

Dated: 1 May 2018

(1) MOKIREI AYA LTD.

(2) MTI WIRELESS EDGE LTD.

RELATIONSHIP AGREEMENT IN RELATION TO MTI WIRELESS EDGE LTD.


MTI COMPUTERS
SOFTWARE SERVICES (1982) LTD.

ERM/1229948v3


MTI WIRELESS EDGE LTD

THIS AGREEMENT is made 1 May 2018

BETWEEN

- (1) **MOKIREI AYA LTD.** a company incorporated and registered in the State of Israel with registered number 513223222 whose registered office is at 87 HaYarkon Street, Tel Aviv, Israel (the "**Mokirei**");
- (2) **MTI WIRELESS EDGE LTD.** a company incorporated and registered in the State of Israel under the Companies Ordinance [New Version] 5743-1983 and the regulations promulgated thereunder, with registered number 51-271930-3 whose registered office is at 11 Hamelacha St., Afek Industrial Park, Rosh Ha'ayin, 48101, Israel (the "**Company**").

RECITALS:

- (A) The Shareholder is entitled to exercise 30% or more of the voting rights at general meetings of the Company.
- (B) The Company's issued share capital is admitted to trading on AIM.
- (C) The parties wish to regulate certain matters relating to the relationship between (1) the Shareholder, its Affiliates and Specified Persons; and (2) the Company.

OPERATIVE PROVISIONS

1 Definitions and interpretation

- 1.1 In this agreement the following words and expressions shall have the following meanings unless they are inconsistent with the context:

"Affiliate"

means with respect to the Shareholder any other person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, the Shareholder;

"AIM"

means AIM, a market operated by London Stock Exchange plc;

"AIM Rules"

means the AIM rules for companies published by London Stock Exchange plc;

"Board"

means the board of directors of the Company as constituted from time to time;

"Business Day"

means any day (other than Friday or Saturday) on which clearing banks are open for a full range of banking transactions in Israel;

"Companies Law"

means the Israeli Companies Law 5759 – 1999, as amended from time to time;

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"Control"

means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise;

"Delisting Event"

means either of the following events: (i) if 50% or more of the shareholders of the Company (other than the Shareholder, its Affiliates and Specified Persons) vote in favour, at a general meeting of the Company, of delisting all or any of the Company's shares from AIM; or (ii) a tender offer is made to all shareholders of the Company which, if approved by the relevant majority of the shareholders, results in the delisting of all or any of the Company's shares from AIM;

"Independent Directors"

a director of the Company that is not a Non-Independent Director, such directors being, Lihi Elimelech Bechor, Richard Bennett, Zvi Kanor and Dov Feiner (as the CEO of the Company) at the date of this agreement;

"Market Abuse Regulations"

the EU Market Abuse Regulation (No. 596/2014);

"Non-Independent Directors"

a person who is a director of the Shareholder, an Affiliate (excluding the Company or any subsidiary thereof) or a Specified Person;

"Nominated Adviser"

the Company's nominated adviser for the purposes of the AIM Rules;

"Shareholder"

Mokirei;

"Specified Person"

a person who is connected to or acting in concert with the Shareholder or any Affiliate;

"Transaction"

the merger between MTI Computers Ltd. and the Company via a court approved scheme of arrangement in accordance with Sections 350-351 of the Israeli Companies Law, 1999.

1.2 In this agreement:

- 1.2.1 references to clauses and parties are, unless otherwise stated, to the clauses of and the parties to this agreement;
- 1.2.2 words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include bodies corporate or unincorporated;
- 1.2.3 the headings to the clauses are for convenience only and shall not affect the construction or interpretation of this agreement;

- 1.2.4 any reference to a person being "connected" with another shall be construed in accordance with section 839 of the Income and Corporation Taxes Act 1988;
- 1.2.5 any reference to a person "acting in concert" with another shall be construed in accordance with The City Code on Takeovers and Mergers;
- 1.2.6 any reference to a person includes a natural person, a corporate or unincorporated body (whether or not having separate legal personality) and that person's successors and permitted assigns; and
- 1.2.7 any term not specifically defined in this agreement shall have the meaning ascribed to it in the Companies Law.

2 Condition Precedent

- 2.1 The obligations of the parties under this agreement are conditional on the Transaction becoming effective not later than 31 August, 2018 or on such later time or date agreed in writing between the parties.
- 2.2 If the Transaction has not become effective in accordance with clause 2.1, this agreement shall lapse and become null and void and its provisions shall have no effect over the parties hereto nor to the benefit of any third party.

3 Undertakings

- 3.1 The Shareholder shall (and shall procure that its Affiliates and Specified Persons shall) act in good faith and shall not abuse its power over the Company and at all times it shall exercise its rights in relation to the Company in accordance with the applicable Israeli law so as to procure, insofar as it is able to do so by the exercise of those rights, that:
- 3.1.1 the Company is capable at all times of carrying on its business independently of the Shareholder and its Affiliates and Specified Persons;
- 3.1.2 all transactions, agreements or arrangements entered into between the Company, the Shareholder and/or its Affiliates and/or Specified Persons will be made at arm's length and on a normal commercial basis.;
- 3.1.3 no variations are made to the Company's articles of association which would be contrary to the maintenance of the ability of the Company to carry on its business independently of the Shareholder, its Affiliates and/or Specified Persons.
- 3.2 The Shareholder will not undertake any activity in conflict with those of the Company which may render the Company incapable of carrying on its business independently or lead to transactions and relationships between the Company and the Shareholder (or its Affiliates or Specified Persons) which are not at arm's length or on a normal commercial basis.
- 3.3 The Shareholder will act in accordance with the applicable Israeli laws and subject to the applicable Israeli laws, the Shareholder undertakes to the Company that it will adhere to all applicable rules and/or regulations applying to the exercise of its rights as a controlling shareholder including those imposed by the AIM Rules, the Market Abuse Regulations, and all other relevant English laws.
- 3.4 The Shareholder confirms that as at the date hereof, and so far as it is aware, all transactions, agreements or arrangements subsisting between the Company, the Shareholder, its Affiliates and/or Specified Persons are on an arm's length and normal commercial basis and particular reference is made to the Management Services Agreement between the Company and Mokirei Aya Management (2003) Ltd., (a wholly owned subsidiary of Mokirei).

- 3.5 The Shareholder undertakes that it shall not, and will use all reasonable endeavours to procure that any Affiliate and Specified Person will undertake that it shall not, seek to interfere with the independent operation of the Board and in particular, but without limitation to the generality of the foregoing, (i) the Shareholder shall not, and shall procure that its Affiliates or Specified Persons shall not, appoint any director to the Board such that a majority of the directors on the Board would be Non-Independent Directors, and (ii) the Shareholder shall, and shall procure that its Affiliates or Specified Persons refrain from exercising their voting rights and other rights (if any) in favour of the election or re-election of any person to the Board or the removal of any person from the Board if the election or re-election or removal (as applicable) of such person would result in a majority of the directors on the Board being Non-Independent Directors.
- 3.6 The Shareholder undertakes that if it is or becomes aware of any conflict which it reasonably believes may have a material effect on the Company or its business, between itself and/or any of its Affiliates (excluding the Company or any subsidiary thereof) on the one hand and the Company on the other hand, it will immediately disclose the nature and extent of such conflict to the Board.
- 3.7 The Shareholder undertakes that it shall (and shall procure that its Affiliates and Specified Persons shall) at all times, and other than upon a Delisting Event, exercise its voting rights in relation to the Company so as to procure, insofar as it is able to do so by the exercise of those rights, that the Company shall not delist all or any of its shares from AIM.
- 3.8 The Shareholder undertakes that neither itself, nor any of its Affiliates will trade any Shares when in possession of unpublished price sensitive information or when to do so would otherwise be in breach of applicable law and/or applicable regulations (including, amongst others, the UK Criminal Justice Act 1993 (concerning insider dealing) or the Market Abuse Regulation (concerning market abuse);
- 3.9 The Shareholder shall keep, and shall use its reasonable endeavours to procure that any person who is an Affiliate (excluding the Company or any subsidiary thereof) keeps, confidential and not use for its own benefit or the benefit of any other business (whether or not such business competes with that of the Company) any confidential information relating to the Company or any of its subsidiaries to which it has been given access by reason of its interest (if applicable) in the share capital of the Company or through a Director nominated by it (if applicable), and without limitation to the generality of the foregoing:
- (a) not disclose any such information to any person;
 - (b) not discuss such information with any person; and
 - (c) not publish any such information whether by uploading it onto a website or otherwise;

provided that nothing in this clause shall prevent the Shareholder (or any Affiliate) from making any disclosure or publishing any information as may be required by any applicable law or enactment to which such party is subject, or is required by any securities exchange (including AIM) or governmental authority to which any party is subject or submits, wherever situated, whether or not the requirement for information has the force of law;

- 3.10 In the event that there is an issue as to the enforcement of this agreement, the Shareholder agrees that the decisions of the Board as to enforcement shall be taken independently of the Shareholder.

4 Capacity

Each party warrants and represents to the other that it has the power to enter into this agreement and to exercise its rights and to perform its obligations hereunder and all corporate and other action required to authorise its execution of this agreement and its performance of its obligations hereunder has been duly taken.

5 Termination

This agreement will cease and determine at such time as the Shareholder, its Affiliates and Specified Persons cease to control 30% or more of the voting rights at general meetings of the Company.

6 Entire Agreement

This agreement (together with any documents referred to herein) constitutes the entire agreement between the parties hereto in connection with the subject matter of this agreement. No party has relied on any representation save for any representation expressly set out in this agreement (or any document referred to herein) save that this shall not exclude liability for fraudulent misrepresentation.

7 Waivers and amendments

7.1 The waiver of any term, provision or condition of this agreement and any variation to this agreement shall only be made following the approval of the Board, having consulted with the Company's Nominated Adviser.

7.2 No waiver of any term, provision or condition of this agreement shall be effective unless such waiver is evidenced in writing and signed by the waiving party.

7.3 No omission or delay on the part of any party to this agreement in exercising any right, power or privilege under this agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or of any other right, power or privilege. The rights and remedies in this agreement are cumulative with and not exclusive of any rights or remedies provided by law.

7.4 No variation to this agreement shall be effective unless in writing and signed by both parties.

8 Counterparts

This agreement may be executed in any number of counterparts and by the parties on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

9 Invalidity

If at any time any one or more of the provisions of this agreement is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be in any way affected or impaired thereby.

10 Notices

10.1 Any demand, notice or other communication in connection with this agreement will be in writing and will, if otherwise given or made in accordance with this clause 10, be deemed to have been duly given or made as follows:

10.1.1 if sent by prepaid first class post to the registered office of the recipient, on the second Business Day after the date of posting; or

- 10.1.2 if delivered by hand, upon delivery at the registered office of the recipient; or
- 10.1.3 if sent by facsimile or email, on the day of transmission.

Provided that, if it is delivered by hand or sent by facsimile or email on a day which is not a Business Day or after 4pm on a Business Day, it will instead be deemed given or made on the next Business Day.

11 Governing Law and Jurisdiction

- 11.1 The formation, existence, construction, performance, validity and all aspects whatsoever of this agreement or of any term of this agreement shall be governed by the laws of Israel.
- 11.2 The competent courts of Tel Aviv – Jaffa shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this agreement.

THIS DOCUMENT is executed and delivered on the date stated at the beginning of this agreement.


MTI COMPUTERS
& SOFTWARE SERVICES (1982) LTD.


MTI WIRELESS EDGE LTD

EXECUTED)

for and on behalf
of **MOKIREI AYA LTD.**
acting by []
who, in accordance with the laws
of the State of Israel, is acting under
the authority of MTI COMPUTERS LTD.

) **מוקירי, איה בע"מ**
)

) (authorised signatory)
)

EXECUTED)

for and on behalf
of **MTI WIRELESS EDGE LTD.**
acting by []
who, in accordance with the laws
of the State of Israel, is acting under
the authority of MTI WIRELESS EDGE LTD.

MTI WIRELESS EDGE LTD

)
) (authorised signatory)
)

**MTI COMPUTERS
& SOFTWARE SERVICES (1982) LTD.**

MTI WIRELESS EDGE LTD