2.0%) of the aggregate amount such Holder paid for Debentures pursuant to the Purchase Agreement for the first month, or part thereof, that: (i) a Registration Failure shall continue, (ii) a Filing Failure shall continue; (iii) an Effectiveness Failure shall continue; (iv) a Maintenance Failure shall continue; (v) a Current Public Information Failure shall continue and (y) two percent (2.0%) of the aggregate Commitment Amount (as such term is defined in the Purchase Agreement) of such Holder's Registrable Securities, for each month, or part thereof after such first month that: (i) a Registration Failure continues (prorated for periods totaling less than thirty days) until such Registration Failure is cured; (ii) a Filing Failure continues (prorated for periods totaling less than thirty days) until such Filing Failure is cured; (iii) an Effectiveness Failure continues (prorated for periods totaling less than thirty days) until such Effectiveness Failure is cured; (iv) a Maintenance Failure continues (prorated for periods totaling less than thirty days) until such Maintenance Failure is cured; and (v) a Public Information Failure continues (prorated for periods totaling less than thirty days) until such Public Information Failure is cured. The payments to which a holder shall be entitled pursuant to this Section 2(e) are referred to herein as "**Registration Delay Payments.**" Registration Delay Payments shall be paid on the earlier of (I) the dates set forth above and (II) the third Business Day after the event or failure giving rise to the Registration Delay Payments is cured. In the event the Company fails to make Registration Delay Payments in a timely manner, such Registration Delay Payments shall bear interest at the rate of one and one-half percent (1.5%) per month (prorated for partial months) until paid in full. Notwithstanding anything to the contrary contained herein, (i) Registration Delay Payments shall cease to accrue when all of the Registrable Securities may be sold pursuant to Rule 144 without any restrictions or limitations, (ii) no single event or failure shall give rise to more than one type of Registration Delay Payment or (iii) if a Holder would be required to be named as an "underwriter" in the Resale Registration Statement by the Commission and such Holder elects not to include any Registrable Securities of such Holder in the Resale Registration Statement, or such Holder's Registrable Securities are not included in the Resale Registration Statement at Holder's determination, or as a result of Holder's failure to comply with Section 3(b) of this Agreement, no Registration Delay Payments shall accrue with respect to such Registrable Securities of such Holder.

3. Registration Procedures.

(a) *Obligations of the Company.*

In connection with its obligations under Section 2 with respect to the Resale Registration Statement, the Company shall:

(i) prepare and file with the Commission a Resale Registration Statement as prescribed by Section 2(a) within the relevant time period specified in Section 2(a) on Form S-3 (or if such form is not available, any other appropriate available form), which form shall (A) be available for the resale of the Registrable Securities by the selling Holders thereof and (B) comply as to form in all respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith; the Company shall use its best efforts to cause such Resale Registration Statement to become effective and remain effective and the Prospectus usable for resales in accordance with Section 2, as applicable; provided, however, that, no fewer than five (5) calendar days before filing the Resale Registration Statement or Prospectus or any amendments or supplements thereto, the Company shall furnish to and afford the Holders covered by such Resale Registration Statement and their counsel a reasonable opportunity to review copies of such documents as proposed to be filed; and provided further, however, the Plan of Distribution disclosed in the Resale Registration Statement shall be substantially in the form attached hereto as Exhibit B, with such changes as the Company and Holders of a majority of interest of the Registrable Securities may agree;

(ii) prepare and file with the Commission such amendments (including post effective amendments) to any Resale Registration Statement as may be necessary or appropriate to keep such Resale Registration Statement effective for the Effectiveness Period and cause each Prospectus to be supplemented, if so determined by the Company or requested by the Commission, by any required prospectus supplement and as so supplemented to be filed pursuant to Rule 424 (or any similar provision then in force), under the Securities Act; respond as promptly as possible to any comments received from the Commission with respect to such Resale Registration Statement, or any amendment, post-effective amendment or supplement relating thereto; and as promptly as possible, upon request, provide the Holders true and complete copies of all correspondence from and to the Commission relating to such Resale Registration Statement; and comply in all material respects with the provisions of the Securities Act, the Exchange Act and the rules and regulations promulgated thereunder applicable to it with respect to the disposition of all Registrable Securities covered by such Resale Registration Statement during the Effectiveness Period in accordance with the intended method or methods of distribution by the selling Holders thereof described in this Agreement;

(iii) register or qualify the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder shall reasonably request in writing, keep each such registration or qualification effective during the Effectiveness Period and do any and all other acts and things which may be necessary or advisable in the judgment of such Holder to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; provided, however, that the Company shall not be required to (A) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(a)(iii), (B) file any general consent to service of process in any jurisdiction where it would not otherwise be subject to such service of process or (C) subject itself to taxation in any such jurisdiction if it is not then so subject;

(iv) promptly notify each Holder and promptly confirm such notice in writing, if such notice was verbally given, (A) when the Resale Registration Statement covering such Registrable Securities has become effective and when any post effective amendments thereto become effective, (B) of the receipt of any comments from the Commission with respect to any such Resale Registration Statement, (C) of any request by the Commission or any other federal or state securities authority for amendments or supplements to such Resale Registration Statement or Prospectus or for additional information after such Resale Registration Statement has become effective, (D) of the issuance or threatened issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of such Resale Registration Statement or the qualification of the Registrable Securities in any jurisdiction described in Section 3(a)(iii) or the initiation of any proceedings for that purpose, (E) 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, (F) of the happening of any event or the failure of any event to occur or the discovery of any facts, during the Effectiveness Period, which makes any statement made in such Resale Registration Statement or the related Prospectus untrue in any material respect or which causes such Resale Registration Statement or Prospectus to omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and (G) when a Prospectus or Prospectus Supplement or post-effective amendment to such Resale Registration Statement is proposed to be filed;

(v) use its best efforts to prevent the entry of any stop order or other suspension of effectiveness of any Resale Registration Statement, or if entered, to obtain the withdrawal of any such stop order or to avoid the issuance of, or, if issued, obtain the withdrawal of any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction at the earliest possible moment;

(vi) furnish to each Holder, upon written request and without charge, one conformed copy of the Resale Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested) promptly after the filing of such documents with the Commission, and additional conformed copies of such Resale Registration Statement as such Holder may reasonably request;

(vii) promptly deliver to each selling Holder, without charge, as many copies of the applicable Prospectus (including each preliminary Prospectus) as such Holder from time to time may reasonably request (it being understood that the Company consents to the use of the Prospectus by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by the Prospectus), such other documents incorporated by reference therein and any exhibits thereto as such selling Holder from time to time may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder;

(viii) as soon as possible after the resolution of any matter or event specified in Sections 3(a)(iv)(B), 3(a)(iv)(C), 3(a)(iv)(E) and 3(a)(iv)(F), prepare and file with the Commission a supplement or post-effective amendment to the Resale Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document, and provide revised or supplemented Prospectuses to the Holders so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) cooperate with each Holder of Registrable Securities covered by a Resale Registration Statement and its counsel in connection with any filings required to be made with FINRA;

(x) use its best efforts to cause all Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange, interdealer quotation system or other market on which similar securities issued by the Company are then listed;

(xi) cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Resale Registration Statement and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may request;

(xii) from and after the date of this Agreement, the Company shall not, and shall not agree to, allow the holders of any securities of the Company to include any of their securities that are not Registrable Securities in the Resale Registration Statement under Section 2(a) hereof or any amendment or supplement thereto without the consent of the holders of a majority in interest of the Registrable Securities;

(xiii) not identify any Holder as an “underwriter” in any public disclosure or filing with the Commission or any listing exchange without the prior written consent of such Holder (it being understood, that if the Company is required to name such Investor as an “underwriter” in such Resale Registration Statement by the Commission (after a good faith discussion with the Commission to lift such requirement, including, without limitation, any reduction in the number of Registrable Securities of such Holder to be registered on such Registration Statement (to the extent necessary to lift such requirement)), such Holder shall have the option of electing to exclude all such Registrable Securities from such Resale Registration Statement or to be named as an “underwriter” in such Resale Registration Statement); provided, however, that the foregoing shall not prohibit the Company from including the disclosure found in the “Plan of Distribution” section attached hereto as Exhibit B in the Resale Registration Statement; and

(xiv) notwithstanding any other provision of this Section 3(a), if the Company becomes ineligible to use the registration form on which the Resale Registration Statement is filed and declared effective pursuant to Section 2(a), thereby precluding any Holder from using the related Prospectus, the Company shall use its best efforts to prepare and file either a post-effective amendment to the Resale Registration Statement to convert such registration statement to, or a new Resale Registration Statement on, another registration form which the Company is eligible to use within twenty (20) days after the date that the Company becomes ineligible, provided such other registration form shall be available for the sale of the Registrable Securities by the selling Holders thereof and such amended or new Resale Registration Statement shall remain subject in all respects to the provisions of this Section 3(a).

(b) Holders' Obligations.

(i) Each Holder agrees that, upon receipt of any notice from the Company of the occurrence of any event specified in Sections 3(a)(iv)(B), 3(a)(iv)(C), 3(a)(iv)(E), 3(a)(iv)(F) or any Delay Notice, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Resale Registration Statement at issue until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(a)(viii) or until it is advised in writing (the “**Advice**”) by the Company that the use of the applicable Prospectus may be resumed, and, if so directed by the Company, such Holder will deliver to the Company (at the Company's expense) all copies in such Holder's possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice.

(ii) Each Holder agrees that the Company may require each seller of Registrable Securities as to which any registration is being effected to furnish to it such information regarding such seller specified in Exhibit A or as may otherwise be required by the staff of the Commission to be included in the applicable Resale Registration Statement, the Company may exclude from such registration the Registrable Securities of any seller who fails to furnish such information which is not otherwise readily available to the Company within five (5) Business Days after receiving such request, and the Company shall have no obligation to register under the Securities Act the Registrable Securities of a seller who so fails to furnish such information.

(iii) Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the 1933 Act, as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to the Resale Registration Statement.

4. Registration Expenses.

All Registration Expenses will be borne by the Company whether or not the Resale Registration Statement becomes effective. “**Registration Expenses**” means all fees and expenses incident to the performance of, or compliance with, this Agreement by the Company, including, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of compliance with securities or “blue sky” laws (including, without limitation, fees and disbursements of counsel for the selling Holders in connection with “blue sky” qualifications of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as the Holders of a majority of the Registrable Securities being sold may designate)), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities in a form eligible for deposit with The Depository Trust Company, only if such security is currently traded on an established trading market, and of printing Prospectuses if the printing of Prospectuses is requested by the Holders of a majority of the Registrable Securities included in the Resale Registration Statement), (iii) fees and disbursements of counsel for the Company and reasonable fees and disbursements of one single special counsel for the Holders (provided, that the Company’s obligations to reimburse the Holders in cash pursuant to this clause (iii) in respect of fees and disbursements of one single special counsel to the Holders (A) shall not exceed \$25,000 in the aggregate, which shall be paid in cash on or prior to the Closing Date in accordance with Section 2.3(b)(ix) of the Purchase Agreement and (B) shall be separate and independent from the Company’s obligations to reimburse the Holders in cash pursuant to the Purchase Agreement (including, without limitation, Section 5.2 thereof), (iv) all fees and expenses of listing the Registrable Securities on the NASDAQ Stock Market, and (v) fees and expenses of all other Persons retained by the Company in connection with this Agreement; provided, however, that Registration Expenses shall not include fees and expenses of any counsel for the Holders except as provided in clause (iii) above and any local counsel that are not included in the definition of Registration Expenses nor shall it include underwriting fees, discounts or commissions relating to the offer and sale of Registrable Securities which shall be borne by the Holders included in such registration pro rata in proportion to the number of Registrable Securities of such Holder included in such registration. In addition, the Company will pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange on which similar securities issued by the Company are then listed and the fees and expenses of any Person, including special experts, retained by the Company.

5. **Indemnification.**

(a) Indemnification by the Company.

The Company will indemnify and hold harmless, to the fullest extent permitted by law, each Holder whose Registrable Securities are registered pursuant to this Agreement, the officers, directors, agents, members, partners, limited partners and employees of each of them, each Person who controls such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents, members, partners, limited partners and employees of any such controlling Person, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, the costs of investigation and attorneys' fees) and expenses (collectively, "**Losses**"), as incurred, arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, preliminary Prospectus or Prospectus or in any amendment or supplement thereto, or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are based upon information furnished in writing to the Company by such Holder expressly for use therein; provided, however, that the Company will not be liable to any Holder to the extent that any such Losses arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any preliminary Prospectus if either (A) (i) after receiving copies thereof from the Company, such Holder failed to send or deliver a copy of the Prospectus with or prior to the delivery of written confirmation of the sale by such Holder to the Person asserting the claim from which such Losses arise and (ii) the Prospectus would have corrected in all material respects such untrue statement or alleged untrue statement or such omission or alleged omission; or (B) such untrue statement or alleged untrue statement, omission or alleged omission is corrected in all material respects in an amendment or supplement to the Prospectus previously furnished by or on behalf of the Company with copies of the Prospectus as so amended or supplemented, and, after receiving copies thereof from the Company, such Holder thereafter fails to deliver such Prospectus as so amended or supplemented prior to or concurrently with the sale of a Registrable Security to the Person asserting the claim from which such Losses arise. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any Holder or any officer, director, agent or employee of such Holder.

(b) Indemnification by Holders of Registrable Securities.

In connection with any Resale Registration Statement in which a Holder is participating, such Holder will furnish to the Company in writing such information concerning the Holder as the Company reasonably requests concerning such Holder for use in connection with any Resale Registration Statement or Prospectus and will severally and not jointly indemnify, to the fullest extent permitted by law, the Company, its directors and 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, from and against any and all Losses arising out of or based upon (i) any disposition of Registrable Securities after receiving notice of a Delay Period and prior to receiving Advice under Section 3(b)(i) that use of the Prospectus may be resumed or (ii) any untrue statement of a material fact contained in any Registration Statement, Prospectus or preliminary Prospectus or arising out of or based upon any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, to the extent, but only to the extent, that such untrue statement or omission is finally judicially determined by a court of competent jurisdiction to have been contained in any information so furnished in writing by such Holder to the Company expressly for use in such Resale Registration Statement or Prospectus and to have been relied upon by the Company in the preparation of such Registration Statement, Prospectus or preliminary Prospectus. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any officer, director, agent or employee of the Company. In no event will the liability of any selling Holder under this Section 5(b) be greater in amount than the excess of the amount by which the total price at which the Registrable Securities sold by such Indemnifying Party and distributed to the public pursuant to the Resale Registration Statement (net of all related expenses) is over the amount of any damages which such Indemnifying Party has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(c) Conduct of Indemnification Proceedings.

If any Person shall become entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall give prompt notice to the party from which such indemnity is sought (the "**Indemnifying Party**") of any claim or of the commencement of any action or proceeding with respect to which such Indemnified Party seeks indemnification or contribution pursuant hereto; and the Indemnifying Party shall have the right to assume the defense thereof with counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, however, that the failure to so notify the Indemnifying Party will not relieve the Indemnifying Party from any obligation or liability except to the extent that it shall be finally determined by a court of competent jurisdiction that the Indemnifying Party has been prejudiced materially by such failure.

An Indemnified Party shall have the right to employ separate counsel (and one local counsel in each applicable jurisdiction) selected by the Indemnified Party in any such proceeding and to participate in the defense thereof. The fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties.

The Indemnifying Party will not consent to entry of any judgment or enter into any settlement or otherwise seek to terminate any action or proceeding in which any Indemnified Party is or could be a party and as to which indemnification or contribution could be sought by such Indemnified Party under this Section 5, unless such judgment, settlement or other termination includes, as an unconditional term thereof, the giving by the claimant or plaintiff to such Indemnified Party of a release, in form and substance reasonably satisfactory to the Indemnified Party, from all liability in respect of such claim or litigation for which such Indemnified Party would be entitled to indemnification hereunder and shall not include a statement as to the admission of fault or culpability of the Indemnified Party.

(d) *Contribution.*

If the indemnification provided for in this Section 5 is unavailable to an Indemnified Party under Section 5(a) or 5(b) hereof in respect of any Losses or is insufficient to hold such Indemnified Party harmless, then each applicable Indemnifying Party, in lieu of or in addition to indemnifying such Indemnified Party, as applicable, will, jointly and severally, contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party or Indemnifying Parties, on the one hand, and such Indemnified Party, on the other hand, 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 or Indemnifying Parties, on the one hand, and such Indemnified Party, on the other hand, will 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 related 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 will be deemed to include, subject to any limitations set forth in Section 5(c), any reasonable legal or other fees or expenses incurred by such party in connection with any action or proceeding to the extent such party would have been indemnified for such fees and expenses if the indemnification provided for in this Section 5(d) 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. Notwithstanding the provisions of this Section 5(d), an Indemnifying Party that is a selling Holder will not be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities sold by such Indemnifying Party and distributed to the public pursuant to the applicable Resale Registration Statement (net of all related expenses) exceeds the amount of any damages which such Indemnifying Party has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity, contribution and expense reimbursement obligations of a party hereunder will be in addition to any liability such party may otherwise have hereunder or otherwise.

6. Miscellaneous.

(a) *Reporting.*

With a view to making available to the Holders the benefits of Rule 144 or any other similar rule or regulation of the Commission that may at the time permit the Holders to sell securities of the Company to the public without registration, for so long as the Holders continue to own Registrable Securities, the Company shall:

(i) Make and keep public information available, as those terms are understood and defined in Rule 144, and file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(ii) Furnish to each Holder, for so long as the Holder owns Registrable Securities, promptly upon request, a written statement by the Company, if true, that it has complied with the applicable reporting requirements of Rule 144, the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other information as may be reasonably requested to permit the Holders to sell such securities pursuant to Rule 144 without registration.

(b) *Remedies.*

In the event of a breach by the Company of its obligations under this Agreement, each 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 Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss 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 will waive the defense that a remedy at law would be adequate.

(c) *Amendments and Waivers.*

(i) The provisions of this Agreement may be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may be given only by a writing signed by the Company and Holders of at least a majority of the then-outstanding Registrable Securities; provided, however, if the foregoing adversely and disproportionately impacts a particular Holder, as compared to the other Holders, such amendment, modification, supplement, waiver or consent shall require the consent of such affected Holder. If the Company pays consideration to any Holder in connection with obtaining an amendment, modification, supplement, waiver or consent under this Agreement, the Company shall offer to pay such consideration to all other Holders.

(ii) Any amendment or waiver effected in accordance with this Section 6(c) shall be binding upon each holder of Registrable Securities at the time outstanding, each future Holder of all such securities, and the Company.

(iii) No failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided will be cumulative and not exclusive of any rights or remedies provided by law.

(d) *Notices.*

All notices, requests and other communications to either party hereunder must be in writing (including telecopy or similar writing) and must be given:

(i) if to a Holder, to the address set forth opposite such Holder's name on the signature pages hereto, with a copy to such additional party as indicated on such page,

with an additional copy to:

[]

(ii) If to the Company, to:

If prior to the Effective Time (as defined in the Merger Agreement), to:

MICT, Inc.
28 West Grand Avenue, Suite 3
Montvale, New Jersey 07645
Attn: David Lucatz, Chief Executive Officer
Facsimile No.:
Telephone No.: (201) 225-0190
Email: david@micronet-enertec.com

with a copy (which will not constitute notice) to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
666 Third Avenue
New York, New York 10017
Attn: Kenneth Koch, Esq.
Facsimile No.: (212)-983-3115
Telephone No.: (212)-692-6768
E-mail: KRKoch@mintz.com

If after the Effective Time (as defined in the Merger Agreement), to:

Global Fintech Holdings Ltd.

c/o Gateley PLC
98 King Street
Manchester, M2 4WU
United Kingdom
Attn: Darren C. Mercer, Executive Director
Telephone No.: 44 (0) 161 836 7816
Facsimile No.: +44 (0) 161 836 7701
Email: Darren.Mercer@bnntechnology.com

with a copy (which will not constitute notice) to:

Ellenoff Grossman & Schole LLP
1345 Avenue of the Americas, 11th Floor
New York, New York 10105, USA
Attn: Richard I. Anslow, Esq.
Jonathan H. Deblinger, Esq.
Facsimile No.: (212) 370-7889
Telephone No.: (212) 370-1300
Email: ranslow@egsllp.com
jdeblinger@egsllp.com

or such other address or telecopier number as such Person may hereafter specify by written notice to the other parties hereto given five (5) days prior to the effectiveness of such change. Each such notice, request or other communication will be effective only when actually delivered at the address specified in this Section 6(d), if delivered prior to 5 p.m. (local time) and such day is a Business Day, and if not, then such notice, request or other communication will not be effective until the next succeeding Business Day. Written confirmation of receipt (A) given by the recipient of such notice or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission, or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a reputable overnight delivery service.

(e) Owner of Registrable Securities.

The Company will maintain, or will cause its registrar and transfer agent to maintain, a stock book with respect to the Common Stock, in which all transfers of Registrable Securities of which the Company has received notice will be recorded. The Company may deem and treat the Person in whose name Registrable Securities are registered in the stock book of the Company as the owner thereof for all purposes, including, without limitation, the giving of notices under this Agreement.

(f) Successors and Assigns.

Subject to this paragraph (f), this Agreement will inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and will inure to the benefit of each of the Holders. The Company may not assign its rights or obligations hereunder. Holders may not assign their rights and obligations under this Agreement; provided, however, that a Holder may assign its rights and obligations under this Agreement to a third party in connection with any transfer of Registrable Securities (a "**Permitted Transferee**"). Notwithstanding the foregoing, no Permitted Transferee shall be entitled to any of the transferring Holder's rights under this Agreement unless and until such Permitted Transferee shall have acknowledged in writing its acceptance of such Holder's obligations hereunder.

(g) Counterparts; Effectiveness.

This Agreement may be signed in any number of counterparts, each of which will be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Facsimile counterpart signatures shall be acceptable. This Agreement will become effective when each party hereto receives a counterpart hereof signed by the other party hereto.

(h) Headings.

The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of or to limit or affect the meaning or interpretation of this Agreement. All references herein to "Sections" shall refer to corresponding provisions of this Agreement unless otherwise expressly noted.

(i) Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York as applied to agreements among New York residents entered into and to be performed entirely within New York, without giving effect to the principles of conflict of laws thereof that would cause the application of the laws of any other jurisdiction.

(j) *Jurisdiction; Consent to Service of Process.*

Each party hereby irrevocably submits, for itself and its property, to the non-exclusive jurisdiction of the Supreme Court of the State of New York located in New York, New York in the Borough of Manhattan or the United States District Court for the Southern District of New York, and any appellate court from any such court (as applicable, a "**New York Court**"), in any suit, action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment resulting from any such suit, action or proceeding, and each party hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in the New York Court. Each party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (i) any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in the New York Court, (ii) the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court, and (iii) the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party. Each party irrevocably consents to service of process in any manner permitted by law.

(k) *WAIVER OF JURY TRIAL.*

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY OR DISPUTE THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6(K).

(l) *Severability.*

The holding of any provision of this Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect. If any provision of this Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced in whole or in part, such provision shall be interpreted so as to remain enforceable to the maximum extent permissible consistent with applicable law and the remaining conditions and provisions or portions thereof shall nevertheless remain in full force and effect and enforceable to the extent they are valid, legal and enforceable, and no provisions shall be deemed dependent upon any other covenant or provision unless so expressed herein.

(m) *Entire Agreement.*

This Agreement constitutes the entire understanding and agreement among the parties relating to the subject matter hereof and supersedes any and all prior agreements, representations or understandings, both written and oral, with respect to the subject matter hereof. Nothing in this Agreement, express or implied, is intended to confer upon any Person, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

(n) No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(o) Third Party Beneficiaries.

This Agreement and all of its provisions and conditions are for the benefit of the parties to this Agreement, any Permitted Transferee and solely with respect to the provisions of Section 5 hereof, any Indemnified Party.

(p) Termination.

This Agreement shall terminate on the date on which there cease to be any Registrable Securities outstanding. The provisions of Section 5 and Section 6(o) shall survive the termination of this Agreement.

(q) 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 entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. 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.

(r) No Inferences.

Nothing in this Agreement shall create any inference that any Purchaser is required to register any securities of the Company for resale under the Securities Act, other than the Common Stock issuable pursuant to the Purchase Agreement and the Debenture Shares.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

MICT, INC.

By _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the date first set forth above.