Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPI	E:	NEW ASSIGNMENT		
NATURE OF CON	E OF CONVEYANCE: SECURITY AGREEMENT			
	ΓΥ DATA	·		
	Ν	lame	Execution Date	
Cidway Technolog	ies Ltd.		02/02/2009	
RECEIVING PART	Y DATA			
Name:	Serimner Holding, S).A.		
Street Address:	Rue de L'Evole 128	, 2000		
City:	Neuchatel			
State/Country:	SWITZERLAND			
Name:	Accelerator Techno	loav Investments		
Street Address:	No. 123 Zahran Stre			
City:	Amman			
State/Country:	JORDAN			
Postal Code:	11183			
Name:	Carlos Cordon			
Street Address:	Ch. Primerose 15, 1007			
City:	Lausanne			
State/Country:	SWITZERLAND			
Name:	ICT International Co	onsulting and Trade SA		
Street Address:	Grand-Rue 37, 111	D		
City:	Morges			
State/Country:	SWITZERLAND			
Name:	Christophe Guignar	d		
Street Address:	Ch. Du Porchat, 100			
City:	Lausanne			
State/Country:	SWITZERLAND			
μ	11		PATENT "	

Street Address: Rue de L'Evole 128, 2000		
	ue de L'Evole 128, 2000	
City: Neuchatel	Neuchatel	
State/Country: SWITZERLAND		

Name:	var Hafsett		
Street Address:	hemin de la Cure 57, 1008		
City:	Jouxtens-Mezery		
State/Country:	SWITZERLAND		

PROPERTY NUMBERS Total: 8

Property Type	Number
Patent Number:	6957185
Application Number:	11252980
Application Number:	11998729
Application Number:	12340225
Application Number:	12350010
Application Number:	11668285
Application Number:	12174693
Application Number:	12335284

CORRESPONDENCE DATA

Fax Number:	(602)382-6070				
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.					
Phone:	6023826000				
Email:	dcaplan@swlaw.com				
Correspondent Name:	SNELL & WILMER, LLP				
Address Line 1:	400 E. Van Buren St.				
Address Line 2:	David O. Caplan				
Address Line 4:	Phoenix, ARIZONA 85004				

NAME OF SUBMITTER:

David O. Caplan

Total Attachments: 142 source=Sec Agt1 Serminer#page1.tif source=Sec Agt1 Serminer#page2.tif source=Sec Agt1 Serminer#page3.tif source=Sec Agt1 Serminer#page4.tif source=Sec Agt1 Serminer#page5.tif source=Sec Agt2 Serminer#page1.tif source=Sec Agt2 Serminer#page2.tif

source=Sec Agt2 Serminer#page4.tif source=Sec Agt2 Serminer#page5.tif source=Sec Agt2 Serminer#page6.tif source=Sec Agt2 Serminer#page7.tif source=Sec Agt2 Serminer#page8.tif source=Sec Agt2 Serminer#page9.tif source=Sec Agt2 Serminer#page10.tif source=Sec Agt2 Serminer#page11.tif source=Sec Agt2 Serminer#page12.tif source=Sec Agt 3 Serimner#page1.tif source=Sec Agt 3 Serimner#page2.tif source=Sec Agt 3 Serimner#page3.tif source=Sec Agt 3 Serimner#page4.tif source=Sec Agt 3 Serimner#page5.tif source=Sec Agt 3 Serimner#page6.tif source=Sec Agt 3 Serimner#page7.tif source=Sec Agt 3 Serimner#page8.tif source=Sec Agt4 Serminer#page1.tif source=Sec Agt4 Serminer#page2.tif source=Sec Agt4 Serminer#page3.tif source=Sec Agt4 Serminer#page4.tif source=Sec Agt4 Serminer#page5.tif source=Sec Agt4 Serminer#page6.tif source=Sec Agt4 Serminer#page7.tif source=Sec Agt4 Serminer#page8.tif source=Sec Agt4 Serminer#page9.tif source=Sec Agt4 Serminer#page10.tif source=Sec Agt4 Serminer#page11.tif source=Sec Agt4 Serminer#page12.tif source=Sec Agt4 Serminer#page13.tif source=Sec Agt4 Serminer#page14.tif source=Sec Agt4 Serminer#page15.tif source=Sec Agt4 Serminer#page16.tif source=Sec Agt4 Serminer#page17.tif source=Sec Agt4 Serminer#page18.tif source=Sec Agt5 ATI#page1.tif source=Sec Agt5 ATI#page2.tif source=Sec Agt5 ATI#page3.tif source=Sec Agt5 ATI#page4.tif source=Sec Agt5 ATI#page5.tif source=Sec Agt6 ATI#page1.tif source=Sec Agt6 ATI#page2.tif source=Sec Agt6 ATI#page3.tif source=Sec Agt6 ATI#page4.tif source=Sec Agt6 ATI#page5.tif source=Sec Agt6 ATI#page6.tif source=Sec Agt6 ATI#page7.tif source=Sec Agt6 ATI#page8.tif source=Sec Agt6 ATI#page9.tif source=Sec Agt6 ATI#page10.tif source=Sec Agt6 ATI#page11.tif source=Sec Agt6 ATI#page12.tif source=Sec Agt6 ATI#page13.tif source=Sec Agt6 ATI#page14.tif source=Sec Agt6 ATI#page15.tif

source=Sec Agt6 ATI#page16.tif source=Sec Agt6 ATI#page17.tif source=Sec Agt6 ATI#page18.tif source=Sec Agt6 ATI#page19.tif source=Sec Agt6 ATI#page20.tif source=Sec Agt8 ICT#page1.tif source=Sec Agt8 ICT#page2.tif source=Sec Agt8 ICT#page3.tif source=Sec Agt8 ICT#page4.tif source=Sec Agt8 ICT#page5.tif source=Sec Agt8 ICT#page6.tif source=Sec Agt8 ICT#page7.tif source=Sec Agt8 ICT#page8.tif source=Sec Agt8 ICT#page9.tif source=Sec Agt8 ICT#page10.tif source=Sec Agt8 ICT#page11.tif source=Sec Agt8 ICT#page12.tif source=Sec Agt9 Guignard#page1.tif source=Sec Agt9 Guignard#page2.tif source=Sec Agt9 Guignard#page3.tif source=Sec Agt9 Guignard#page4.tif source=Sec Agt9 Guignard#page5.tif source=Sec Agt10 Guignard#page1.tif source=Sec Agt10 Guignard#page2.tif source=Sec Agt10 Guignard#page3.tif source=Sec Agt10 Guignard#page4.tif source=Sec Agt10 Guignard#page5.tif source=Sec Agt10 Guignard#page6.tif source=Sec Agt10 Guignard#page7.tif source=Sec Agt10 Guignard#page8.tif source=Sec Agt10 Guignard#page9.tif source=Sec Agt10 Guignard#page10.tif source=Sec Agt10 Guignard#page11.tif source=Sec Agt10 Guignard#page12.tif source=Sec Agt11 Cordon#page1.tif source=Sec Agt11 Cordon#page2.tif source=Sec Agt11 Cordon#page3.tif source=Sec Agt11 Cordon#page4.tif source=Sec Agt11 Cordon#page5.tif source=Sec Agt12 Cordon#page1.tif source=Sec Agt12 Cordon#page2.tif source=Sec Agt12 Cordon#page3.tif source=Sec Agt12 Cordon#page4.tif source=Sec Agt12 Cordon#page5.tif source=Sec Agt12 Cordon#page6.tif source=Sec Agt12 Cordon#page7.tif source=Sec Agt12 Cordon#page8.tif source=Sec Agt12 Cordon#page9.tif source=Sec Agt12 Cordon#page10.tif source=Sec Agt12 Cordon#page11.tif source=Sec Agt13 Setterdahl#page1.tif source=Sec Agt13 Setterdahl#page2.tif source=Sec Agt13 Setterdahl#page3.tif source=Sec Agt13 Setterdahl#page4.tif source=Sec Agt14 Setterdahl#page1.tif

source=Sec Agt14 Setterdahl#page2.tif source=Sec Agt14 Setterdahl#page3.tif source=Sec Agt14 Setterdahl#page4.tif source=Sec Agt14 Setterdahl#page5.tif source=Sec Agt14 Setterdahl#page6.tif source=Sec Agt14 Setterdahl#page7.tif source=Sec Agt14 Setterdahl#page8.tif source=Sec Agt14 Setterdahl#page9.tif source=Sec Agt14 Setterdahl#page10.tif source=Sec Agt14 Setterdahl#page11.tif source=Sec Agt15 Hafsett#page1.tif source=Sec Agt15 Hafsett#page2.tif source=Sec Agt15 Hafsett#page3.tif source=Sec Agt15 Hafsett#page4.tif source=Sec Agt16 Hafsett#page1.tif source=Sec Agt16 Hafsett#page2.tif source=Sec Agt16 Hafsett#page3.tif source=Sec Agt16 Hafsett#page4.tif source=Sec Agt16 Hafsett#page5.tif source=Sec Agt16 Hafsett#page6.tif source=Sec Agt16 Hafsett#page7.tif source=Sec Agt16 Hafsett#page8.tif source=Sec Agt16 Hafsett#page9.tif source=Sec Agt16 Hafsett#page10.tif

SECURITY AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This Agreement (the "Agreement") was made on the 12th day of January 2009

BETWEEN:

SERIMNER HOLDING SA, a duly registered company under the laws of Switzerland, with its principal business address at Av. de L'Evole 128, 2000, Neuchâtel, Switzerland (the "Secured Party");

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Debtor"); and

CIDWAY TECHNOLOGIES LTD, an affiliate of the Debtor, incorporated in the United Kingdom, whose elected address exclusively for the purpose of this Agreement is the address of Cidway Holding SA listed above, (the "**Pledgor**").

(each a "Party" and together the "Parties").

1 Object of the Agreement

1.1 In order to secure payment of any and all Obligations (as defined below) of the Debtor to the Secured Party under the Convertible Loan Agreement, the Pledgor hereby grants a security over the Collateral (as defined below) in accordance with the terms and conditions as hereinafter stated.

2 Interpretation

2.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Collateral" means the IP Assets as defined in the Convertible Loan Agreement;

"Convertible Loan Agreement" means the convertible loan agreement between the Secured Party and the Debtor dated January 12, 2009;

"Lien" means the lien that is to be held over the IP Assets in favor of the Secured Party in accordance with the Convertible Loan Agreement; and

"Obligations" shall include all of Debtor's obligations to the Secured Party under this Agreement and the Convertible Loan Agreement.

2.2 In this Agreement, a reference to:

SERIMNER/CIDWAY Convertible Loan Agreement

Page 1/8

- 2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement; and
- 2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

- 3.1 The Pledgor undertakes to:
- 3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and
- 3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

- 4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:
- 4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;
- 4.1.2 permit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);
- 4.1.3 suffer or permit any levy to be made on any part of the Collateral; and
- 4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.
- 4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request

SERIMNER/CIDWAY Convertible Loan Agreement

Page 2/8

promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

6 Miscellaneous

- 6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.
- 6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall deemed to be their original signature for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1 Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereunder will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

SERIMNER/CIDWAY Convertible Loan Agreement

Page 3/8

10 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Settlement of Disputes

- 11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 11 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.
- 11.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.

SERIMNER/CIDWAY Convertible Loan Agreement

Page 4/8

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

THE SECURED PARTY

SERIMNER HOLDING SA

By Michael Setterdahl, Director

THE DEBTOR CIDWAY HOLDING S.A.

By Ivar Hufsett, Chairman

By Fawaz Zu'bi Member of the Board

THE PLEDGOR CIDWAY TECHNOLOGIES LTD Gustavo Racioppi Member of the B ard Philippe Guigna Member of the Board

SERIMNER/CIDWAY Convertible Loan Agreement

Page 5/8

CONVERTIBLE LOAN AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This convertible loan agreement (the "Agreement") was made on the 12th day of January 2009 BETWEEN:

SERIMNER HOLDING S.A., a company incorporated in Switzerland, with its principal place of business at Rue de l'Evole 128, 2000 Neuchâtel, Switzerland (the **'Lender''**); and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(each a "Party" and together the "Parties").

WHEREAS:

(A) The Lender has granted the Borrower one Bridging Loans of USD 80'000 on September 29, 2008

(the "Bridge Loan") and the Parties agree that the terms of this Agreement shall therefore apply to the Bridge Loans.

- (B) The Bridge Loans plus the accrued interest as of January 12, 2009 is amounting to USD 81²595
- (C) The Lender and Borrower have agreed the terms and conditions of the transfer of the Bridge and the accrued interests into a Convertible Loan (the "Convertible Loan") as hereinafter stated.

1 Interpretation

1.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 6.2.1;

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"Board" means the board of directors of the Borrower;

"Bridge Loans" has the meaning given in the preamble;

"CHF" means Swiss francs;

SERMNER/CIDWAY Convertible Loan Agreement

Page 1/11

"Commencement Date" has the meaning given in clause 4;

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

- (i) the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or
- (ii) the Third Party Conversion Rate less 30% otherwise,

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 0;

"IP Assets" has the meaning given in clause 6.3;

"Lien" has the meaning given in clause 6.1;

"Notice" has the meaning given in clause 9.1;

"Repayment Method" has the meaning given in clause 5.1.1;

"Term" has the meaning given in clause 4;

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 5.1.1 or 7.1 or by other lenders in accordance with clause 8.1.3;

"Third Party Investor" means an investor that is not the Borrower but includes any shareholder of the Borrower except Accelerator Technology Investment and/or its assignee;

"USD" means United States dollars; and

"Warrant" has the meaning given in clause 7.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum of CHF 92'006.50 as determined by the exchange rate of Credit Suisse Lausanne as at the date of receipt of the funds by the Borrower (29.09.08: 1, 1276 CHF/USD) (the "Convertible Loan Amount").

SERMNER/CIDWAY Convertible Loan Agreement

Page 2/11

2.1.1 The Convertible Loan shall be a direct debt and liability of the Borrower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 5.1.1.

3 Interest

Interest of 12% (12 per cent.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Special Account by the Borrower.

4 Term

The term of the loan (the **"Term"**) shall be 1(one) year from January 12, 2009 (the **"Commencement Date"**).

5 Repayment & Conversion

- 5.1.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:
- 5.1.2 the Lender shall have the right, but not the obligation, to convert the Convertible Loan at any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- 5.1.3 in the event that the lender elects not to convert the Convertible Loan into share capital in accordance with clause 5.1.2 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the Term,

(each a "Repayment Method").

- 5.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 5.3 If the Borrower fails to repay the loan in accordance with clause 5.1.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Lender shall have the right to exercise the Lien (as defined below).
- 5.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Lender.

6 The Lien

6.1 The Borrower shall grant the Lender a lien for:

SERMNER/CIDWAY Convertible Loan Agreement

Page 3/11

- 6.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 5.1.1; and beginning on the Commencement Date and remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 5.1.1 (the "Lien").
- 6.2 The Lien shall be for the amount of CHF 381'317.45 but shall be reduced:
- 6.2.1 to USD 92'006.50 plus the amount of any outstanding interest payments in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 6.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Borrower or a Lender, to USD ^92'006.50 plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 6.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 2 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 1.
- 6.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien concurrently with other secured third parties from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 6.5 For the purposes of this clause 6, a liquidation event shall be defined as:
- 6.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 6.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Bortower.
- 6.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 6.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

SERMNER/CIDWAY Convertible Loan Agreement

Page 4/11

7 Warrant

- 7.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest of up to a further CHF 152'527 in shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this right in increments and at any time during this period (the "Warrant").
- 7.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

8 Additional Investment

8.1 The lender of any part of the Additional Investment as set out in clause 6.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 7 on a pro rata basis according to the amount of the Convertible Loan granted by ATI as compared to the Convertible Loan Amount.

9 Notices

- 9.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 9.1.1 in writing;
- 9.1.2 in the English language; and
- 9.1.3 delivered by hand, facsimile, e-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.
- 9.2 Notice shall be delivered to the relevant Party via the following contact details:

SERMNER/CIDWAY Convertible Loan Agreement

Page 5/11

9.2.1 if to the Lender:

Serimner Holding SA

Rue de L'Evole 128

2000 Neuchâtel, Switzerland

Facsimile: +41 32 710 04 88

9.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

- 9.3 Notice shall be deemed to have been given:
- 9.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 9.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or
- 9.3.3 on the date of delivery if Notice is delivered by hand.

10 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

11 Entire Agreement

11.1 This Agreement, including the annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:

SERMNER/CIDWAY Convertible Loan Agreement

Page 6/11

- 11.2 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;
- 11.3 the Security Agreement;

12 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

13 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

14 Settlement of Disputes

- 14.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 14 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 14.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

15 Miscellaneous

15.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.

SERMNER/CIDWAY Convertible Loan Agreement

Page 7/11

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

THE LENDER

SERIMNER HOLDING SA

SERMNER/CIDWAY Convertible Loan Agreement

By Michael Setterdahl, ctor

THE BORROWER

CIDWAY HOLDING S.A.

By Ivar Hafsett, Chairman By Fawaz Zu'bi ۰. Member of the Board

PATENT REEL: 022440 FRAME: 0609

Page 8/11

ANNEX 1: IP ASSETS

Patent Details	Holder of the	Place of	Registration Details
Patent for the method and apparatus for the secure identification of the owner of a portable device	IP Asset Cidway Technologies Ltd Assigned by Enco-Tone Ltd	Registration United States Patent and Trademark Office	Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Enco-Tone Ltd and Isaac Labaton	World Intellectual Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton	European Patent Office	Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd	Israel Patent Office	Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and apparatus for the secure identification of	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application No. 11/998,729 Patent date: Nov. 30, 2007 Publication date: March, 27 2008

SERMNER/CIDWAY Convertible Loan Agreement

60 Page 9/11 þf

		aya mana a sub ma a sura a mana a na ang ang ang ang ang ang ang ang		
	the owner of a			
	portable device			
	Continuation 2:			
	OTP generator			
1	Patent for the	Cidway	United States Patent	Patent Application No.: 12/340,225
	method and	Technologies Ltd	and Trademark Office	Filling date: Dec 19, 2008
	1	recunologies Lau	and Hademark Office	1411111g trate. 17ec 17, 2000
I,	apparatus for the			
	secure			
	identification of			
	the owner of a			
	portable device			
	Continuation 3:			
	hand written			
	signature			
	corroboration			
'	Patent for the	Cidway	United States Patent	Patent Application No. 12/350,010
	method and	Technologies Ltd	and Trademark Office	Filling date: January 07, 2009
	apparatus for the	0		, , , , , , , , , , , , , , , , , , ,
·	secure			
	identification of			
	the owner of a			
	portable device			
	Continuation 4:			
	digital signature			
	triggered by			
ļ	OTP			
_,	Patent for the	Cidway	Israel Patent Office	Application No:173463
	system and	Technologies Ltd		Priority Date: 31-January-06
	method for			
	improving			
	restrictiveness			
	on accessing			
	software			
	applications			
t	Patent for the	Cidway	United States Patent	Application: 11/668,285
	system and	Technologies Ltd	and Trademark Office	United States Patent 20070180234
'	method for			Filling date: January 29th, 2007
	improving			· ····································
	restrictiveness			
	on accessing			
		1		
1				
	software			
	software applications	Cidway	World Intellective	International Application No.
	software applications Patent for the	Cidway Tasha ologica I ta	World Intellectual	International Application No.:
	software applications Patent for the system and	Cidway Technologies Ltd	World Intellectual Property Organization	PCT/IB2007/002543
	software applications Patent for the system and method for			PCT/IB2007/002543 International Filing Date: 29 January
	software applications Patent for the system and method for improving			PCT/IB2007/002543 International Filing Date: 29 January 2007
	software applications Patent for the system and method for improving restrictiveness			PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6
	software applications Patent for the system and method for improving restrictiveness on accessing			PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6 December 2007
	software applications Patent for the system and method for improving restrictiveness on accessing software			PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6 December 2007 International Publication No.:
	software applications Patent for the system and method for improving restrictiveness on accessing			PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6 December 2007 International Publication No.: WO2007/138486 (A2)
	software applications Patent for the system and method for improving restrictiveness on accessing software			PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6 December 2007 International Publication No.:

SERMNER/CIDWAY Convertible Loan Agreement

.

Page 10/11 En la

6

hl

			Bosnia and Herzegovina, Macedonia, and Serbia
ATM activated	Cidway	Israel Patent Office	Application Nr: 184701
by cell-phone	Technologies Ltd		Priority Date: 18-July-2007
ATM activated	Cidway	United States Patent	Application Nr: 12/174693
by cell-phone	Technologies Ltd	and Trademark Office	Application Filling Date: 17-July-2008
ATM activated	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
by cell-phone	Technologies Ltd	Property Organization	Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent	Application Nr: 12/335,284
management	Technologies Ltd	and Trademark Office	Application Filling Date: December
method for the	U		15, 2008
improvement of			
portable device			
application's			
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December
method for the	U		15, 2008
improvement of			-
portable device			
application's			
security			
A method for	Cidway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd		Priority Date: 14 February 2008
plesiochronous	0		,,
entities			
One time login	Cidway	Israel Patent Office	Application Nr: 192437
name method	Technologies Ltd		Priority Date: June 25 2008

SERMNER/CIDWAY Convertible Loan Agreement Page 11/11 D te m Ĩ

BASE OF CALCULATION		CALCULATION FOR SHAREHOLDER PROPORTIONAL		Effective conv. Loan
current shares	2'936'900	current shares *	217/290	
Loan in USD	USD 1'500'000.00	Loan in USD	USD 110'979.26	
Echange rate 15.12	1.1276	Exchange rate	1.1276	
Loan in CHF	SFr. 1'691'400.00	Loan in CHF	SFr. 125'140.22	92006.5
Price per share	SFr. 1.20	Price per share	SFr. 1.20	
New amount of shares	1'409'500	New amount of shares	104'284	76'672
Total amount of shares	4'346'400	Total amount of shares	321'574	293'962
Lien in USD	USD 5'000'000.00	Lien in CHF	SFr. 417'134.06	SFr. 381'317.46
Lien in CHF	SFr. 5'638'000.00	Lien in USD	USD 369'930.88	USD 338'167.31
Lien per share	SFr. 1.30	Warrant USD	USD 147'972.35	USD 135'266.93
Warrant USD	USD 2'000'000.00	Warrant CHF	SFr. 166'853.62	SFr. 152'526.99
Warrant CHF	SFr. 2'255'200.00			

* Insert your number of shares.

PATENT REEL: 022440 FRAME: 0613



SECURITY AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This Agreement (the "Agreement") was made on the 1st day of February 2009

BETWEEN:

SERIMMER HOLDING SA, a duly registered company under the laws of Switzerland, with its principal business address at Av. de L'Evole 128, 2000, Neuchâtel, Switzerland (the "Secured Party");

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Debtor"); and

CIDWAY TECHNOLOGIES LTD, an affiliate of the Debtor, incorporated in the United Kingdom, whose elected address exclusively for the purpose of this Agreement is the address of Cidway Holding SA listed above, (the "Pledgor").

(each a "Party" and together the "Parties").

1 Object of the Agreement

1.1 In order to secure payment of any and all Obligations (as defined below) of the Debtor to the Secured Party under the Convertible Loan Agreement, the Pledgor hereby grants a security over the Collateral (as defined below) in accordance with the terms and conditions as hereinafter stated.

2 Interpretation

2.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Collateral" means the IP Assets as defined in the Convertible Loan Agreement;

"Convertible Loan Agreement" means the convertible loan agreement between the Secured Party and the Debtor dated February 1, 2009;

"Lien" means the lien that is to be held over the IP Assets in favor of the Secured Party in accordance with the Convertible Loan Agreement; and

"Obligations" shall include all of Debtor's obligations to the Secured Party under this Agreement and the Convertible Loan Agreement.

2.2 In this Agreement, a reference to:

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 1/8

REEL: 022440 É: 0614

2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement; and

2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

3.1 The Pledgor undertakes to:

3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and

3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:

4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;

4.1.2 permit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);

4.1.3 suffer or permit any levy to be made on any part of the Collateral; and

4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.

4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 2/8

REEL: 022440 FRAME: 0615

6 Miscellaneous

6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.

6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall deemed to be their original signature for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1 Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereunder will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

10 Severability

SERIMNER/CIDWAY Additional Convertible Loan Agreement

REEL: 022440 FRAME: 0616

Page 3/8

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Settlement of Disputes

11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause **11** the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.

11.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 4/8

REEL: 022440 FRAME: 0617

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

THE SECURED PARTY

SERIMNER HOLDING SA

By Michael Setterdahl, Director

THE DEBTOR CIDWAY HOLDING S.A.

By Ivar Hafsett, Chairman

By Gustave ioppi, CEO

THE PLEDGOR CIDWAY TECHNOLOGIES LTD

L Gustavd Racid pher Member bf Board thd Philippe G ugna

Member of the E

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 5/8

ANNEX 1: IP ASSETS

· .

Patent Details		Place of Registration	Registration Details
Patent for the method and apparatus for the secure identification of the owner of a portable device	Asset Cidway Technologies Ltd Assigned by Enco- Tone Ltd		Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Enco- Tone Ltd and Isaac Labaton	Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton		Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd		Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologies Ltd	Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and			Patent Application No. 11/998,729 Patent date: Nov. 30, 2007

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 6/8

į

PANEN/T / / / REEL: 022440 FRAME: 0619

apparatus for the			Publication date: March, 27 2008
secure			
identification of			
the owner of a			
portable device			
Continuation 2:			
OTP generator			
Patent for the	Cidway	United States Patent and	Patent Application No. : 12/340,225
method and	Technologies Ltd		Filling date: Dec 19, 2008
apparatus for the	8		0
secure			
identification of			
the owner of a			
portable device			
Continuation 3:			
hand written			
signature			
corroboration			
Patent for the	Cit	I Lited Ctates Dataset and	Detect Application No. 12/250.010
	Cidway	Findement Offer	Patent Application No. 12/350,010
method and	Technologies Ltd	Trademark Office	Filling date: January 07, 2009
apparatus for the			
secure			
identification of			
the owner of a		[
portable device			
Continuation 4:			
digital signature			
triggered by OTP			
Patent for the	Cidway	Israel Patent Office	Application No:173463
system and method	Technologies Ltd		Priority Date: 31-January-06
for improving			
restrictiveness on			
accessing software			
applications			
Patent for the	Cidway	United States Patent and	Application: 11/668,285
system and method	Technologies Ltd	Trademark Office	United States Patent 20070180234
for improving			Filling date: January 29th, 2007
restrictiveness on			
accessing software			
applications			
Patent for the	Cidway	World Intellectual	International Application No.:
system and method		Property Organization	PCT/IB2007/002543
for improving	- comorageos and	soporty organization	International Filing Date: 29 January
restrictiveness on			2007
			International Publication Date: 6
accessing software			December 2007
applications			International Publication No.:
			WO2007/138486 (A2)
			Applied to Russia, Canada, Japan, China,
			Brazil, Europe (EPO), Albania, Bosnia
A (773) 6	<u></u>		and Herzegovina, Macedonia, and Serbia
ATM activated by	Cidway	Israel Patent Office	Application Nr: 184701

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 7/8

PATENT

[]]]	Tralination T - J	1	Priority Date: 18-July-2007
cell-phone	Technologies Ltd		
ATM activated by	Cidway		Application Nr: 12/174693
cell-phone	Technologies Ltd		Application Filling Date: 17-July-2008
ATM activated by	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
cell-phone	Technologies Ltd		Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent and	Application Nr: 12/335,284
management	Technologies Ltd	Trademark Office	Application Filling Date: December 15,
method for the			2008
improvement of	i i i i i i i i i i i i i i i i i i i		
portable device			
application's			
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December 15,
method for the			2008
improvement of			
portable device			
application's			
security			
A method for	Cidway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd	-	Priority Date: 14 February 2008
plesiochronous	8		, , ,
entities			
One time login	Cidway	Israel Patent Office	Application Nr: 192437
	Technologies Ltd		Priority Date: June 25 2008
system	a contraction of the second		
	1	J	I

. .

1.1

٤.

.,

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 8/8

PATENT (M REEL: 022440 FRAME: 0621

CONVERTIBLE LOAN AGREEMENT In Relation to Participation in Equity Capital of CIDWAY HOLDING S.A.

This convertible loan agreement (the "Agreement") was made on the 1st day of February 2009 BETWEEN:

SERIMMER HOLDING S.A., a company incorporated in Switzerland, with its principal place of business at Rue de l'Evole 128, 2000 Neuchâtel, Switzerland (the "Lender"); and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(each a "Party" and together the "Parties").

WHEREAS:

- (A) The Lender has granted the Borrower one convertible loan on January 12, 2009.
- (B) The Lender is willing to extend an additional convertible loan with the same conditions and securities.

1 Interpretation

1.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 6.2.1;

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"Board" means the board of directors of the Borrower;

"CHF" means Swiss francs;

"Commencement Date" has the meaning given in clause 4;

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

 the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or

SERMMER/CIDWAY Additional Convertible Loan Agreement

Page 1/11



(ii) the Third Party Conversion Rate less 30% otherwise,

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 0;

"IP Assets" has the meaning given in clause 6.3;

"Lien" has the meaning given in clause 6.1;

"Notice" has the meaning given in clause 9.1;

"Repayment Method" has the meaning given in clause 5.1.1;

"Term" has the meaning given in clause 4;

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 5.1.1 or 7.1 or by other lenders in accordance with clause 8.1.3;

"Third Party Investor" means an investor that is not the Borrower but includes any shareholder of the Borrower except Accelerator Technology Investment and/or its assignee;

"USD" means United States dollars; and

"Warrant" has the meaning given in clause 7.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

- 2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum of CHF 100'000 (the "Convertible Loan Amount").
- 2.1.1 The Convertible Loan shall be a direct debt and liability of the Borrower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 5.1.1.

3 Interest

Interest of 12% (12 per cent.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Special Account by the Borrower.

Page 2/11

4 Term

The term of the loan (the "Term") shall be 1(one) year from February 1, 2009 (the "Commencement Date").

5 Repayment & Conversion

- 5.1.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:
- 5.1.2 the Lender shall have the right, but not the obligation, to convert the Convertible Loan at any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- 5.1.3 in the event that the lender elects not to convert the Convertible Loan into share capital in accordance with clause 5.1.2 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the Term,

(each a "Repayment Method").

- 5.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 5.3 If the Borrower fails to repay the loan in accordance with clause 5.1.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Lender shall have the right to exercise the Lien (as defined below).
- 5.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Lender.

6 The Lien

- 6.1 The Borrower shall grant the Lender a lien for:
- 6.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 5.1.1; and beginning on the Commencement Date and remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 5.1.1 (the "Lien").

6.2 The Lien shall be for the amount of CHF 347'494.00 but shall be reduced:

SERMMER/CIDWAY Additional Convertible Loan Agreement

Page 3/11

PATENT 0002440 FRAME: 0624

- 6.2.1 to CHF 100'000.- plus the amount of any outstanding interest payments in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 6.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Borrower or a Lender, to CHF 100'000.- plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 6.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 2 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 1.
- 6.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien concurrently with other secured third parties from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 6.5 For the purposes of this clause 6, a liquidation event shall be defined as:
- 6.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 6.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Borrower.
- 6.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 6.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

7 Warrant

7.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest of up to a further CHF 130'681.50 in shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this right in increments and at any time during this period (the "Warrant").

SERMMER/CIDWAY Additional Convertible Loan Agreement

Page 4/11

7.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

8 Additional Investment

8.1 The lender of any part of the Additional Investment as set out in clause 6.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 7 on a pro rata basis according to the amount of the Convertible Loan granted by ATI as compared to the Convertible Loan Amount.

9 Notices

- 9.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 9.1.1 in writing;
- 9.1.2 in the English language; and
- 9.1.3 delivered by hand, facsimile, e-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.

9.2 Notice shall be delivered to the relevant Party via the following contact details:

SERMMER/CIDWAY Additional Convertible Loan Agreement

Page 5/11

PATENT REEL: 022440 FRAME: 0626

9.2.1 if to the Lender:

Serimner Holding SA

Rue de L'Evole 128

2000 Neuchâtel, Switzerland

Facsimile: +41 32 710 04 88

9.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

- 9.3 Notice shall be deemed to have been given:
- 9.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 9.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or
- 9.3.3 on the date of delivery if Notice is delivered by hand.

10 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

11 Entire Agreement

11.1 This Agreement, including the annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:

SERMMER/CIDWAY Additional Convertible Loan Agreement

Page 6/11

PATENT REEL: 022440 FRAME: 0627
11.2 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;

11.3 the Security Agreement;

12 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

13 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

14 Settlement of Disputes

- 14.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 14 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 14.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

15 Miscellaneous

15.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.

SERMMER/CIDWAY Additional Convertible Loan Agreement

Page 7/11

PATENŤ REEL: 022440 FRAME: 0628

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

THE LENDER

SERIMNER HOLDING SA

٤

By Michael Setterdahl, ctor

THE BORROWER

CIDWAY HOLDING S.A.

L By Ivar Hafsett, Chairman

By Gustavo Recipp CÉO \sim

Page 8/11

ANNEX 1: IP ASSETS

1

Contraction of the second of

:•

Patent Details	Holder of the IP Asset	Place of Registration	Registration Details
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd Assigned by Enco-Tone Ltd	United States Patent and Trademark Office	Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Enco-Tone Ltd and Isaac Labaton	World Intellectual Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton	European Patent Office	Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd	Israel Patent Office	Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and apparatus for the secure identification of	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application No. 11/998,729 Patent date: Nov. 30, 2007 Publication date: March, 27 2008

SERMMER/CIDWAY Additional Convertible Loan Agreement

Page 9/1*

		·····	·····
the owner of a			
portable device			
Continuation 2:			
OTP generator			
Patent for the	Cidway	United States Patent	Patent Application No. : 12/340,225
method and	Technologies Ltd	and Trademark Office	Filling date: Dec 19, 2008
apparatus for the			_
secure			
identification of			
the owner of a			
portable device			
Continuation 3:			
hand written			
signature			
corroboration			
Patent for the	Cidway	United States Patent	Patent Application No. 12/350,010
method and	Technologies Ltd	and Trademark Office	Filling date: January 07, 2009
apparatus for the			
secure			
identification of			
the owner of a			
portable device			
Continuation 4:			
digital signature			
triggered by		3	
OTP			
Patent for the	Cidway	Israel Patent Office	Application No:173463
system and	Technologies Ltd		Priority Date: 31-January-06
method for			
improving			
restrictiveness			
on accessing			
software			
applications			
Patent for the	Cidway	United States Patent	Application: 11/668,285
system and	Technologies Ltd	and Trademark Office	United States Patent 20070180234
method for			Filling date: January 29th, 2007
improving			
restrictiveness			
on accessing			
software			
applications			
Patent for the	Cidway	World Intellectual	International Application No.:
system and	Technologies Ltd	Property Organization	PCT/IB2007/002543
method for			International Filing Date: 29 January
improving			2007
restrictiveness			International Publication Date: 6
on accessing			December 2007
software			International Publication No.:
applications			WO2007/138486 (A2)
			Applied to Russia, Canada, Japan,
			China, Brazil, Europe (EPO), Albania,

SERMMER/CIDWAY Additional Convertible Loan Agreement

- ----

-

Page 10/1

•

N PATENT REEL: 022440 FRAME: 0631

			Bosnia and Herzegovina, Macedonia, and Serbia
ATM activated	Cidway	Israel Patent Office	Application Nr: 184701
by cell-phone	Technologies Ltd		Priority Date: 18-July-2007
ATM activated	Cidway	United States Patent	Application Nr: 12/174693
by cell-phone	Technologies Ltd	and Trademark Office	Application Filling Date: 17-July-2008
ATM activated	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
by cell-phone	Technologies Ltd	Property Organization	Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent	Application Nr: 12/335,284
management	Technologies Ltd	and Trademark Office	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device			
application's			
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device application's			
security			
A method for	Cidway	Israel Patent Office	Analia dia N. II 100501
maintaining	Technologies Ltd	Israel Patent Office	Application Nr: IL 189521 Rejeater Date: 14 February 2008
plesiochronous	recumbiogies Ltd		Priority Date: 14 February 2008
entities			
One time login	Cidway	Israel Patent Office	Application Nr 102427
name method	Technologies Ltd	Totact Patent Office	Application Nr: 192437
and system	recunologies Lta		Priority Date: June 25 2008
and system			

SERMMER/CIDWAY Additional Convertible Loan Agreement

ţ

Page 11/1

PATENT REEL: 022440 FRAME: 0632

2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement, and

2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

3.1 The Pledgor undertakes to:

3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and

3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:

4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;

4.1.2 permit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);

4.1.3 suffer or permit any levy to be made on any part of the Collateral; and

4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.

4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 2/8

REEL: 022440 FRAME: 0633

6 Miscellaneous

6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.

6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall deemed to be their original signature for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1 Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereunder will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

10 Severability

SERIMNER/CIDWAY Additional Convertible Loan Agreement

REEL: 022440 FRAME: 0634

Page 3/8

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Settlement of Disputes

11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause **11** the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.

11.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 4/8

REEL: 022440 FRAME: 0635

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

THE SECURED PARTY

SERIMNER HOLDING SA

By Michael Setterdahl, Director

THE DEBTOR CIDWAY HOLDING S.A.

By Ivar Hafsett, Chairman

By Gustave ioppi, CEO

THE PLEDGOR CIDWAY TECHNOLOGIES LTD

L Gustavd Racid phere Member bf Board thd Philippe G ugna

Member of the E

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 5/8

ANNEX 1: IP ASSETS

· .

Patent Details		Place of Registration	Registration Details
Patent for the method and apparatus for the secure identification of the owner of a portable device	Asset Cidway Technologies Ltd Assigned by Enco- Tone Ltd		Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Enco- Tone Ltd and Isaac Labaton	Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton		Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd		Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologies Ltd	Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and			Patent Application No. 11/998,729 Patent date: Nov. 30, 2007

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 6/8

į

PANEN/T / / / REEL: 022440 FRAME: 0637

r			
apparatus for the			Publication date: March, 27 2008
secure			
identification of			
the owner of a			
portable device			
Continuation 2:		· · ·	
OTP generator			
Patent for the	Cidway	United States Patent and	Patent Application No. : 12/340,225
	Technologies Ltd		Filling date: Dec 19, 2008
apparatus for the	0		
secure			
identification of			
the owner of a			
portable device			
Continuation 3:			
hand written			
signature			
corroboration	C: 1	It is a free D is in T	D
	Cidway		Patent Application No. 12/350,010
1	Technologies Ltd	Trademark Office	Filling date: January 07, 2009
apparatus for the			
secure			
identification of			
the owner of a			
portable device			
Continuation 4:			
digital signature			
triggered by OTP			
Patent for the	Cidway	Israel Patent Office	Application No:173463
system and method	Technologies Ltd		Priority Date: 31-January-06
for improving	Ŭ		
restrictiveness on			
accessing software			
applications			
	Cidway	United States Patent and	Application: 11/668,285
system and method.	•	Trademark Office	United States Patent 20070180234
for improving	1 contrologico 13ta		Filling date: January 29th, 2007
restrictiveness on			i ining date: Jandary 2701, 2007
accessing software			
applications Patent for the	Cidurau	World Intellectual	International Application Na :
}-	Cidway Taabaalaa ina Tad		International Application No.:
system and method.	Lechnologies Ltd	1 / 0	PCT/IB2007/002543
for improving			International Filing Date: 29 January
restrictiveness on			2007
accessing software			International Publication Date: 6
applications			December 2007
			International Publication No.: WO2007/138486 (A2)
			Applied to Russia, Canada, Japan, China,
			Applied to Russia, Canada, Japan, China,

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 7/8

PATENT (// REEL: 022440 FRAME: 0638

	hr. 1		Priority Date: 18-July-2007
cell-phone	Technologies Ltd		
ATM activated by	Cidway		Application Nr: 12/174693
cell-phone	Technologies Ltd		Application Filling Date: 17-July-2008
ATM activated by	Cidway	World Intellectual	Application Nr: PCT/II.2008/000992
cell-phone	Technologies Ltd		Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent and	Application Nr: 12/335,284
management	Technologies Ltd	Trademark Office	Application Filling Date: December 15,
method for the			2008
improvement of			
portable device			
application's			
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December 15,
method for the			2008
improvement of			
portable device			
application's			
security			
A method for	Cidway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd		Priority Date: 14 February 2008
plesiochronous			
entities			
One time login	Cidway	Israel Patent Office	Application Nr: 192437
	Technologies Ltd		Priority Date: June 25 2008
system	- considered ister		
system	1]	

. .

1.1

٤.

.,

SERIMNER/CIDWAY Additional Convertible Loan Agreement

Page 8/8

PATENT /// REEL: 022440 FRAME: 0639

SECURITY AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This Agreement (the "Agreement") was made on the 12th day of January 2009

BETWEEN:

ACCELERATOR TECHNOLOGY INVESTMENTS, a company incorporated as a Bahrain Shareholding Company (Closed), which term includes all its associated and affiliated companies, whose address is No. 123 Zahran Street, Amman 11183, Jordan, (the "Secured Party");

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Debtor"); and

CIDWAY TECHNOLOGIES LTD, an affiliate of the Debtor, incorporated in the United Kingdom, whose elected address exclusively for the purpose of this Agreement is the address of Cidway Holding SA listed above, (the "**Pledgor**").

(each a "Party" and together the "Parties").

1 Object of the Agreement

1.1 In order to secure payment of any and all Obligations (as defined below) of the Debtor to the Secured Party under the Convertible Loan Agreement, the Pledgor hereby grants a security over the Collateral (as defined below) in accordance with the terms and conditions as hereinafter stated.

2 Interpretation

2.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Collateral" means the IP Assets as defined in the Convertible Loan Agreement;

"Convertible Loan Agreement" means the convertible loan agreement between the Secured Party and the Debtor dated [*];

"Lien" means the lien that is to be held over the IP Assets in favour of the Secured Party in accordance with the Convertible Loan Agreement; and

"Obligations" shall include all of Debtor's obligations to the Secured Party under this Agreement and the Convertible Loan Agreement.

2.2 In this Agreement, a reference to:

ATI/CIDWAY Convertible Loan Agreement

Page 1/5

- 2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement; and
- 2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

- 3.1 The Pledgor undertakes to:
- 3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and
- 3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

- 4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:
- 4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;
- 4.1.2 permit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);
- 4.1.3 suffer or permit any levy to be made on any part of the Collateral; and
- 4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.
- 4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request

ATI/CIDWAY Convertible Loan Agreement

Page 2/5

promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

6 Miscellaneous

- 6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.
- 6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall deemed to be their original signature for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1 Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereunder will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

ATI/CIDWAY Convertible Loan Agreement

Page 3/5

10 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Settlement of Disputes

- 11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 11 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.
- 11.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.

ATI/CIDWAY Convertible Loan Agreement

Page 4/5

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

THE SECURED PARTY

ACCE ERATOR TECHNOLOGY Ţ By Fawaz H. Zuw, CEO

THE DEBTOR CIDWAY HOLDING S.A.

By Michael Setterdahl,

Member of the Board

...... المتحدة المتحدة المتقالية المالي المتحدة المتحدة المتحدة المتحدة المحدة المحدة المحدة المحدة المحدة المحدة الم -----

By Carlos Cordon, Member of the Board

THE PLEDGOR CIDWAY/TECHNOLOGIES LTD 4 Gustavo Racioppi Member of the Board Philippe (3 uig Member of the Board

ATI/CIDWAY Convertible Loan Agreement

Page 5/5

CONVERTIBLE LOAN AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This convertible loan agreement (the "Agreement") was made on the 12th day of January 2009 BETWEEN:

ACCELERATOR TECHNOLOGY INVESTMENTS, a company incorporated as a Bahrain Shareholding Company (Closed), which term includes all its associated and affiliated companies, whose address is No. 123 Zahran Street, Amman 11183, Jordan, (the "Lender"); and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(each a "Party" and together the "Parties").

WHEREAS:

(A) The Lender has granted the Borrower three Bridging Loans amounting as follows:

- a. CHF 85,000 provided under the bridge finance agreement between the Parties dated 24 September 2008;
- b. USD 50,000 provided under bridge finance agreement between the Parties dated 17 November 2008; and
- c. USD 350,000 provided under bridge finance agreement between the Parties dated 3 December 2008,
- d. CHF 100,000 provided to Cidway Holdings S.A by direct bank transfer in two parts: (1) US\$ 40,000 dated 06/01/2009 and (2) the balance dated 08/01/2009.

(together the "Bridge Loans") and the Parties agree that the terms of this Agreement shall therefore apply to the Bridge Loans.

- (B) The Bridge Loans, along with the further investment provided for under this Agreement shall constitute the convertible loan (the "Convertible Loan").
- (C) The Lender and Borrower have agreed the terms and conditions of the Convertible Loan as hereinafter stated.

1 Interpretation

1.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 7.2.1;

"Approved Budget" has the meaning given in paragraph 2.6.1 of Annex 1;

ATI/CIDWAY Convertible Loan Agreement

Page 1/20

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"ATI Directors" has the meaning given in paragraph 1.7 of Annex 1;

"Board" means the board of directors of the Borrower;

"Bridge Loans" has the meaning given in the preamble;

"CEO" has the meaning given in paragraph 1.3 of Annex 1;

"Chairman" has the meaning given in paragraph 1.5 of Annex 1;

"CHF" means Swiss francs;

"Cidway Directors" has the meaning given in paragraph 1.7 of Annex 1;

"Cidway MENA Agreement" has the meaning given in paragraph 7.2 of Annex 1;

"Commencement Date" has the meaning given in clause 4;

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

 the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or

(ii) the Third Party Conversion Rate less 30% otherwise,

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 2.1;

"Investment Conditions" has the meaning given in clause 5;

"IP Assets" has the meaning given in clause 7.3;

- "Lien" has the meaning given in clause 7.1;
- "Neutral Director" has the meaning given in paragraph 1.7 of Annex 1;
- "Notice" has the meaning given in clause 12.1;
- "Repayment Method" has the meaning given in clause 6.1;

"Report" has the meaning given in paragraph 2.6.2 of Annex 1;

"Special Account" has the meaning given in clause 2.2;

"Term" has the meaning given in clause 4;

ATI/CIDWAY Convertible Loan Agreement

Page 2/20

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 6.1 or 8.1 or by other lenders in accordance with clause 9.1.3;

"Third Party Investor" means an investor that is not the Borrower or the Lender but includes any shareholder of the Borrower;

"USD" means United States dollars; and

"Warrant" has the meaning given in clause 8.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

- 2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum in CHF that is equivalent to USD 1,500,000 as determined by the exchange rate of Credit Suisse Lausanne as at the date of receipt of the funds into the Special Account by the Borrower (the "Convertible Loan Amount"). The Convertible Loan Amount shall include:
- 2.1.1 the CHF 85,000 provided under the bridge finance agreement between the Parties dated 24 September 2008;
- 2.1.2 the USD 50,000 provided under the bridge finance agreement between the Parties dated November 2008; and
- 2.1.3 the USD 350,000 provided under the bridge finance agreement between the Parties dated 3 December 2008,

(together the "**Bridge Loans**") and the Parties agree that the terms of this Agreement shall therefore apply to the Bridge Loans.

2.2 The Convertible Loan shall be a direct debt and liability of the Borrower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 6.1. Any funds loaned in accordance with this Agreement other than the Bridge Loans shall be provided by way of a deposit into a special joint authority account (the "Special Account"). The Special Account is to be established in accordance with paragraph 2.6.5 of Annex 1.

3 Interest

Interest of 12% (12 per cent.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Company's account for the transfers

ATI/CIDWAY Convertible Loan Agreement

Page 3/20

referenced in article 2.1.1 to 2.1.4 above and in the Special Account for the balance by the Borrower.

4 Term

The term of the loan (the "Term") shall be 1(one) year from the date of the receipt by the Borrower of the balance of the Convertible Loan Amount into the Special Account (the "Commencement Date").

5 Investment Conditions

The company shall agree to adhere to the investment conditions referenced in Annex 1 (the "Investment Conditions").

6 Repayment & Conversion

- 6.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:
- 6.1.1 the Lender shall have the right, but not the obligation, to convert the Convertible Loan at any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- 6.1.2 in the event that the lender elects not to convert the Convertible Loan into share capital in accordance with clause 6.1.1 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the Term,

(each a "Repayment Method").

- 6.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 6.3 If the Borrower fails to repay the loan in accordance with clause 6.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Lender shall have the right to exercise the Lien (as defined below).
- 6.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Lender.

ATI/CIDWAY Convertible Loan Agreement

Page 4/20

7 The Lien

7.1 The Borrower shall grant the Lender a lien for:

- 7.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 6.1; and
- 7.1.2 the obligations set out in paragraph 1.1, 2.3, 2.6.3, 2.6.4 and 2.6.6 of Annex 1,

beginning on the Commencement Date and remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 6.1 (the "Lien").

- 7.2 The Lien shall be for the amount of USD 5,000,000 but shall be reduced:
- 7.2.1 to USD 1,500,000 plus the amount of any outstanding interest payments and fees in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 7.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Borrower or a Lender, to USD 1,500,000 plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 7.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 3 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 2.
- 7.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 7.5 For the purposes of this clause 7, a liquidation event shall be defined as:

ATI/CIDWAY Convertible Loan Agreement

Page 5/20

- 7.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 7.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Borrower.
- 7.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 7.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

8 Warrant

- 8.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest the CHF equivalent of up to a further USD 2,000,000 in shares with a nominal value of CHF 0.10 per share in the capital of the Borrower as determined by the exchange rate of Credit Suisse Lausanne as at the date of transfer or allotment of the relevant shares. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this right in increments and at any time during this period (the "Warrant").
- 8.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

9 Additional Investment

9.1 The lender of any part of the Additional Investment as set out in clause 7.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 8 on a pro rata basis according to the amount of the Additional Investment that the Lender is providing as compared to the Convertible Loan Amount.

10 Anti-Dilution Rights

10.1 The Lender agrees that:

ATI/CIDWAY Convertible Loan Agreement

Page 6/20

- 10.1.1 the conversion of the Convertible Loan;
- 10.1.2 any future investment in the Borrower by the Lender through the invocation of the Warrant;
- 10.1.3 the conversion of the bridging loans provided by Serimner Holding SA, Carlos Cordon, Christophe Guignard and ICT SA; and
- 10.1.4 the conversion of shares in accordance with any convertible loan agreement relating to the Additional Investment,

shall not trigger the Anti-Dilution Rights (as defined in the Borrower's shareholder agreement (the "Shareholders Agreement")). However, any future issuance of shares beyond what is detailed in this agreement that is below the minimum purchase price stipulated in the Shareholders Agreement shall invoke the Anti-Dilution Rights.

11 Bridging Loans

The Lender agrees to allow Serimner Holding SA, Carlos Cordon, Christophe Guignard and ICT SA to convert the bridging loans granted to the Borrower at the conversion rate of CHF 1.20 per share. The Borrower currently owes USD 80,000 to Serimner Holding S.A. and CHF 85,000 to Carlos Cordon, CHF 120,637.20 to Christophe Guignard and CHF 26,890.60 to ICT SA and the respective accrued interest at the date of signing of the respective Convertible Loan Agreement.

12 Notices

- 12.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 12.1.1 in writing;
- 12.1.2 in the English language; and
- 12.1.3 delivered by hand, facsimile, e-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.
- 12.2 Notice shall be delivered to the relevant Party via the following contact details:

ATI/CIDWAY Convertible Loan Agreement

Page 7/20

12.2.1 if to the Lender:

Accelerator Technology Investment

4th circle, Zahran Street

Building 123

Amman, Jordan

Facsimile: +962 6 593 90 97; or

12.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

- 12.3 Notice shall be deemed to have been given:
- 12.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 12.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or
- 12.3.3 on the date of delivery if Notice is delivered by hand.

13 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, not shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

ATI/CIDWAY Convertible Loan Agreement

Page 8/20

14 Entire Agreement

- 14.1 This Agreement, including the annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:
- 14.1.1 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;
- 14.1.2 the Security Agreement; and
- 14.1.3 the heads of agreement entered into between the Parties dated December 3, 2008.

15 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

16 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

17 Settlement of Disputes

- 17.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 17 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 17.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

18 Miscellaneous

18.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement

ATI/CIDWAY Convertible Loan Agreement

Page 9/20

and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.

ATI/CIDWAY Convertible Loan Agreement Page 10/20

:. :

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

THE LENDER	
ACCELERATOR TE	CHNOLOGY
Acual	FL
By Fawaz H. Zu'bi, CE	EO V

THE BORROWER

CIDWAY HOLDING S.A.

By Michael Setterdahl, Member of the Board

2

By Carlos Cordon, Member of the Board



ANNEX 1: INVESTMENT CONDITIONS

1 Governance

- 1.1 The Board undertakes to:
- 1.1.1 procure the approval of this Agreement and all of its covenants, including this Annex, by:
- 1.1.1.1 a sufficient number of the shareholders of the Borrower (each a "Shareholder" and together the "Shareholders") in order to approve the terms of the Agreement;
- 1.1.1.2 Cidway Technologies Ltd;
- 1.1.1.3 Cidway Security S.A.;
- 1.1.1.4 Cidway Development Ltd; and
- 1.1.1.5 any other relevant party,

(together the "Approving Parties");

- 1.1.2 procure the amendment of the Shareholders Agreement by the Shareholders, to the extent that it is inconsistent with the terms of this Agreement;
- 1.1.3 procure the registration of the Lien in the relevant register(s); and
- 1.1.4 procure an undertaking by the Approving Parties,

within 30 days of the date of execution of this Agreement.

- 1.2 If the Borrower fails to obtain the approvals required in paragraph 1.1 above, the Borrower will be in breach of the Agreement and the Borrower will have 45 days to rectify the breach. If the Borrower fails to do so the Lender shall have the right to exercise the Lien.
- 1.3 The Borrower and all its subsidiaries shall be treated, directed and managed as one company, and Mr. Gustavo Racioppi shall be installed as chief executive officer of the Borrower and all of its subsidiaries (the "CEO").
- 1.4 The CEO, under the direction of the Board, shall officially designate an executive for each of the Borrower's subsidiaries who shall each be responsible and accountable for day-to-day operations of the relevant subsidiary to the CEO.
- 1.5 The Chairman of the Board (the "Chairman") shall be appointed by the Board of Directors with the express prior consent of the Chairman and Chief Executive Officer of ATT
- 1.6 The CEO shall have full and direct operational and financial responsibility for the Borrower and all of its subsidiaries with direct oversight and will report directly to the Chairman.
- 1.7 The Board will initially be comprised of five members, two of which shall be appointed by the Lender (the "ATI Directors"), two of which shall be appointed by the Borrower (the

ATI/CIDWAY Convertible Loan Agreement

Page 12/20

"Cidway Directors") and one of which shall be nominated and mutually agreed upon by all Parties (the "Neutral Director"). In the event that the Borrower achieves a consolidated operational breakeven status for two financial quarters, one of the ATI Directors shall be removed and shall be replaced with a director that is appointed by the Borrower.

- 1.8 PHG Consulting will continue to act as the Borrower's legal advisor under the auspices of an agreement to be prepared and signed for this purpose with the Board.
- 1.9 The Board shall agree that all of the Lender's rights and reserved matters, including the Anti-Dilution Rights, shall be carried forward into any new agreement by the Borrower.
- 1.10 The Borrower shall not make any undertakings to pay finder's fees or commissions in any form without the prior approval of the Board.
- 1.11 The Borrower shall develop inter-company agreements between all subsidiary companies within 6 months of the execution of this Agreement.
- 1.12 All subsidiary companies shall have the same board of directors as the Board with the exception of Cidway Development. The composition of the Cidway Development board of directors shall be determined at the first meeting of the Board following execution of this Agreement.

2 Financial

- 2.1 The Board shall have full and sole fiduciary control. As part of that fiduciary control, the Borrower shall allow the Lender to provide financial oversight over all fiduciary matters and provide support to the Borrower where needed, the Lender will not have the right to determine nor execute any fiduciary matters, and shall not be liable in any way for providing the Borrower with this support.
- 2.2 The Borrower shall ensure that the company maintains sufficient cash-flow to operate until at least 1 May 2009 without any additional funding from the Lender. Should the Borrower not be able to secure further funds to provide for this by 31 March 2009, the Lender has the right to exercise the Lien.
- 2.3 The operational expenditure of the Borrower shall not exceed USD 200,000 per month unless approved in accordance with paragraph 2.6.2 of Annex 1.
- 2.4 The Borrower shall consolidate its accounting system through the purchase of an accounting software package identified by the chief financial officer of the Borrower (the "**CFO**"). The cost of the accounting software is projected to be CHF 13,000 for the initial purchase and implementation.
- 2.5 the Lender shall advise the Borrower on the process of creating an accurate cash flow statement in coordination with the CFO.
- 2.6 The process for the execution of the Borrower's fiduciary responsibility to its Shareholders shall be as follows:

ATI/CIDWAY Convertible Loan Agreement

Page 13/20

- 2.6.1 The CEO shall present to the Board the Borrower's budget (including a projected cash flow statement) for the period from 1 December 2008 to 30 May 2009 which shall be approved by the Board, with an update to be submitted on 25 February 2009, and the CEO shall continue to provide updated budget forecasts every quarter for approval by the Board (each an "Approved Budget"). This Budget shall serve as the basis for the disbursement of funds from the Lender to the Borrower.
- 2.6.2 On the 28th day of every month, the CEO shall submit to each of the members of the Board a monthly financial report (each a "Report"), detailing a breakdown of the actual cash flow figures for the previous month compared to the budgeted cash flow for the period in addition to the proposed breakdown of the cash flows of the Borrower for the following month. Should the budget for the following month show a deviation from the Approved Budget, the CEO shall inform one ATI Director and one Cidway Director, and shall seek the approval of both for the deviation. If the ATI Director and the Cidway Director approve the deviation it shall be considered approved. Additionally, the Lender will assess the breakdown of the proposed cash flows and recommend changes to the cash outflows if needed. The Lender will respond to the monthly CEO financial report within 48 hours of receipt of the Report.
- 2.6.3 On the 15th and 30th days of each month, the CEO shall also submit to the Lender a breakdown of the actual amount spent in the two weeks preceding that date and an updated projection of the amount needed to be spent in the two weeks following that date.
- 2.6.4 Release of funds from the Special Account shall occur no more than twice per month and, subject to approval by the Lender, payments may be made on the 15th and/or 30th days of the month.
- 2.6.5 The Special Account is to be held at Credit Suisse, Lausanne. One ATI Director and one Cidway Director shall have joint signature power over the Special Account and together shall have the ability to withdraw funds. All amounts to be withdrawn must be from the Approved Budget and any deviations from the Approved Budget must be pre-approved in accordance with paragraph 2.6.2 above.
- 2.6.6 Any cash to be drawn by the Borrower in a single instance not reported in the Report in excess of CHF 5,000, not including payroll, shall require approval by the Board.
- 2.7 Where practical, the Borrower will delay payment of obligations and payables for as long as possible under the direction of the Board to the extent that this will not affect the best interests and reputation of the Borrower.
- 2.8 There shall be no cash provided to Shareholders without prior authorization in writing by the Lender excluding salaries, operational expenses and professional fees. Bridging loans provided by Shareholders before 10 November 2008 that remain outstanding at the time of the execution of this Agreement shall be converted at the rate of CHF 1.20 per share.
- 2.9 The Borrower shall continue the process of consolidating the Borrower's bank accounts under the direction of the CFO.
- 2.10 the Lender, the CEO and CFO will jointly create a financial reporting dashboard and mechanism.

ATI/CIDWAY Convertible Loan Agreement

Page 14/20

3 Operational

- 3.1 Under the direction of the Lender, and with prior approval of the Board, the Borrower will develop and adhere to a travel policy for its employees.
- 3.2 Under the direction of the Lender, and with prior approval of the Board, the Borrower will develop and adhere to a telephone and communications policy for its employees. As part of that policy, employees of the Borrower shall be obliged to further its use of cost saving software and solutions such as Webex and Skype and any other identified cost saving measures during the course of operating the company.
- 3.3 The Borrower agrees to limit any cost incurring operations and sales deployments to the following target markets:
- 3.3.1 the United Kingdom and Ireland;
- 3.3.2 Scandinavia and the Baltics;
- 3.3.3 Germany;
- 3.3.4 the Middle East, North Africa and India;
- 3.3.5 Switzerland;
- 3.3.6 Israel; and
- 3.3.7 Brazil.
- 3.4 For the purposes of paragraph 3.3, the limitation of sales deployment means that the Borrower may not undertake any sales activity that incurs a cost unless there is written approval from the Board to do so.
- 3.5 The Lender understands and acknowledges that the opportunities will exist outside the scope of the areas listed in paragraph 3.3 and that it would be to the detriment of the company not to pursue such opportunities. Therefore, any cost incurring activities undertaken outside the above stated target market will be carefully considered but shall require the prior approval of the Board.
- 3.6 No legal expenses may be incurred by the Borrower without the express approval of the Board.
- 3.7 The commission structure of the sales team shall be standardized and reviewed with the support of the Lender and to the satisfaction of the Board. No commission structure for any employee or third party of the Borrower shall be executed without the approval of the Board. This provision shall exclude any commission agreement currently in force.
- 3.8 The Borrower shall not hire any new employees without the express permission of the Board.

ATI/CIDWAY Convertible Loan Agreement

Page 15/20

K

~ C.

3.9 The Lender will bill the Borrower for all reasonable costs incurred in the assistance and support of the Borrower. The Lender and the Borrower shall execute a consulting agreement that is to be finalised by the end of 2008 and that shall be to the satisfaction of the Board.

4 Reporting

- 4.1 The Lender and the Board shall receive a bi-weekly sales forecast and update on the sales pipeline.
- 4.2 The Lender and the CFO shall jointly develop monthly key performance indicators to the satisfaction of the Lender and the Board.
- 4.3 The Lender shall be granted full access to SalesForce, the software used by the company to monitor its sales pipeline.

5 ATI Action Plan

- 5.1 The Lender will work together with the CEO and CFO to create a 90 day action plan and then a year long action plan for 2009 with the following aims:
- 5.1.1 the establishment of new ways to further control and reduce the monthly burn of the Borrower. Any proposed cost reduction must be approved by the Board as part of the Approved Budget;
- 5.1.2 review the sales strategy whereby any change in the Borrower's strategy must be approved by the Board;
- 5.1.3 perform an appraisal of Cidway Development and its associated costs whereby the management, under the direction of the Board, shall undertake a mission to understand and control the movements of cash to and from Cidway Development;
- 5.1.4 review the patent registration strategy, with any change in the approach towards the registration and or maintenance of patents to be approved by the Board;
- 5.1.5 establish a procedure for effective oversight of sales and cash collection; and
- 5.1.6 establish a procedure for effective management of Cidway's operations.

6 Employee Compensation

- 6.1 The Borrower shall work under the direction of the Board and the Lender to standardise all employment agreements.
- 6.2 All new employee compensation packages, including travel and telephone budget expenses, sweat equity provisions and bonuses, must be approved by the Board.

7 Cidway MENA Agreement

ATI/CIDWAY Convertible Loan Agreement

Page 16/20

- C-

- 7.1 The Lender agrees to execute the distribution agreement between Cidway Security and the Lender on the terms set out in the draft dated 30 October 2008 (the "Cidway MENA Agreement").
- 7.2 The Borrower agrees to procure the execution of the Cidway MENA Agreement by Cidway Securities within 30 days of the date of execution of this Agreement. If the Borrower fails to do so, the Borrower will be in breach of the Agreement and the Lender may exercise its rights in relation to the Lien.



PATENT REEL: 022440 FRAME: 0661

18

ANNEX 2: IP ASSETS

Patent Details	Holder of the	Place of	Registration Details
ratem Details	IP Asset	Registration	Registration Details
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd Assigned by Enco-Tone Ltd	United States Patent and Trademark Office	Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Enco-Tone Ltd and Isaac Labaton	World Intellectual Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton	European Patent Office	Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd	Israel Patent Office	Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and apparatus for the secure identification of	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application No. 11/998,729 Patent date: Nov. 30, 2007 Publication date: March, 27 2008

ATI/CIDWAY Convertible Loan Agreement

Page 18/20

15

C-C-

H

	the owner of a			
	portable device			
	Continuation 2:			
	OTP generator			
	Patent for the	Cidway	United States Patent	Patent Application No. : 12/340,225
	method and	Technologies Ltd	and Trademark Office	Filling date: Dec 19, 2008
	apparatus for the			
	secure			
	identification of			
	the owner of a			
	portable device			
	Continuation 3: hand written			
	signature			
4	corroboration Patent for the		TL-10 D	D
	Patent for the method and	Cidway Tashaalagiaa Ltd	United States Patent and Trademark Office	Patent Application No. 12/350,010
	apparatus for the	Technologies Ltd	and Trademark Office	Filling date: January 07, 2009
	secure			
	identification of			
	the owner of a			
	portable device			
	Continuation 4:			
	digital signature			
	triggered by			
	OTP			
	Patent for the	Cidway	Israel Patent Office	Application No:173463
	system and	Technologies Ltd		Priority Date: 31-January-06
	method for			
	improving			
	restrictiveness			
	on accessing			
1	software			
	applications			
	Patent for the	Cidway	United States Patent	Application: 11/668,285
- 11	system and	Technologies Ltd	and Trademark Office	United States Patent 20070180234
	method for			Filling date: January 29th, 2007
	improving			
1	restrictiveness			
	on accessing software			
	applications			
سعبرة	Patent for the	Cidway	World Intellectual	International Application No.:
	system and	Technologies Ltd	Property Organization	PCT/IB2007/002543
1	method for	- comorogico inu	· · operty Organization	International Filing Date: 29 January
				2007
	improving		1	
	improving restrictiveness			International Publication Date: 6
	restrictiveness			
				International Publication Date: 6
	restrictiveness on accessing software			International Publication Date: 6 December 2007 International Publication No.: WO2007/138486 (A2)
	restrictiveness on accessing			International Publication Date: 6 December 2007 International Publication No.:

ATI/CIDWAY Convertible Loan Agreement

Page 19/20

C.C.

M
			Bosnia and Herzegovina, Macedonia, and Serbia
ATM activated	Cidway	Israel Patent Office	Application Nr: 184701
by cell-phone	Technologies Ltd		Priority Date: 18-July-2007
ATM activated	Cidway	United States Patent	Application Nr: 12/174693
by cell-phone	Technologies Ltd	and Trademark Office	Application Filling Date: 17-July-2008
ATM activated	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
by cell-phone	Technologies Ltd	Property Organization	Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent	Application Nr: 12/335,284
management	Technologies Ltd	and Trademark Office	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device			
application's			
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device			
application's			
security	<u>~</u>	L	Annuliserien XIII 190501
A method for	Cidway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd		Priority Date: 14 February 2008
plesiochronous entities			
	Cidway	Israel Patent Office	Application Nr: 192437
One time login	Technologies Ltd	Tainer Fatent Office	Priority Date: June 25 2008
	r comologies Lia		1 Houry Date. June 25 2000
and system			

ATI/CIDWAY Convertible Loan Agreement Page 20/20 Acred r 00 Y 4

CONVERTIBLE LOAN AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This convertible loan agreement (the "Agreement") was made on the 12th day of January 2009 BETWEEN:

ICT INTERNATIONAL CONSULTING AND TRADE SA, a company incorporated in Switzerland, with its principal place of business at Grand-Rue 37, 1110 Morges, Switzerland (the "Lender and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(each a "Party" and together the "Parties").

WHEREAS:

(A) The Lender is holder of a partial cession on debt on the Borrower of CLIF 26'890.60.

(the "Bridge Loan") and the Parties agree that the terms of this Agreement shall therefore apply to the cession of the debt.

(B) The Lender and Borrower have agreed the terms and conditions of the transfer of the Bridge and the accrued interests into a Convertible Loan (the "Convertible Loan") as hereinafter stated.

1 Interpretation

1.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 6.2.1;

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"Board" means the board of directors of the Borrower;

"CHF" means Swiss francs;

"Commencement Date" has the meaning given in clause 4;

ICT/CIDWAY Convertible Loan Agreement

Page 1/12

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

- the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or
- (ii) the Third Party Conversion Rate less 30% otherwise,

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 0;

"IP Assets" has the meaning given in clause 6.3;

"Lien" has the meaning given in clause 6.1;

"Notice" has the meaning given in clause 9.1;

"Repayment Method" has the meaning given in clause 5.1.1;

"Term" has the meaning given in clause 4;

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 5.1.1 or 7.1 or by other lenders in accordance with clause 8.1.3;

"Third Party Investor" means an investor that is not the Borrower but includes any shareholder of the Borrower except Accelerator Technology Investment and/or its assignee;

and

"Warrant" has the meaning given in clause 7.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

- 2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum of CHF 22'409 (the "Convertible Loan Amount").
- 2.1.1 The Convertible Loan shall be a direct debt and liability of the Bortower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 5.1.1.

ICT/CIDWAY Convertible Loan Agreement

Page 2/12

3 Interest

Interest of 12% (12 per cont.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Special Account by the Borrower.

4 Term

The term of the loan (the "Term") shall be 1(one) year from January 12, 2009 (the "Commencement Date").

5 Repayment & Conversion

- 5.1.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:
- 5.1.2 the Lender shall have the right, but not the obligation, to convert the Convertible Loan at any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- 5.1.3 in the event that the lender elects not to convert the Convertible Loan into share capital in accordance with clause 5.1.2 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the Term,

(cach a "Repayment Method").

- 5.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 5.3 If the Borrower fails to repay the loan in accordance with clause 5.1.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Lender shall have the right to exercise the Lien (as defined below).
- 5.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Lender.
- 6 The Lien

6.1 The Borrower shall grant the Lender a lien for:

ICT/CIDWAY Convertible Loan Agreement

Page 3/12

6.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 5.1.1; and beginning on the Commencement Date and remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 5.1.1 (the "Lien").

6.2 The Lien shall be for the amount of CHIF 89'635.35 but shall be reduced:

- 6.2.1 to CITF 26'890.60 plus the amount of any outstanding interest payments in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 6.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Borrower or a Lender, to CHF 26'890.60 plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 6.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 2 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 1.
- 6.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien concurrently with other secured third parties from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 6.5 For the purposes of this clause 6, a liquidation event shall be defined as:
- 6.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 6.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Borrower.
- 6.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 6.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

ICT/CIDWAY Convertible Loan Agreement

Page 4/12

7 Warrant

- 7.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest of up to a further CHIF 35'854.13 in shares with a nominal value of CHIF 0.10 per share in the capital of the Borrower. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this right in increments and at any time during this period (the "Warrant").
- 7.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

8 Additional Investment

8.1 The lender of any part of the Additional Investment as set out in clause 6.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 7 on a pro rata basis according to the amount of the Convertible Loan granted by ATI as compared to the Convertible Loan Amount.

9 Notices

- 9.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 9.1.1 in writing;
- 9.1.2 in the English language; and
- 9.1.3 delivered by hand, facsimile, e-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.
- 9.2 Notice shall be delivered to the relevant Party via the following contact details:

ICT/CIDWAY Convertible Loan Agreement

Page 5/12

9.2.1 if to the Lender:

ICT SA

Case postale 264, Grand-Rue 37

1110 Morges, Switzerland

Facsimile: +41 21 803 26 81

9.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

- 9.3 Notice shall be deemed to have been given:
- 9.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 9.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or
- 9.3.3 on the date of delivery if Notice is delivered by hand.

10 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

ICT/CIDWAY Convertible Loan Agreement

 Page 6/12

11 Entire Agreement

- 11.1 This Agreement, including the annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:
- 11.2 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;
- 11.3 the Security Agreement;

12 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

13 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

14 Settlement of Disputes

- 14.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 14 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 14.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

15 Miscellaneous

15.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be

ICT/CIDWAY Convertible Loan Agreement

Page 7/12

deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.



.

Page 8/12

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

THE LENDER

ICT SA By Philippe Guigna าณ์เเทลก

THE BORROWER

CIDWAY HOLDING S.A. -By Ivar Hafsett, Chairman

By Fawaz Zu'bi Member of the Board

ICT/CIDWAY Convertible Loan Agreement

PATENT REEL: 022440 FRAME: 0673

Page 9/12

ANNEX 1: IP ASSETS

Patent Details	Holder of the IP Asset	Place of Registration	Registration Details
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd e Assigned by Enco-Tone Ltd	United States Patent	Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Enco-Tone Ltd and Isaac Labaton	World Intellectual Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton	European Patent Office	Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologics Ltd	Israel Patent Office	Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologics Ltd	United States Patent and Trademark Office	Parent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and apparatus for the secure identification of	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application No. 11/998,729 Patent date: Nov. 30, 2007 Publication date: March, 27 2008 Page 10/12

Page 10/12

.

			·	
the owner of a		1		
portable device		1		
Continuation 2:				
OTP generator				
Patent for the	Cidway	United States Patent	Patent Application No. : 12/340,225	
method and	Technologies Ltd	and Trademark Office	Filling date: Dec 19, 2008	
apparatus for the				
secure				
identification of				
the owner of a				
portable device				
Continuation 3:				
hand written				
signature				
corroboration				
Patent for the	01	The Contract Dates	D. c (A E No. 12/250.010	
	Cidway	United States Patent	Patent Application No. 12/350,010	
method and	Technologies Ltd	and Trademark Office	Filling date: January 07, 2009	
apparatus for the			1	
secure				
identification of				
the owner of a				
portable device				
Continuation 4:				
digital signature				
triggered by				
OTP				
Patent for the	Cidway	Israel Patent Office	Application No:173463	
system and	Technologies Ltd		Priority Date: 31-January-06	
method for				
improving				
restrictiveness				
on accessing				
software				
applications				
Patent for the	Cidway	United States Patent	Application: 11/668,285	
system and	Technologies Ltd	and Trademark Office	United States Patent 20070180234	
method for	0		Filling date: January 29th, 2007	
improving				
restrictiveness				
on accessing				
software				
applications				
Patent for the	Cidway	World Intellectual	International Application No.:	
system and	Technologies Ltd	Property Organization	PCT/IB2007/002543	
method for	0	r 7 0	International Filing Date: 29 January	
improving			2007	
restrictiveness			International Publication Date: 6	
on accessing			December 2007	
software			International Publication No.:	
applications			WO2007/138486 (A2)	
			Applied to Russia, Canada, Japan,	
appaeadons	1		China, Brazil, Europe (EPO), Albania,	2
	1			5
			Cillina, Diasil, Chisope (Di C), Andanii,	- 1 -
, presidente				1
· ·	rtible Loan Agreemen		Page 11/12	L

Page 11/12

PATENT REEL: 022440 FRAME: 0675

		· · · · · · · · · · · · · · · · · · ·	
			Bosnia and Herzegovina, Macedonia,
			and Serbia
ATM activated	Cidway	Israel Patent Office	Application Nr: 184701
by cell-phone	Technologies Ltd		Priority Date: 18-July-2007
ATM activated	Cidway	United States Patent	Application Nr: 12/174693
by cell-phone	Technologies Ltd	and Trademark Office	Application Filling Date: 17-July-2008
ATM activated	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
by cell-phone	Technologies Ltd	Property Organization	Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			,
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent	Application Nr: 12/335,284
management	Technologies Ltd	and Trademark Office	Application Filling Date: December
method for the	Ŭ		15, 2008
improvement of			·
portable device			
application's			
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December
method for the	0	1 , 8	15, 2008
improvement of			,
portable device			
application's			
security			
A method for	Ciclway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd		Priority Date: 14 February 2008
plesiochronous	0 13tu		,,
entities			
One time login	Cidway	Israel Patent Office	Application Nr: 192437
name method	Technologies Ltd		Priority Date: June 25 2008
and system			- rearry armengeme as move
11.1.2 0JUL111			

ICT/CIDWAY Convertible Loap Agreement Page 12/12

PATENT REEL: 022440 FRAME: 0676

SECURITY AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This Agreement (the "Agreement") was made on the 12th day of January 2009

BETWEEN

Mr. CHRISTOPHE GUIGNARD, whose domicile is Ch. Du Forchat 32, 1002 Lausanne, Switzerland (the "Secured Party");

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Debtor"); and

CIDWAY TECHNOLOGIES LTD, an affiliate of the Debtor, incorporated in the United Kingdom, whose elected address exclusively for the purpose of this Agreement is the address of Cidway Holding SA listed above, (the "Pledgor").

(each a "Party" and together the "Parties").

1 Object of the Agreement

1.1 In order to secure payment of any and all Obligations (as defined below) of the Debtor to the Secured Party under the Convertible Loan Agreement, the Pledgor hereby grants a security over the Collateral (as defined below) in accordance with the terms and conditions as hereinafter stated.

2 Interpretation

2.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Collateral" means the IP Assets as defined in the Convertible Loan Agreement;

"Convertible Loan Agreement" means the convertible loan agreement between the Secured Party and the Debtor dated January 12, 2009;

"Lien" means the lien that is to be held over the IP Assets in favor of the Secured Party in accordance with the Convertible Loan Agreement; and

"Obligations" shall include all of Debtor's obligations to the Secured Party under this Agreement and the Convertible Loan Agreement.

2.2 In this Agreement, a reference to:

C. GUIGNARD/CIDWAY Convertible Loan Agreement

Page 1/5



- 2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement; and
- 2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

- 3.1 The Pledgor undertakes to:
- 3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and

3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

- 4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:
- 4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;
- 4.1.2 pennit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);
- 4.1.3 suffer or permit any levy to be made on any part of the Collateral; and
- 4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.
- 4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request

C. GUIGNARD/CIDWAY Convertible Loan Agreement

Page 2/5

promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

6 Miscellaneous

6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.

6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of ariy right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Londer's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1

Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereunder will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

C. GUIGNARD/CIDWAY Convertible Loan Agreement

Page 3/5

10 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Scitlement of Disputes

11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the fust written request for dispute dispute resolution under this clause 1.1 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.

11.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.





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

THE SECURED PARTY

CHRISTOPHE GUIGNARD

AUUU AUU

THE DEBTOR CIDWAY HOLDING S.A.

By Ivar Husett, Chairman

Ľ

By Fawiz Zu'bi, J Member of the Board

THE PLEDGOR CIDWAY TECHNOLOGIES LTD -Gustavo Racoppi Member of gro Board Philippe Guigr Member of the Board

C. GUIGNARD/CIDWAY Convertible Loan Agreement

~~

Page 5/5

CONVERTIBLE LOAN AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This convertible loan agreement (the "Agreement") was made on the 12th day of January 2009

Mr. CHRISTOPHE GUIGNARD, whose domicile is Ch. Du Porchat, 1002 Lausanne, and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(cach a "Party" and together the "Parties").

WHEREAS:

(A) The Lender is holder of a cession on debt on the Borrower affiliates Cidway Security SA of CHF

(the "Bridge Loan") and the Parties agree that the terms of this Agreement shall therefore apply to the cession of the debt.

(B) The Londer and Borrower have agreed the terms and conditions of the transfer of the Bridge and the accrued interests into a Convertible Loan (the "Convertible Loan") as hereinafter

1 Interpretation

In this Agreement, save as expressly provided or as the context otherwise requires, the 1.1 following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 6.2.1;

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"Board" means the board of directors of the Borrower;

"CHF" means Swiss francs;

"Commencement Date" has the meaning given in clause 4:

C, GUIGNARD/CIDWAY Convertible Loan Agreement

• . •

•

Page 1/12

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

 the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or

(2) the Third Party Conversion Rate less 30% otherwise,

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 0;

"IP Assets" has the meaning given in clause 6.3;

"Lien" has the meaning given in clause 6.1;

"Notice" has the meaning given in clause 9.1;

"Repayment Method" has the meaning given in clause 5.1.1;

"Term" has the meaning given in clause 4;

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 5.1.1 or 7.1 or by other lenders in accordance with clause 8.1.3:

"Third Party Investor" means an investor that is not the Borrower but includes any shareholder of the Borrower except Accelerator Technology Investment and/or its assignee;

and

"Warrant" has the meaning given in clause 7.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

- 2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum of CHF 120'637.20 (the "Convertible Loan Amount").
- 2.1.1 The Convertible Loan shall be a direct debt and liability of the Borrower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 5.1.1.

C, GUIGNARD/CIDWAY Convertible Loan Agreement

Page 2/12

3 Interest

Interest of 12% (12 per cent.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Special Account by the Borrower.

4 Term

The term of the loan (the "Term") shall be 1(one) year from January 12, 2009 (the "Commencement Date").

5 Repayment & Conversion

5.1.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:

- the Lender shall have the right, but not the obligation, to convert the Convertible Loan at 5.1.2 any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- in the event that the lender elects not to convert the Convertible Loan into share capital in 5.1.3 accordance with clause 5.1.2 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the (each a "Repayment Method").

a a st

- 5.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 5.3 If the Borrower fails to repay the loan in accordance with clause 5.1.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Londer shall have the right to exercise the Lien (as defined below).
- 5.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Londer.
- 6 The Lien

6.1 The Borrower shall grant the Leuder a lien for:

C, GUIGNARD/CIDWAY Convertible Loan Agreement

Page 3/12

- 6.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 5.1.1; and beginning on the Commencement Date and remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 5.1.1 (the "Lien").
- 6.2 The Lien shall be for the amount of CHF 412'266.45 but shall be reduced:
- 6.2.1 to USD 120'637.20 plus the amount of any outstanding interest payments in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 6.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Botrower or a Lender, to USD 120'637.20 plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 6.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 2 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 1.
- 6.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien concurrently with other secured third parties from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 6.5 For the purposes of this clause 6, a liquidation event shall be defined as:
- 6.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 6.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Borrower.
- 6.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 6.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

C, GUIGNARD/CIDWAY Convertible Loan Agreement

Page 4/12

7 Warrant

- 7.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest of up to a further CHF 164'906.55 in shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this tight in increments and at any time during this period (the "Warrant").
- 7.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

8 Additional Investment

8.1 The lender of any part of the Additional Investment as set out in clause 6.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 7 on a pro rata basis according to the amount of the Convertible Loan granted by ATI as compared to the Convertible Loan Amount.

9 Notices

- 9.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 9.1.1 in writing;
- 9.1.2 in the English language; and
- 9.1.3 delivered by hand, facsimile, c-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.
- 9.2 Notice shall be delivered to the relevant Party via the following contact details:

C, GUIGNARD/CIDWAY Convertible Loan Agreement Page 5/12

9.2.1 if to the Lender:

Christophe Guignard

P/A PHG Consulting

Case postale 264, Grand-Rue 37

1110 Morges, Switzerland

Facsimile: +41 21 803 26 81

9.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

- 9.3 Notice shall be deemed to have been given:
- 9.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 9.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or

9.3.3 on the date of delivery if Notice is delivered by hand.

10 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder not shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

C, GUIGNARD/CIDWAY Convertible Loan Agreement

Page 6/12

11 Entire Agreement

- 11.1 This Agreement, including the annexes, constitutes the entire agreement between the Patties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:
- 11.2 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;
- 11.3 the Security Agreement;

12 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

13 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

14 Settlement of Disputes

- 14.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 14 the Parties shall then consider other forms of alternative dispute resolution and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 14.2 Norwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

15 Miscellancous

15.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and

C, GUIGNARD/CIDWAY Convertible Loan Agreement

Page 7/12

delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.

,

1.11

,

C, GUIGNARD/CIDWAY Convertible Loan Agreement

PATENT REEL: 022440 FRAME: 0689

Page 8/12

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

THE LENDER

CHRISTOPHE GUIGNARD

<u>Illillin , fillill</u>i

C. GUIGNARD/CIDWAY Convertible Loan Agreement

THE BORROWER

CIDWAY HOLDING S.A.

2 By Ivar Hafsett, Chairman By Fawn Zubi Member of the Board

PATENT REEL: 022440 FRAME: 0690

Page 9/12

ANNEX 1: IP ASSETS

Patent Detai	IP Asset	Place of Registration	Registration Details
Patent for the method and	Cidway Technologies I	United States Pater	
apparatus for	the Assigned by	td and Trademark Off	ice Filed: 17 August 2001
secure	Enco-Tone Lto	.	PCT Filed 25 February 2000
identification o	F Juco-Tone 1.0	1	PCT Publication No.: W000/51280
the owner of a			PCT Publication Date: 31 August 200
portable device			Issue Date: 18 October 2005
porriore acole	2		Patent Status: Valid
Patent for the	Cidway	World Intellectual	
method and	Technologies	Pronerry Orea at	Publication No: WO/2000/051280
apparatus for th	he Ltd, assigned by	Property Organizatio	
secure	Enco-Tone Ltd		International Application No.:
identification o	f and Isaac		PCT/IB2000/000319
the owner of a	Labaton		International Filing Date: 25 February
portable device			2000
f - show wavite			Patent Status: Valid
Patent for the			
	Cidway	European Patent	Publication No LICCORDENT
method and	Technologies	Office	Publication No.: US2008077799 (A1)
apparatus for the	HODARINCU UY		Publication Date: 27 March 2008
sccure	I Isaar Tabaron	1	Filed: 30 November 2007
identification of			Foreign Application:
the owner of a		1	PCT/IB00/00319
portable device		ł	Patent Status: Valid
Patent for the	Cidway	Israel Patent Office	
nethod and	Technologies Lul	water a sterik Office	Application Nr: 128,720
pparatus for the	0		Priority Date: 25 February 1999
ccure		1	Application Status: Pending (should be
ientification of			granted within 6 months)
ne owner of a		1	
ortable device	1	1	
atent for the	Cidway	77.1. 1.0	
ethod and	Technologies Ltd	United States Patent	Patent Application Serial No.
paratus for the		and Trademark Office	11/252,980
Cure			Applied: October 17, 2005
entification of			Notice of allowance received Aug 07.
e owner of a			2008
mable device			Request for Continued Examination
intinuation 1:			filed on Nov. 4 2008
ti-Phishing			
	Cidway	United States Patent	
thod and	Technologies Ltd	and Trademark Office	Patent Application No. 11/998,729
aratus for the			L'atent date: Nov. 30, 2007
are /			Publication date: March, 27 2008
	1		,
tification of	1		

C, GUIGNARD/CIDWAY Convertible Loan Agreement

11.

and a second sec

į

1

Page 10/12

•

PATENT REEL: 022440 FRAME: 0691

.

the owner of a portable device Continuation 2: OTP generator Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway		
Continuation 2: OTP generator Patent for the method and apparatus for the secure identification of the owner of a			
OTP generator Patent for the method and apparatus for the secure identification of the owner of a			
Patent for the method and apparatus for the secure identification of the owner of a			
method and apparatus for the secure identification of the owner of a			
apparatus for the secure identification of the owner of a	Taslandaria	United States Pate	nt Dana de la companya de la compa
secure identification of the owner of a	Technologies L	td and Trademark Of	
identification of the owner of a			fice Filling date: Dec 19, 2008
the owner of a	i	}	
1 Doztable device			
Continuation 3:			
band written]
signature			
Corroboration			1
Patent for the	Ciclway	United States Paten	Parent Ameliantic ht an (article
method and	Technologies Ltd	and Trademark Off	
apparatus for the			re Filling date: January 07, 2009
secure		1	
identification of			
the owner of a			
portable device			
Continuation 4:			
digital signature		1	
triggered by OTP			
	idway	Israel Patent Office	Application No:173463
method for	cchnologies Ltd]	Priority Date: 31-January-06
improving			
restrictiveness			
on accessing			
software			
pplications			
	1		
	dway	United States Patent	Application: 11/668,285
nethod for	chnologies Ltd	and Trademark Office	United States Patent 20070180234
mproving	•		Filling date: January 29th, 2007
estrictiveness	[6 - Are January 22(11, 2007
n accessing] [
fiware	1		
plications	I		
	WAV		1
		World Intellectual	International Application No.:
ethod for	Inclogics Ltd I	Property Organization	PCT/IB2007/002543
proving			International Filing Date: 29 January
trictiveness			2007
accessing			International Publication Date: 6
tware			December 2007
lications			International Publication No.:
	1		WO2007/138486 (A2)
			Applied to Russia, Canada, Japan,
			Chira, Brazil, Europe (EPO), Albania,
			, Latope (BrO), Albania,

.

,

~

C, GUIGNARD/CIDWAY Convertible Loan Agreement

Page 11/12

Eq.

ATM activated by cell-phone ATM activated by cell-phone ATM activated by cell-phone Memory management method for the improvement of portable device application's security	Technologies Li Cidway Technologies Li Cidway Technologies Li Cidway Technologies Lit	United States Patent d and Trademark Offi- World Intellectual Property Organization	Priority Date: 18-July-2007 Application Nr: 12/174693 Ce Application Filling Date: 17-July-2000
Memory management method for the improvement of potrable device application's security	Cidway Technologies Ltd	United States Patent and Trademark Office	Application Nr: 12/335,284 Application Filling Date: December 15, 2008
Memory management method for the improvement of portable device application's security	Cidway Technologics Led	World Intellectual Property Organization	Application Nr: PCT/IL2008/001622 Application Filling Date: December 15, 2008
entities	Cidway Technologics Ltd	Israel Patent Office	Application Nr: IL 189521 Priority Date: 14 February 2008
One time login ame method nd system	Cidwny Technologies Ltd	Israel Patent Office	Application Nr: 192437 Priority Date: June 25 2008

.

and the second of the second s

,

.

3 <u>tang</u> C, GUIGNARD/CIDWAY Convertible Loan Agreement Pege 12/12

PATENT REEL: 022440 FRAME: 0693

SECURITY AGREEMENT In Relation to Participation In Equity Capital of CIDWAY HOLDING S.A.

This Agreement (the "Agreement") was made on the 12th day of January 2009

BETWEEN:

Mr. CARLOS CORDON, whose domicile is Ch. Primerose 15, 1007 Lausanne, Switzerland (the "Secured Party");

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Debtor"); and

CIDWAY TECHNOLOGIES LTD, an affiliate of the Debtor, incorporated in the United Kingdom, whose elected address exclusively for the purpose of this Agreement is the address of Cidway Holding SA listed above, (the "**Pledgor**").

(each a "Party" and together the "Parties").

1 Object of the Agreement

1.1 In order to secure payment of any and all Obligations (as defined below) of the Debtor to the Secured Party under the Convertible Loan Agreement, the Pledgor hereby grants a security over the Collateral (as defined below) in accordance with the terms and conditions as hereinafter stated.

2 Interpretation

2.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Collateral" means the IP Assets as defined in the Convertible Loan Agreement;

"Convertible Loan Agreement" means the convertible loan agreement between the Secured Party and the Debtor dated January 12, 2009;

"Lien" means the lien that is to be held over the IP Assets in favor of the Secured Party in accordance with the Convertible Loan Agreement; and

"**Obligations**" shall include all of Debtor's obligations to the Secured Party under this Agreement and the Convertible Loan Agreement.

2.2 In this Agreement, a reference to:

C. CORDON/CIDWAY Convertible Loan Agreement

Page 1/5

- 2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement; and
- 2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

- 3.1 The Pledgor undertakes to:
- 3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and
- 3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

- 4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:
- 4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;
- 4.1.2 permit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);
- 4.1.3 suffer or permit any levy to be made on any part of the Collateral; and
- 4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.
- 4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request

C. CORDON/CIDWAY Convertible Loan Agreement

Page 2/5

promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

6 Miscellaneous

- 6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.
- 6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall deemed to be their original signature for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1 Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereunder will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

C. CORDON/CIDWAY Convertible Loan Agreement

Page 3/5

10 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Settlement of Disputes

- 11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 11 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.
- 11.2 Norwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.

C. CORDON/CIDWAY Convertible Loan Agreement

Page 4/5

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

THE SECURED PARTY

CARLOS CORDON

THE DEBTOR CIDWAY HOLDING S.A.

L By Ivar Hafsett, Chairman

By Fawaz Zu'b**U** Member of the Board

THE PLEDGOR CIDWAY TECHNOLOGIES LTD . Gustavo Racioppi Member of the Board Philippe Guignurd Member of the Board

C. CORDON/CIDWAY Convertible Loan Agreement

e i 1955. Se**g**ue Page 5/5

This convertible loan agreement (the "Agreement") was made on the 12th day of January 2009 BETWEEN:

Mr. CARLOS CORDON, whose domicile is Chemin Primerose 15, 1007 Lausanne, Switzerland (the "Lender");

and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(each a "Party" and together the "Parties").

WHEREAS:

(A) The Lender has granted the Borrower one Bridging Loans of CHF 85'000 on September 19, 2008

(the "Bridge Loan") and the Parties agree that the terms of this Agreement shall therefore apply to the Bridge Loans.

- (B) The Bridge Loans plus the accrued interest as of January 12, 2009 is amounting to CHF 86'858.35
- (C) The Lender and Borrower have agreed the terms and conditions of the transfer of the Bridge and the accrued interests into a Convertible Loan (the "Convertible Loan") as hereinafter stated.

1 Interpretation

1.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 6.2.1;

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"Board" means the board of directors of the Borrower;

"Bridge Loans" has the meaning given in the preamble;

"CHF" means Swiss francs;

C. CORDON/CIDWAY Convertible Loan Agreement

Page 1/11
"Commencement Date" has the meaning given in clause 4;

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

- the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or
- (ii) the Third Party Conversion Rate less 30% otherwise,

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 0;

"IP Assets" has the meaning given in clause 6.3;

"Lien" has the meaning given in clause 6.1;

"Notice" has the meaning given in clause 9.1;

"Repayment Method" has the meaning given in clause 5.1.1;

"Term" has the meaning given in clause 4;

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 5.1.1 or 7.1 or by other lenders in accordance with clause 8.1.3;

"Third Party Investor" means an investor that is not the Borrower but includes any shareholder of the Borrower except Accelerator Technology Investment and/or its assignee;

"USD" means United States dollars; and

"Warrant" has the meaning given in clause 7.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

- 2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum of CHF 86'858.35 (the "Convertible Loan Amount").
- 2.1.1 The Convertible Loan shall be a direct debt and liability of the Borrower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 5.1.1.

C. CORDON/CIDWAY Convertible Loan Agreement

Page 2/11

3 Interest

Interest of 12% (12 per cent.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Special Account by the Borrower.

4 Term

The term of the loan (the "Term") shall be 1(one) year from January 12, 2009 (the "Commencement Date").

5 Repayment & Conversion

- 5.1.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:
- 5.1.2 the Lender shall have the right, but not the obligation, to convert the Convertible Loan at any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- 5.1.3 in the event that the lender elects not to convert the Convertible Loan into share capital in accordance with clause 5.1.2 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the Term,

(each a "Repayment Method").

- 5.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 5.3 If the Borrower fails to repay the loan in accordance with clause 5.1.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Lender shall have the right to exercise the Lien (as defined below).
- 5.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Lender.

6 The Lien

- 6.1 The Borrower shall grant the Lender a lien for:
- 6.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 5.1.1; and beginning on the Commencement Date and

C. CORDON/CIDWAY Convertible Loan Agreement

Page 3/11

remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 5.1.1 (the "Lien").

6.2 The Lien shall be for the amount of CHF 375'752.45 but shall be reduced:

- 6.2.1 to CHF 86'858.35 plus the amount of any outstanding interest payments in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 6.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Borrower or a Lender, to CHF 86'858.35 plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 6.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 2 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 1.
- 6.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien concurrently with other secured third parties from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 6.5 For the purposes of this clause 6, a liquidation event shall be defined as:
- 6.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 6.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Borrower.
- 6.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 6.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

7 Warrant

C. CORDON/CIDWAY Convertible Loan Agreement

Page 4/11

- 7.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest of up to a further CHF 150'301 in shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this right in increments and at any time during this period (the "Warrant").
- 7.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

8 Additional Investment

8.1 The lender of any part of the Additional Investment as set out in clause 6.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 7 on a pro rata basis according to the amount of the Convertible Loan granted by ATI as compared to the Convertible Loan Amount.

9 Notices

- 9.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 9.1.1 in writing;
- 9.1.2 in the English language; and
- 9.1.3 delivered by hand, facsimile, e-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.
- 9.2 Notice shall be delivered to the relevant Party via the following contact details:

C. CORDON/CIDWAY Convertible Loan Agreement

Page 5/11

9.2.1 if to the Lender:

Carlos Cordon

Chemin de Primerose 15

1007 Lausanne, Switzerland

Facsimile: +41 21 618 07 07

9.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

- 9.3 Notice shall be deemed to have been given:
- 9.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 9.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or
- 9.3.3 on the date of delivery if Notice is delivered by hand.

10 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

11 Entire Agreement

11.1 This Agreement, including the annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:

C. CORDON/CIDWAY Convertible Loan Agreement

Page 6/11

••• ••

- 11.2 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;
- 11.3 the Security Agreement;

12 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

13 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

14 Settlement of Disputes

- 14.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 14 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 14.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

15 Miscellaneous

15.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.

C. CORDON/CIDWAY Convertible Loan Agreement

Page 7/11

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

THE BORROWER CIDWAY HOLDING S.A. By Ivar Hafsett, Chairman By Fawaz Zu'bi Member of the Board v

THE LENDER

CARLOS CORDON

C. CORDON/CIDWAY Convertible Loan Agreement

PATENT REEL: 022440 FRAME: 0706

Page 8/11

ANNEX 1: IP ASSETS

¢

Patent Details	Holder of the	Place of	Registration Details
	IP Asset	Registration	0
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd Assigned by Enco-Tone Ltd	United States Patent and Trademark Office	Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the sccure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Enco-Tone Ltd and Isaac Labaton	World Intellectual Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton	European Patent Office	Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd	Israel Patent Office	Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and apparatus for the secure identification of	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application No. 11/998,729 Patent date: Nov. 30, 2007 Publication date: March, 27 2008

C. CORDON/CIDWAY Convertible Loan Agreement

Page 9/11 The Geo

Fo

	the owner of a			
	portable device			
	Continuation 2:			
	OTP generator			
	Patent for the	Cidway	United States Patent	Patent Application No. : 12/340,225
	method and	Technologies Ltd	and Trademark Office	Filling date: Dec 19, 2008
	apparatus for the			_
	secure			
	identification of			
	the owner of a			
	portable device			
	Continuation 3:			
	hand written			
	signature			
	corroboration			
	Patent for the	Cidway	United States Patent	Patent Application No. 12/350,010
	method and	Technologies Ltd	and Trademark Office	Filling date: January 07, 2009
	apparatus for the	_		
	secure			
	identification of			
	the owner of a			
	portable device			
	Continuation 4:			
	digital signature			
	triggered by	1		
	ОТР			
	Patent for the	Cidway	Israel Patent Office	Application No:173463
	system and	Technologies Ltd		Priority Date: 31-January-06
IJ	method for			
	improving			
	restrictiveness			
	on accessing			
	software			
	applications			
	Patent for the	Cidway	United States Patent	Application: 11/668,285
	system and	Technologies Ltd	and Trademark Office	United States Patent 20070180234
	method for			Filling date: January 29th, 2007
	improving			
	restrictiveness			
	on accessing			
	software			
$\left \right $	applications Patent for the	Character	World Intellectual	International Application No.:
	system and	Cidway Taghaologies I td		PCT/IB2007/002543
	method for	Technologies Ltd	Property Organization	International Filing Date: 29 January
				2007
	improving restrictiveness			International Publication Date: 6
	on accessing			December 2007
	software	4		International Publication No.:
	applications			WO2007/138486 (A2)
1	appacadons			Applied to Russia, Canada, Japan,
				China, Brazil, Europe (EPO), Albania,
L		1		Same, stand, Louope (in 0), Huana,

C. CORDON/CIDWAY Convertible Loan Agreement

3

Page 10/11

C.C-

РS

h

			Bosnia and Herzegovina, Macedonia, and Serbia
ATM activated	Cidway	Israel Patent Office	Application Nr: 184701
by cell-phone	Technologies Ltd		Priority Date: 18-July-2007
ATM activated	Cidway	United States Patent	Application Nr: 12/174693
by cell-phone	Technologies Ltd	and Trademark Office	Application Filling Date: 17-July-2008
ATM activated	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
by cell-phone	Technologies Ltd	Property Organization	Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent	Application Nr: 12/335,284
management	Technologies Ltd	and Trademark Office	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device			
application's			
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device			
application's			
security			
A method for	Cidway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd		Priority Date: 14 February 2008
plesiochronous			
entities			
One time login	Cidway	Israel Patent Office	Application Nr: 192437
name method	Technologies Ltd		Priority Date: June 25 2008
and system			

1.1.1

.

ł



SECURITY AGREEMENT In Relation to Participation in Equity Capital of CIDWAY HOLDING S.A.

This Agreement (the "Agreement") was made on the 1st day of February 2009

BETWEEN:

Mrs CECILIA SETTERDAHL, whose domicile is Rue de L'Evole 128, 2000 Neuchâtel, Switzerland (the "Secured Party");

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Debtor"); and

CIDWAY TECHNOLOGIES LTD, an affiliate of the Debtor, incorporated in the United Kingdom, whose elected address exclusively for the purpose of this Agreement is the address of Cidway Holding SA listed above, (the "Pledgor").

(each a "Party" and together the "Parties").

1 Object of the Agreement

1.1 In order to secure payment of any and all Obligations (as defined below) of the Debtor to the Secured Party under the Convertible Loan Agreement, the Pledgor hereby grants a security over the Collateral (as defined below) in accordance with the terms and conditions as hereinafter stated.

2 Interpretation

2.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Collateral" means the IP Assets as defined in the Convertible Loan Agreement;

"Convertible Loan Agreement" means the convertible loan agreement between the Secured Party and the Debtor dated February 1, 2009;

"Lien" means the lien that is to be held over the IP Assets in favor of the Secured Party in accordance with the Convertible Loan Agreement; and

"Obligations" shall include all of Debtor's obligations to the Secured Party under this Agreement and the Convertible Loan Agreement.

2.2 In this Agreement, a reference to:

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 1/4

2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement; and

2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

3.1 The Pledgor undertakes to:

3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and

3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:

4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;

4.1.2 permit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);

4.1.3 suffer or permit any levy to be made on any part of the Collateral; and

4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.

4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 2/4

6 Miscellaneous

6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.

6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall deemed to be their original signature for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1 Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereunder will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

10 Severability

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 3/4

PATENT REEL: 022440 FRAME: 0712

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Settlement of Disputes

11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such

dispute within 60 days of the first written request for dispute resolution under this clause 11 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.

11.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.

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

THE SECURED PARTY

CECILIA SETTERDAHL

heading Sellectily

THE DEBTOR

CIDWAY HOLDING S.A.

By Ivar Hafsett, Chairman

cioppi, CEO ByGusta

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

CIDWAY TACHNOLOGIES LTD Gustavo Racional V Member of the Board

THE PLEDGOR



Page 4/4

CONVERTIBLE LOAN AGREEMENT In Relation to Participation n Equity Capital of CIDWAY HOLDING S.A.

This convertible loan agreement (the "Agreement") was made on the 1st day of February 2009 BETWEEN:

Mrs Cecilia SETTERDAHL, whose domicile is Rue de l'Evole 128, 2000 Neuchâtel, Switzerland (the "Lender");

and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(each a "Party" and together the "Parties").

WHEREAS:

(A) The Lender is willing to grant a convertible loan with some securities at the same conditions and terms as other shareholders.

1 Interpretation

1.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 6.2.1;

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"Board" means the board of directors of the Borrower;

"CHF" means Swiss francs;

"Commencement Date" has the meaning given in clause 4;

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

- the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or
- (ii) the Third Party Conversion Rate less 30% otherwise,

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 1/11

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 0;

"IP Assets" has the meaning given in clause 6.3;

"Lien" has the meaning given in clause 6.1;

"Notice" has the meaning given in clause 9.1;

"Repayment Method" has the meaning given in clause 5.1.1;

"Term" has the meaning given in clause 4;

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 5.1.1 or 7.1 or by other lenders in accordance with clause 8.1.3;

"Third Party Investor" means an investor that is not the Borrower but includes any shareholder of the Borrower except Accelerator Technology Investment and/or its assignee;

and

"Warrant" has the meaning given in clause 7.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

- 2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum of CHF 40'000.00 (the "Convertible Loan Amount").
- 2.1.1 The Convertible Loan shall be a direct debt and liability of the Borrower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 5.1.1.

3 Interest

Interest of 12% (12 per cent.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Special Account by the Borrower.

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 2/11

4 Term

The term of the loan (the "Term") shall be 1(one) year from February 1, 2009 (the "Commencement Date").

5 Repayment & Conversion

- 5.1.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:
- 5.1.2 the Lender shall have the right, but not the obligation, to convert the Convertible Loan at any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- 5.1.3 in the event that the lender elects not to convert the Convertible Loan into share capital in accordance with clause 5.1.2 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the Term, (each a "Repayment Method").
- 5.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 5.3 If the Borrower fails to repay the loan in accordance with clause 5.1.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Lender shall have the right to exercise the Lien (as defined below).
- 5.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Lender.

6 The Lien

- 6.1 The Borrower shall grant the Lender a lien for:
- 6.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 5.1.1; and beginning on the Commencement Date and remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 5.1.1 (the "Lien").

6.2 The Lien shall be for the amount of CHF 139'000.35 but shall be reduced:

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

- 6.2.1 to CHF 40'000.00 plus the amount of any outstanding interest payments in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 6.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Borrower or a Lender, to CHF 40'000.00 plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 6.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 2 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 1.
- 6.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien concurrently with other secured third parties from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 6.5 For the purposes of this clause 6, a liquidation event shall be defined as:
- 6.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 6.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Borrower.
- 6.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 6.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

7 Warrant

7.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest of up to a further CHF 52'273.65 in shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this right in increments and at any time during this period (the "Warrant").

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 4/11

7.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

8 Additional Investment

8.1 The lender of any part of the Additional Investment as set out in clause 6.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 7 on a pro rata basis according to the amount of the Convertible Loan granted by A'II as compared to the Convertible Loan Amount.

9 Notices

- 9.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 9.1.1 in writing;
- 9.1.2 in the English language; and
- 9.1.3 delivered by hand, facsimile, e-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.

9.2 Notice shall be delivered to the relevant Party via the following contact details:

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 5/11

PATENT REEL: 022440 FRAME: 0718

9.2.1 if to the Lender:

Cecilia SETTERDAHL

Rue de L'Evole 128

2000 Neuchâtel

Facsimile: +41

9.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

- 9.3 Notice shall be deemed to have been given:
- 9.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 9.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or
- 9.3.3 on the date of delivery if Notice is delivered by hand.

10 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 6/11

11 Entire Agreement

- 11.1 This Agreement, including the annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:
- 11.2 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;
- 11.3 the Security Agreement;

12 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

13 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

14 Settlement of Disputes

- 14.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 14 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 14.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

15 Miscellaneous

15.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 7/11

delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.

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

THE LENDER

CECILIA SETTERDAHL

Lecilie Setlinchily

THE BORROWER

CIDWAY HOLDING S.A.

By Ivar Hafsett Chairman By Gustavo Racioppi, CEO

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 8/11

ANNEX 1: IP ASSETS

Patent Details	Holder of the	Place of	Registration Details
	IP Asset	Registration	
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd Assigned by Enco-Tone Ltd	United States Patent and Trademark Office	Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologics Ltd, assigned by Enco-Tone Ltd and Isaac Labaton	World Intellectual Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton	European Patent Office	Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd	Israel Patent Office	Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologics Ltd	United States Patent and Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and apparatus for the secure identification of	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application No. 11/998,729 Patent date: Nov. 30, 2007 Publication date: March, 27 2008

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

i

Page 9/11

R

PATENT REEL: 022440 FRAME: 0722

•

•

the owner of a			
portable device			
Continuation 2:			
OTP generator			
Patent for the	Cidway	United States Patent	Patent Application No. : 12/340,225
method and	Technologies Ltd	and Trademark Office	Filling date: Dec 19, 2008
apparatus for the			
secure			
identification of			
the owner of a			
portable device			
Continuation 3:			
hand written			
signature			
corroboration			
Patent for the		17. 10. 2	
	Cidway	United States Patent	Patent Application No. 12/350,010
method and	Technologies Ltd	and Trademark Office	Filling date: January 07, 2009
apparatus for the			
secure			
identification of		,	
the owner of a		ì	
portable device			
Continuation 4:			
digital signature			
triggered by			
OTP			
Patent for the	Cidway	Israel Patent Office	Application No:173463
system and	Technologies Ltd		Priority Date: 31-January-06
method for	-		, , ,
improving			
restrictiveness			
on accessing			
software			
applications			
Patent for the	Cidway	United States Patent	Application: 11/668,285
system and	Technologies Ltd	and Trademark Office	United States Patent 20070180234
method for		and a radianta OTHCC	Filling date: January 29th, 2007
improving			i ming cace. January 2700, 2007
restrictiveness			
on accessing			
software			
applications			
Patent for the	Cidway	World Intellectual	International Application NT-
system and	Technologies Ltd		International Application No.:
method for	Contrologies Lill	Property Organization	PCT/IB2007/002543
improving			International Filing Date: 29 January
restrictiveness			2007
on accessing			International Publication Date: 6
V (December 2007
software			International Publication No.:
applications			WO2007/138486 (A2)
			Applied to Russia, Canada, Japan,
			China, Brazil, Europe (EPO), Albania,

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

Page 10/1

(p

			Bosnia and Herzegovina, Macedonia, and Serbia
ATM activated	Cidway	Israel Patent Office	Application Nr: 184701
by cell-phone	Technologies Ltd	Istact I atcht Office	Priority Date: 18-July-2007
ATM activated	Cidway	United States Patent	Application Nr: 12/174693
by cell-phone	Technologies Ltd	and Trademark Office	Application Filling Date: 17-July-2008
ATM activated	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
by cell-phone	Technologies Ltd	Property Organization	Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	
management	Technologies Ltd	Israel Patent Office	Application Nr: IL 188254
method for the	rechnologies rau		Priority Date: 19-Dec-2007
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent	Application Nr: 12/335,284
management	Technologies Ltd	and Trademark Office	
method for the	recimologies Liu	and mater Office	Application Filling Date: December 15, 2008
improvement of			15, 2008
portable device			
application's			
sccurity			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December
method for the	reemologies 1.44	rioperty Organization	15, 2008
improvement of		,	15, 2008
portable device			
application's			
security			
A method for	Cidway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd	Istaci i accit Office	Priority Date: 14 February 2008
plesiochronous	- comorogico Lita		LEONLY DAG. 14 POPULATY 2000
entities			
One time login	Cidway	Israel Patent Office	Application Nr: 192437
name method	Technologies Ltd	ADAMON I ALCELL CILLOC	Priority Date: June 25 2008
and system	Seco 15th		i noney Date juic 25 2000
		1	

C. SETTERDAHL/CIDWAY Convertible Loan Agreement

.

Page 11/

M

SECURITY AGREEMENT In Relation to Participation in Equity Capital of CIDWAY HOLDING S.A.

This Agreement (the "Agreement") was made on the 2nd day of February 2009

BETWEEN:

Mr Ivar HAFSET'T, whose domicile is Chemin de la Cure 57, 1008 Jouxtens-Mezery, Switzerland (the "Secured Party");

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Debtor"); and

CIDWAY TECHNOLOGIES LTD, an affiliate of the Debtor, incorporated in the United Kingdom, whose elected address exclusively for the purpose of this Agreement is the address of Cidway Holding SA listed above, (the "**Piedgor**").

(each a "Party" and together the "Parties").

1 Object of the Agreement

1.1 In order to secure payment of any and all Obligations (as defined below) of the Debtor to the Secured Party under the Convertible Loan Agreement, the Pledgor hereby grants a security over the Collateral (as defined below) in accordance with the terms and conditions as hereinafter stated.

2 Interpretation

2.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Collateral" means the IP Assets as defined in the Convertible Loan Agreement;

"Convertible Loan Agreement" means the convertible loan agreement between the Secured Party and the Debtor dated February 2, 2009;

"Lieu" means the lien that is to be held over the IP Assets in favor of the Secured Party in accordance with the Convertible Loan Agreement; and

"Obligations" shall include all of Debtor's obligations to the Secured Party under this Agreement and the Convertible Loan Agreement.

2.2 In this Agreement, a reference to:

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 1/4

2.2.1 a clause or paragraph, unless the context otherwise requires, is a reference to a clause or paragraph of this Agreement; and

2.2.2 a date or time is a reference to a date or time in Switzerland.

3 Registration of Lien

3.1 The Pledgor undertakes to:

3.1.1 register the Lien in the pertaining registers, even if registration is not necessary for the constitution of the Lien; and

3.1.2 do everything necessary to validly constitute the Lien,

within 30 days of the date of execution of this Agreement.

3.2 If the Pledgor fails to register the Lien in accordance with clause 3.1.1 above, the Pledgor agrees to allow the Secured Party to register the Lien themselves.

4 No Other Security Interest

4.1 So long as any Obligation to the Secured Party is outstanding, the Pledgor and Debtor will not, without the prior written consent of the Secured Party:

4.1.1 grant to any third party a security interest in any of the Collateral except any security given in relation to the Additional Investment as defined in the Convertible Loan Agreement;

4.1.2 permit any lien or encumbrance to attach to any part of the Collateral (except for taxes not yet due and payable or in connection with license agreements to obtain revenues from the Collateral);

4.1.3 suffer or permit any levy to be made on any part of the Collateral; and

4.1.4 permit any financing statement except that of Secured Party to be on file with respect thereto except with respect to any permitted encumbrances or in connection with license agreements to obtain revenues from the Collateral.

4.2 The Pledgor and Debtor warrant that there are no existing security interests over any of the Collateral held by any third party to the Agreement as at the date of execution of this Agreement.

5 Term

5.1 This Agreement shall remain effective until 31 December 2011 after which the Obligations shall be considered fully satisfied and the Agreement will be considered as automatically terminated. However upon satisfaction of the Obligations under the Convertible Loan Agreement prior to 31 December 2011, the Secured Party shall, upon the Debtor's request promptly deliver to the Debtor a statement that this Agreement is terminated or any other document necessary to have the security removed from any register.

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 2/4 IN

6 Miscellaneous

6.1 The Secured Party' rights pursuant to the Convertible Loan Agreement and this Agreement are cumulative.

6.2 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties an may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall deemed to be their original signature for all purposes.

7 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld, and the Convertible Loan Agreement.

9 Governing Law

9.1 Notwithstanding the place of execution of this Agreement and the business locations of the Parties, the Parties agree that this Agreement and the rights and obligations of the Parties hereundet will be construed and interpreted in accordance with the internal laws of Switzerland notwithstanding conflict of laws principles. The Parties agree that the ordinary courts of the State of Vaud will have jurisdiction of any case or controversy arising under or in connection with this Agreement and will be a proper forum in which to adjudicate such case of controversy. The Parties expressly consent to personal jurisdiction and venue in such courts.

10 Severability

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 3/4

11

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

11 Settlement of Disputes

11.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 11 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of the State (Canton) of Vaud, Switzerland.

11.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in any competent court, if the same shall be necessary to prevent irreparable harm to either Party.

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

THE SECURED PARTY

IVAR HAFSETT

THE DEBTOR

CIDWAY HOLDING S.A.

By Ivar Hafsett, Chairman

ByGustavo Racioppi, CEO

THE PLEDGOR CIDWAY TECHNOLOGIES LTD Gustavo Raciorpi Member of the Board Philippe Guignard Member of the Board

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 4/4

CONVERTIBLE LOAN AGREEMENT In Relation to Participation n Equity Capital of CIDWAY HOLDING S.A.

This convertible loan agreement (the "Agreement") was made on the 2nd day of February 2009 BETWEEN:

MrIvar HAFSETT, whose domicile is Chemin de la Cure 57, 1008 Jouxtens-Mczery, Switzerland (the "Lender"); and

CIDWAY HOLDING S.A., a holding company incorporated and of good standing in Switzerland, registered under Federal No. CH-550-1045708-8 (Dossier No. 2005/13333), whose address is at Avenue Juste-Olivier 11, Lausanne, Switzerland, (the "Borrower"),

(each a "Party" and together the "Parties").

WHEREAS:

(A) The Lender is willing to grant a convertible loan with some securities at the same conditions and terms as other shareholders of the Borrower.

1 Interpretation

1.1 In this Agreement, save as expressly provided or as the context otherwise requires, the following expressions shall bear the following meanings, namely:

"Additional Investment" has the meaning given in clause 6.2.1;

"Affiliate" of a Party means an entity which, directly or indirectly controls or is controlled by, or is under common control with that Party, where control is the possession, directly or indirectly, of the power to direct, or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract, trust or otherwise or a right to appoint the majority of the directors of the entity;

"Board" means the board of directors of the Borrower;

"CHF" means Swiss francs;

"Commencement Date" has the meaning given in clause 4;

"Conversion Rate" for shares in the capital of the Company means CHF 1.20 per share for the first year of the Term, and thereafter:

- (i) the Third Party Conversion Rate less 20% in the event that the Borrower achieves operational breakeven for one quarter prior to 30 June 2010; or
- (ii) the Third Party Conversion Rate less 30% otherwise,

[n][g]

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 1/10

but in any case not less than CHF 1.20 per share, unless the most recent share sale price to a third party is less than CHF 1.20 in which case the conversion rate will be the most recent share sale price;

"Convertible Loan Amount" has the meaning given in clause 0;

"IP Assets" has the meaning given in clause 6.3;

"Lien" has the meaning given in clause 6.1;

"Notice" has the meaning given in clause 9.1;

"Repayment Method" has the meaning given in clause 5.1.1;

"Term" has the meaning given in clause 4;

"Third Party Conversion Rate" means the most recent price paid per share on a subscription or transfer of shares of no less than 500,000 shares at the time of conversion, excluding any purchases made by the Lender in accordance with clause 5.1.1 or 7.1 or by other lenders in accordance with clause 8.1.3;

"Third Party Investor" means an investor that is not the Borrower but includes any shareholder of the Borrower except Accelerator Technology Investment and/or its assignee;

and

"Warrant" has the meaning given in clause 7.1.

- 1.2 In this Agreement, a reference to:
- 1.2.1 a clause, paragraph or Annex, unless the context otherwise requires, is a reference to a clause or paragraph of, or Annex to, this Agreement; and
- 1.2.2 a date or time is a reference to a date or time in Switzerland.

2 The Convertible Loan Amount

- 2.1 The Lender hereby lends to the Borrower, and the Borrower hereby borrows from the Lender, the sum of CHF 11'951.50 (the "Convertible Loan Amount").
- 2.1.1 The Convertible Loan shall be a direct debt and liability of the Borrower who hereby undertakes to repay the Convertible Loan to the Lender in accordance with clause 5.1.1.

3 Interest

Interest of 12% (12 per cent.) per annum is payable on the Convertible Loan Amount and shall accrue from the date of receipt of funds into the Special Account by the Borrower.

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 2/10

4 Term

The term of the loan (the "Term") shall be 1(one) year from February 2, 2009 (the "Commencement Date").

5 Repayment & Conversion

- 5.1.1 The Loan shall be repaid by the Borrower to the Lender in one of the following ways:
- 5.1.2 the Lender shall have the right, but not the obligation, to convert the Convertible Loan at any time during the Term into shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The timing of such conversion during such Term shall be at the sole discretion of the Lender. The conversion of the Convertible Loan shall be at the Conversion Rate whereby the Lender shall receive shares in the Borrower equal to the total amount outstanding on the Convertible Loan, plus any accrued interest, divided by the Conversion Rate. If this repayment method is utilized the Loan will not be deemed to have been repaid unless and until the Borrower raises the Additional Investment (as defined below) and achieves a consolidated operational breakeven status for two financial quarters; or
- 5.1.3 in the event that the lender elects not to convert the Convertible Loan into share capital in accordance with clause 5.1.2 above, then the Convertible Loan Amount, plus any accrued interest, shall be due by the Borrower to the Lender 45 (forty-five) days after the end of the Term,

(each a "Repayment Method").

- 5.2 The Lender shall have sole discretion as to which Repayment Method will be utilized.
- 5.3 If the Borrower fails to repay the loan in accordance with clause 5.1.1, the Borrower shall be in breach of the Agreement and will have 45 (forty-five) days to rectify the breach. If the Borrower fails to do so, the Lender shall have the right to exercise the Lien (as defined below).
- 5.4 The Borrower shall not have the right to repay the loan to the Lender, either in part or in full, without the full consent of the Lender in the form of a written notice. Repayment of the Convertible Loan may only be requested and initialized by the Lender.

6 The Lien

- 6.1 The Borrower shall grant the Lender a lien for:
- 6.1.1 the timely repayment of the Convertible Loan and/or conversion of the Convertible Loan to shares in accordance with clause 5.1.1; and beginning on the Commencement Date and remaining in force up until the Convertible Loan is repaid in accordance with either of the Repayment Methods as set out in clause 5.1.1 (the "Lien").

6.2 The Lien shall be for the amount of CHF 39'838.00 but shall be reduced:

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 3/10

- 6.2.1 to CHF 11'951.50 plus the amount of any outstanding interest payments in the event that the Borrower raises an additional investment of USD 1,500,000 or more in the Company in the form of either an equity investment or a convertible loan (the "Additional Investment") which is funded by a Third Party Investor and maintains the Additional Investment for the remainder of the Term; or
- 6.2.2 if part of the Additional Investment is raised by a Third Party Investor and part by the Borrower or a Lender, to CHF 11'951.50 plus the amount of any outstanding interest payments and fees plus such amount of the Additional Investment that is made by the Lender;
- 6.3 The Borrower hereby constitutes a lien on all intellectual property assets currently held by the Borrower, Cidway Technologies Ltd, Cidway Security S.A., Cidway Development Ltd and any other entity related to the Borrower ("IP Assets") and the Parties will execute a security agreement in the form set out in Annex 2 (the "Security Agreement"). For the avoidance of doubt, the IP Assets will encompass all forms of intellectual property, including but not limited to, trademarks, copyrightable subject matter, patents, databases, industrial designs and all other subject matter that is recognized as intellectual property under the laws of Switzerland, the Kingdom of Bahrain and Guernsey, and shall include, but shall not be limited to, each of the assets set out in Annex 1.
- 6.4 The Lien shall afford the Lender the right to receive before any other party a distribution of the amount of the Lien concurrently with other secured third parties from the sale or disposal of any of the IP Assets. This right shall remain in effect in the event that the Borrower undergoes any form of Liquidation Event (as defined below).
- 6.5 For the purposes of this clause 6, a liquidation event shall be defined as:
- 6.5.1 any consolidation, winding up, dissolution or merger of the Borrower, in which the Borrower does not survive; or
- 6.5.2 any sale, lease, transfer or other disposition of all or substantially all of the assets of the Borrower.
- 6.6 The Lender agrees to take any measures necessary to release the Lien upon repayment of the Convertible Loan in accordance with either of the Repayment Methods.
- 6.7 The Lien shall remain effective in the event that the Borrower defaults on its obligations under this Agreement.

7 Warrant

7.1 The Borrower warrants that it will grant to the Lender the right, but not the obligation, to invest of up to a further CHF 15'935.15 in shares with a nominal value of CHF 0.10 per share in the capital of the Borrower. The Borrower agrees to issue to the Lender such shares at the Conversion Rate. The Lender shall have this right for a period of 3 years from the Commencement Date and may choose to exercise this right in increments and at any time during this period (the "Warrant").

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 4/10

7.2 The Warrant shall be freely transferable to any Affiliate of the Lender at the sole discretion of the Lender.

8 Additional Investment

8.1 The lender of any part of the Additional Investment as set out in clause 6.2.1, provided that it is a current shareholder, shall have the right to obtain a lien over the IP Assets and shall have the same rights as the Lender in respect of the Warrant as set out in clause 7 on a pro rata basis according to the amount of the Convertible Loan granted by ATI as compared to the Convertible Loan Amount.

9 Notices

- 9.1 All notices or other communications required or permitted to be given in connection with this Agreement (a "Notice") shall be:
- 9.1.1 in writing;
- 9.1.2 in the English language; and
- 9.1.3 delivered by hand, facsimile, e-mail, first class mail, prepaid post, registered mail or certified mail, to the Party due to receive the Notice.
- 9.2 Notice shall be delivered to the relevant Party via the following contact details:
- 9.2.1 if to the Lender:

Ivar HAFSEIT Chemin de la Cure 57 1008 Jouxtens-Mezery

Facsimile: +41 21 634 24 04

9.2.2 if to the Borrower:

Cidway Holding S.A.

Avenue Juste-Olivier 11

Lausanne, Switzerland

Facsimile: +41 21 331 27 09,

or in any case, to such other address or addresses as hereafter shall be furnished as by any Party hereto to the other Party.

9.3 Notice shall be deemed to have been given:

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 5/10

2 clore

- 9.3.1 14 days after the date of mailing if Notice is given by first class mail, prepaid post, or registered or certified mail;
- 9.3.2 on the date the Notice is confirmed in writing as being sent if Notice is sent by facsimile or email; or
- 9.3.3 on the date of delivery if Notice is delivered by hand.

10 Indulgence and Waiver

Any term or provision of this Agreement may be waived at any time by the Party entitled to the benefit thereof by a written instrument executed by such Party. No delay on the part of the Parties in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either Party of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

11 Entire Agreement

- 11.1 This Agreement, including the annexes, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior communications, agreements or understandings, written or oral, of the Parties relating thereto with the exception of:
- 11.2 the Shareholders Agreement whereby all of the Lender's rights established in the said agreement shall be upheld;
- 11.3 the Security Agreement;

12 Governing Law

This Agreement shall be governed and construed in accordance with the laws of Switzerland.

13 Severability

If any provision of this Agreement is found or declared to be invalid or unenforceable by any court or other competent authority having jurisdiction, such finding or declaration shall not invalidate any other provision hereof, and this Agreement shall thereafter continue in full force and effect.

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 6/10

14 Settlement of Disputes

- 14.1 In the event of any dispute relating to this Agreement, prior to instituting any lawsuit, arbitration or other dispute resolution process on account of such dispute, the Parties shall attempt in good faith to settle such dispute first by negotiation and consultation between themselves. In the event the Parties are unable to resolve such dispute or agree upon a mechanism to resolve such dispute within 60 days of the first written request for dispute resolution under this clause 14 the Parties shall then consider other forms of alternative dispute resolution as a means of resolving any such dispute. Thereafter, either Party shall be free to institute litigation and seek such remedies as may be available, provided however that exclusive jurisdiction shall be with the competent courts of canton Vaud, Switzerland.
- 14.2 Notwithstanding anything in this Agreement to the contrary, either Party shall be entitled to institute litigation immediately in Lausanne, Switzerland, if the same shall be necessary to prevent irreparable harm to either Party.

15 Miscellaneous

15.1 This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement and may be used in lieu of an original signed copy of the Agreement for all purposes.

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

THE LENDER THE BORROWER CIDWAY HOLDING S.A. Ivar HAFSETT By Ivar Halsett, Chairman ٢ By Gustavo Racioppi, GEO I. HAFSETT/CIDWAY Convertible Loan Agreement Page 7/10

ANNEX 1: IP ASSETS

Patent Details	Holder of the IP Asset	Place of Registration	Registration Details
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd Assigned by Enco-Tone Ltd	United States Patent and Trademark Office	Patent No.: 6.957,185 Filed: 17 August 2001 PCT Filed 25 February 2000 PCT Publication No.: W000/51280 PCT Publication Date: 31 August 2000 Issue Date: 18 October 2005 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologics Ltd, assigned by Enco-Tone Ltd and Isaac Labaton	World Intellectual Property Organization	Publication No: WO/2000/051280 Publication Date: 31 August 2000 International Application No.: PCT/IB2000/000319 International Filing Date: 25 February 2000 Patent Status: Valid
Patent for the inethod and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd, assigned by Isaac Labaton	European Patent Office	Publication No.: US2008077799 (A1) Publication Date: 27 March 2008 Filed: 30 November 2007 Foreign Application: PCT/IB00/00319 Patent Status: Valid
Patent for the method and apparatus for the secure identification of the owner of a portable device	Cidway Technologies Ltd	Israel Patent Office	Application Nr: 128,720 Priority Date: 25 February 1999 Application Status: Pending (should be granted within 6 months)
Patent for the method and apparatus for the secure identification of the owner of a portable device Continuation 1: Anti-Phishing	Cidway Technologies Ltd	United States Patent and Trademark Office	Patent Application Serial No. 11/252,980 Applied: October 17, 2005 Notice of allowance received Aug 07. 2008 Request for Continued Examination filed on Nov. 4 2008
Patent for the method and apparatus for the secure identification of	Cidway Technologics Ltd	United States Patent and Trademark Office	Patent Application No. 11/998,729 Patent date: Nov. 30, 2007 Publication date: March, 27 2008

I. HAFSETT/CIDWAY Convertible Loan Agreement

. .

Page 8/10

br

the owner of a			
portable device		1	
Continuation 2:			
OTP generator			
Patent for the	Cidway	United States Patent	Patent Application No. : 12/340,225
method and	Technologies Ltd	and Trademark Office	Filling date: Dec 19, 2008
apparatus for the	U U		.
secure			
identification of			
the owner of a			
portable device			
Continuation 3:			
hand written			
signature			
corroboration	<u> </u>		The second secon
Patent for the	Cidway	United States Patent	Patent Application No. 12/350,010
method and	Technologies Ltd	and Trademark Office	Filling date: January 07, 2009
apparatus for the			
secure	ļ		
identification of			
the owner of a			
portable device			
Continuation 4:			
digital signature			
triggered by			
OTP			
Patent for the	Cidway	Israel Patent Office	Application No:173463
system and	Lechnologies Ltd		Priority Date: 31-January-06
system and method for	Technologies Ltd		Priority Date: 31-January-06
method for	Lechnologies Ltd		Priority Date: 31-January-06
method for improving	Technologies Ltd		Priority Date: 31-January-06
method for improving restrictiveness	l echnologies Ltd		Priority Date: 31-January-06
method for improving restrictiveness on accessing	Technologies Ltd		Priority Date: 31-January-06
method for improving restrictiveness on accessing software	lechnologies Ltd		Priority Date: 31-January-06
method for improving restrictiveness on accessing software applications		United States Parent	
method for improving restrictiveness on accessing software applications Patent for the	Cidway	United States Patent	Application: 11/668,285
method for improving restrictiveness on accessing software applications Patent for the system and		United States Patent and Trademark Office	Application: 11/668,285 United States Patent 20070180234
method for improving restrictiveness on accessing software applications Patent for the system and method for	Cidway		Application: 11/668,285
method for improving restrictiveness on accessing software applications Patent for the system and method for improving	Cidway		Application: 11/668,285 United States Patent 20070180234
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness	Cidway		Application: 11/668,285 United States Patent 20070180234
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing	Cidway		Application: 11/668,285 United States Patent 20070180234
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software	Cidway		Application: 11/668,285 United States Patent 20070180234
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications	Cidway Technologies Ltd	and Trademark Office	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.:
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications	Cidway Technologies Ltd	and Trademark Office	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.:
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the system and	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the system and method for	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543 International Filing Date: 29 January
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the system and method for improving	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543 International Filing Date: 29 January 2007
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6 December 2007
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6 December 2007 International Publication No.: WO2007/138486 (A2)
method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications Patent for the system and method for improving restrictiveness on accessing software applications	Cidway Technologies Ltd Cidway	and Trademark Office World Intellectual	Application: 11/668,285 United States Patent 20070180234 Filling date: January 29th, 2007 International Application No.: PCT/IB2007/002543 International Filing Date: 29 January 2007 International Publication Date: 6 December 2007 International Publication No.:

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 9/10

			Bosnia and Herzegovina, Macedonia, and Serbia
ATM activated	Cidway	Israel Patent Office	Application Nr: 184701
by cell-phone	Technologies Ltd		Priority Date: 18-July-2007
ATM activated	Cidway	United States Patent	Application Nr: 12/174693
by cell-phone	Technologies Ltd	and Trademark Office	Application Filling Date: 17-July-2008
ATM activated	Cidway	World Intellectual	Application Nr: PCT/IL2008/000992
by cell-phone	Technologies Ltd	Property Organization	Application Filling Date: 17-July-2008
Memory	Cidway	Israel Patent Office	Application Nr: IL 188254
management	Technologies Ltd		Priority Date: 19-Dec-2007
method for the			
improvement of			
portable device			
application's			
security			
Memory	Cidway	United States Patent	Application Nr: 12/335,284
management	Technologies Ltd	and Trademark Office	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device			
application's		-	
security			
Memory	Cidway	World Intellectual	Application Nr: PCT/IL2008/001622
management	Technologies Ltd	Property Organization	Application Filling Date: December
method for the			15, 2008
improvement of			
portable device		-	
application's			
security			
A method for	Cidway	Israel Patent Office	Application Nr: IL 189521
maintaining	Technologies Ltd		Priority Date: 14 February 2008
plesiochronous			
entities			
One time login	Cidway	Israel Patent Office	Application Nr: 192437
name method	Technologies Ltd		Priority Date: June 25 2008
and system			

I. HAFSETT/CIDWAY Convertible Loan Agreement

Page 10/10

. .

RECORDED: 03/24/2009