PATENT ASSIGNMENT COVER SHEET

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	RESEARCH AND LICENSE AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
B.G. NEGEV TECHNOLOGIES AND APPLICATIONS LTD.	03/12/2012
THE NATIONAL INSTITUTE OF BIOTECHNOLOGY IN THE NEGEV	03/12/2012

RECEIVING PARTY DATA

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PROPERTY NUMBERS Total: 4

Property Type	Number
Patent Number:	8119601
Patent Number:	8648045
Patent Number:	8093369
Application Number:	13337986

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DATE SIGNED:	07/29/2014

Total Attachments: 25
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RESEARCH AND LICENSE AGREEMENT

THIS RESEARCH AND LICENSE AGREEMENT (this "**Agreement**") is entered into on this 12th day of March, 2012 (the "**Effective Date**"), by and between **B.G. NEGEV TECHNOLOGIES AND APPLICATIONS LTD.**, a company formed under the laws of Israel, having a place of business at 1 Henrietta Szold St., Beer Sheva 84105 ("**BGN**"); **THE NATIONAL INSTITUTE OF BIOTECHNOLOGY IN THE NEGEV**, a company incorporated under the laws of the State of Israel having a place of business at Ben-Gurion University of the Negev, P.O. Box 653, Marcus Campus Bldg. 39, Beersheva 84105 Israel ("**NIBN**", and together with BGN, collectively, the "**BG Entities**"); and **VIDAC PHARMA LTD.**, an Israeli company with registered offices at c/o Horn & Co., Law Offices 5 Azrieli Center, The Square Tower, 40th floor (the "**Company**").

The Company and the BG Entities are also referred to herein collectively as the "**Parties**", and each individually as a "**Party**".

WHEREAS, BGN, a company wholly-owned by Ben-Gurion University ("**BGU**"), is exclusively in charge of the protection, management and commercial exploitation of the intellectual property and know- how of BGU and of NIBN; and

WHEREAS, in the course of research at BGU, Prof. Varda Shoshan-Barmatz (the "**Principal Investigator**") and members of her research team (the "**BG Research Team**") have developed certain technology pertaining to VDAC Hexokinase as described in **APPENDIX A** (the "**Technology**"), for which patent applications were filed by BGN in the name of BGU (and in one case in the names of BGU and NIBN) as detailed in **APPENDIX B**, and further developed certain additional proprietary know-how for which patent applications may or may not also be filed (collectively, the "**Existing BG IP**"); and

WHEREAS, the BG Entities and Sepal Pharma S.A. ("**Sepal**") are parties to that certain Term Sheet of November 10, 2011, as amended by those certain side letters of November 9 and December 27, 2011, copies of which are attached hereto as **APPENDIX C** (as amended, the "**Term Sheet**"), the purpose of which was to set out the contemplated terms and conditions for definitive agreements for, *inter alia*: ***(a)*** the formation of the Company by Sepal and the BG Entities; ***(b)*** the grant by BGN and NIBN of an exclusive license to the Company (the "**BG License**") for the further development and commercialization of the Existing BG IP, and the conditions under which such license is to be granted; and ***(c)*** the establishment of the mutual rights and obligations of the shareholders of the Company in their capacities as such; and

WHEREAS, the BG Entities wish hereby to grant the BG License to the Company, subject and pursuant to the terms and conditions set forth herein below; and

WHEREAS, the Parties wish to set forth herein the terms and conditions of the BG License, and of their research and development and business collaboration;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. GENERAL

1.1 The preface and Appendices to this Agreement constitute integral parts hereof.

1.2 The headings of the sections and subsections of this Agreement are for convenience and reference purposes only, and shall not be used for the interpretation hereof.

1.3 In this Agreement, the following expressions shall have the meanings appearing alongside them, unless the context otherwise requires:

1.3.1 "**Abandoned Jurisdiction**" shall have the meaning ascribed to such term in Section 9.7 below;

1.3.2 "**Abandoned Licensed Patents**" shall have the meaning ascribed to such term in Section 9.7 below;

1.3.3 "**Additional Ingredient**" shall mean any compound or substance contained in a Licensed Product or Other Product, which ***(i)*** when administered to a patient has a therapeutic or prophylactic clinical effect, either directly or by acting synergistically with or otherwise enhancing the effect of other compounds or substances contained in such product; and ***(ii)*** is covered by valid claims owned by a Third Party (other than Ramot), to whom a royalty must be paid under license for the inclusion of such compound or substance in such Licensed Product or Other Product.

1.3.4 "**Affiliate**" shall mean with respect to any Person, any other Person that directly or indirectly, through one or more intermediary Persons, controls or is controlled by or is under common control with such Person.

For the purposes of this definition, "**control**" means the power to direct or manage the affairs of the relevant entity or the beneficial ownership of more than 50% of such entity by voting share, equity interest, partnership interests, contract or otherwise.

1.3.5 "**BG Research**" shall mean any research pertaining to the Licensed BG IP, that is to be carried out by the BG Research Team at NIBN, at BGU or at any other facility pre-approved in writing by the Company under a BG Research Plan – including without limitation the Initial BG Research.

1.3.6 "**BG Research Plan**" shall mean any plan formally adopted in writing by the Company and the BG Entities (including the Initial BG Research Plan) for research pertaining to the Licensed BG IP, that is to be carried out by the BG Research Team at NIBN, at BGU or at any other facility pre-approved in writing by the Company.

1.3.7 "**BG Research Results**" – shall mean ***(a)*** the results of BG Research and/or any and all Intellectual Property discovered or acquired in the course of the performance of BG Research pursuant to the Initial BG Research Plan or any subsequent BG Research Plan; and ***(b)*** any and all improvements, modifications, discoveries, derivations or adaptations of the Licensed BG IP, patentable or not, the manufacture, use or sale of which would be commercially important, necessary or useful in the practice of the Licensed BG Patents or the Licensed Products, and made, discovered or reduced to practice by or on behalf of NIBN, BGU or the BG Research Team, alone, or in collaboration with any Third Party, in the course of performing the BG Research.

1.3.8 "**BG Research Team**" – shall mean the Principal Investigator and those researchers, scientists and technicians working at BGU's and/or NIBN's facilities under the Principal Investigator's direction on the Initial BG Research or any other BG Research, and any subcontractors performing BG Research under the supervision of the Principal Investigator.

1.3.9 "**Combination Product**" shall mean shall mean a product, substance or device which comprises a Licensed Product or Other Products and at least one other essential Additional Ingredient.

1.3.10 "**Commercialization**" or "**Commercialize**" shall mean to use, manufacture or have manufactured, market or have marketed, distribute or have distributed, sell, lease, license and/or make any other disposition of, a Product.

1.3.11 "**Development Plan**" shall have the meaning ascribed to such term in Section 5.1 below.

1.3.12 "**FDA**" shall mean the United States Food and Drug Administration.

1.3.13 "**First Commercial Sale**" shall mean the first sale to a Third Party of any Licensed Product in any country that qualifies as Net Sales or Other Net Sales under Section 1.3.18 below.

1.3.14 "**Initial BG Research**" shall mean research performed by the BG Research Team pursuant to the Initial Research Plan.

1.3.15 "**Initial Research Plan**" shall mean that certain research plan attached to the Term Sheet as Appendix D thereto (pursuant to the first side letter to the Term Sheet), a copy of which is attached hereto as **APPENDIX 1.3.15**.

1.3.16 "**Intellectual Property**" or "**IP**" – means any and all intellectual property, including but not limited to patents, trade secrets, procedures, protocols, inventions, moral rights, drawings, trademarks, databases, know how, technology, improvements, discoveries, conceptions, ideas, techniques, designs, products, developments, specifications, methods, drawings, diagrams, models, software programs, data, data analysis, data interpretation, written reports, compounds, compositions, substances, processes, information and other results of whatsoever nature and all rights therein including copyright, , patent, trademark, database rights, rights in designs and all registrations and applications therefore, and all continuations, continuations in part, divisional applications, and renewals of any of the foregoing, in any part of the world.

1.3.17 "**Invoicing Entity**" shall mean the Company or any of its Affiliates.

1.3.18 "**Licensed BG IP**" shall mean ***(a)*** the Existing BG IP; ***(b)*** the BG Research Results; and ***(c)*** any new IP of the BG Entities improving upon or incorporating the Existing BG IP in the field of drug development or diagnostics.

1.3.19 "**Licensed BG Patents**" shall mean the patent applications listed in **APPENDIX B**, as shall be amended from time to time to include additional patent applications covering Licensed BG IP, and all foreign counterparts, continuations-in-part, divisions, reissues, re-examinations and renewals of such patent applications, all patents issuing thereon, and all extensions or restorations of the same (whether by existing or future extension of restoration mechanisms, including without limitation supplementary protection certificates or the equivalent thereof).

1.3.20 "**Licensed Product(s)**" shall mean any process, product and/or service which comprises, contains, incorporates, is covered by or is developed through the use of BG Licensed IP.

1.3.21 "**Mandatory Jurisdictions**" shall have the meaning ascribed to such term in Section 9.3.1.

1.3.22 "**Milestones**" shall mean the milestones for the development and commercialization of Licensed Products pursuant to this Agreement.

1.3.23 "**Milestone Fees**" shall have the meaning ascribed to such term in Section 7.1.5.

1.3.24 "**Net Sales**" shall mean all amounts collected by an Invoicing Entity from a Third Party in connection with the Commercialization of the Licensed Products, less the following: ***(a)*** sales tax; ***(b)*** reasonable freight, insurance and handling charges (if separately invoiced); ***(c)*** governmental charges levied on the sale, transportation or delivery of the sold Product, if separately invoiced; ***(d)*** any customary allowances or trade and quantity discounts actually granted by the Invoicing Entity, to the extent detailed in the issued sales invoices; ***(e)*** amounts previously calculated as Net Sales, but subsequently repaid or credited by reason of rejection or return; and ***(f)*** reasonable quantities of samples used for promotional purposes, clinical trials purposes and/or compassion clinical experiments - *all provided, however*, that:

(a) In any transfer (commercialization) of a Product between the Invoicing Entity and an Affiliate of the Invoicing Entity, the consideration received by such Invoicing Party shall not be deemed Net Sales, but rather the Net Sales shall be determined based on

the total amounts collected by such Affiliate upon Commercialization to a Third Party purchaser;

(b) In the event that the Invoicing Entity receives non-monetary consideration for any Product, or in the case of transactions by an Invoicing Entity not at arm's length, Net Sales shall be calculated based, as applicable, on the fair market value of such consideration or transaction or otherwise based on similar arm's length transactions made in the ordinary course of business; and

(c) To avoid any doubt, it is clarified that in calculating the amount of Net Sales, no deduction shall be made from the gross amounts invoiced by the Invoicing Entity, in respect of any tax based upon the income of the Invoicing Entity, whether paid by the Invoicing Entity or withheld by the Third Party at source; any portion of an invoiced amount withheld at source by payor shall be deemed received by the Invoicing Entity.

1.3.25 "**Optional Jurisdictions**" shall have the meaning ascribed to such term in Section 9.3.2.

1.3.26 "**Other Net Sales**" shall have the same meaning as "Net Sales" (*mutatis mutandis*), except that it refers to amounts collected by an Invoicing Entity from a Third Party in connection with the Commercialization of Combination Products (as opposed to any other kind of Licensed Product or Other Product).

1.3.27 "**Other Product**" shall mean any product, process, device or service that embodies, comprises, contains, uses or was developed using IP licensed to the Company by Ramot, for the sale of which Ramot will be entitled to a royalty.

1.3.28 "**Patent Jurisdictions**" shall mean: ***(a)*** the Mandatory Jurisdictions (as defined in Section 9.3.1 below); and ***(b)*** all Optional Jurisdictions (as defined in Section 9.3.2 below) in which the Company shall from time to time file for registration of the Patent Rights.

1.3.29 "**Person**" shall mean any natural person (individual) or legal person (such as a partnership, corporation, limited liability company, association, joint stock company, trust, probate estate, joint venture, unincorporated organization, governmental authority or any other entity).

1.3.30 "**Quarter**" shall mean, with respect to any given calendar year, the periods constituting the traditional fiscal quarters of that year: *i.e.*, January 1 through March 31, April 1 through June 30, July 1 through September 30 and October 1 through December 31.

1.3.31 "**Ramot IP**" shall mean intellectual property of Ramot licensed to the Company under the Ramot License.

1.3.32 "**Ramot License**" shall mean the license granted by Ramot to the Company pursuant to that certain license agreement of February 26, 2012, a copy of which is attached hereto as **APPENDIX 1.3.32**.

1.3.33 "**Reasonable Efforts**" shall mean with respect to any objective by an entity, reasonable diligent, good faith efforts to accomplish such objective, but in any event no less than a comparable reasonable entity (together as a group with its Affiliates) would normally use in the ordinary course of business and research to accomplish a similar objective under similar circumstances.

1.3.34 "**Regulatory Agency**" shall mean the FDA or equivalent agency or government body of another country.

1.3.35 "**Regulatory Approval**" shall mean ***(a)*** approval of an NDA by the FDA permitting commercial sale of a Licensed Product; or ***(b)*** any comparable approval permitting commercial sale of a Licensed Product granted by the applicable Regulatory Agency in any other country or jurisdiction.

1.3.36 "**Sublicense**" shall mean any right granted by an Invoicing Entity to any Third Party under the Ramot License and/or the BG License.

1.3.37 "**Sublicensee**" shall mean a Third Party to whom an Invoicing Entity grants a Sublicense.

1.3.38 "**Sublicense Income**" shall mean all amounts received by an Invoicing Entity in connection with any sublicense, other than: ***(i)*** amounts expressly dedicated to, and actually expended upon, the research and development of Licensed Products in accordance with written research plans attached to the Sublicense Agreement; ***(ii)*** equity investments in the Company made by a Sublicensee; and ***(iii)*** reimbursement of patent expenses incurred pursuant hereto. To avoid any doubt, it is clarified that in calculating the amount of Sublicense Receipts, no deduction shall be made from the gross amounts invoiced by the Invoicing Entity, in respect of any tax based upon the income of the Invoicing Entity, whether paid by the Invoicing Entity or withheld by the Third Party at source; any portion of an invoiced amount withheld at source by payor shall be deemed received by the Invoicing Entity.

1.3.39 "**Third Party**" shall mean any Person other than the Parties and their respective Affiliates.

2. GRANT OF LICENSE

BGN hereby grants to the Company, subject to the terms and conditions of this Agreement, an exclusive, worldwide, royalty-bearing, sub-licensable, license in the Licensed BG IP to further develop the Licensed BG IP and to Commercialize the Licensed Products (the "**BG License**"), all solely for the purposes of research development and Commercialization in connection with the Technology and/or the Assay and/or the New Molecules. For the purposes of this Section 2, the term "**exclusive**" means that BGN shall not be permitted to grant such licenses or rights to any Third Party or to engage in the Commercialization of Licensed Products – but that BGU and the BG Entities shall retain the right to use the Licensed BG IP for educational and academic research purposes only.

3. SUBLICENSES

3.1 Subject to the terms and conditions of this Section 3, the Company shall be entitled to grant Sublicenses under the License, in its sole, exclusive, absolute and unconditional discretion, without the prior permission of BGN.

3.2 All Sublicenses shall in all cases be for consideration, on arms' length terms and pursuant to written agreements consistent with the terms and conditions of this Agreement, and the Company shall be entitled to determine the commercial terms and conditions of any such Sublicense Agreement (each such agreement, a "**Sublicense Agreement**").

3.3 The Company shall provide BGN with a copy of each Sublicense Agreement promptly following its execution.

3.4 Each Sublicense Agreement shall contain, *inter alia*, provisions necessary to ensure the Company's ability to perform its obligations under this Agreement, including with respect to reporting requirements and audit rights.

3.5 Any breach by the Company of Section 3.2, 3.3 or 3.4 above shall be deemed a material breach of this Agreement.

3.6 Upon the termination of this Agreement, howsoever arising, any existing Sublicense Agreements shall terminate; *provided, however*, that if the Sublicensee is not then in breach of its Sublicense Agreement such that the Company would have the right to terminate such Sublicense, BGN shall be obligated, at the request of such Sublicensee, to enter into a new license agreement with such Sublicensee on substantially the same terms as those contained in such Sublicense Agreement.

3.7 In the event that Company becomes aware of any breach by a Sublicensee of the terms of the licenses granted under this Agreement, or of any terms of a Sublicense Agreement in a manner that may adversely affect the rights of the BG Entities, or if BGN provides the Company with evidence of such a breach, then the Company shall enforce its rights with respect thereto under the applicable Sublicense Agreement, including by way of its termination, failing which the BG Entities shall be entitled to enforce such rights in its stead. Nothing in this Section 3.7 shall be construed to diminish in any way any of the Company's other obligations pursuant to this Agreement. Without derogating from the provisions this Section 3.7 above, the Company ***(a)*** shall use Reasonable Efforts to ensure that each Sublicensee complies with its respective Sublicense Agreement as it relates to the Company's obligations under all relevant provisions of this Agreement; and ***(b)*** shall keep BGN informed of any such breach by a Sublicensee, and of the measures taken to protect the Licensed BG IP or the Licensed BG Patents from any infringement in connection with such breach

3.8 Notwithstanding the provisions of Sections 3.1 through 3.7 above, the Company shall be directly responsible towards each of the BG Entities for any infringement by its Affiliate of their intellectual property rights in the Licensed BG IP or the Licensed BG Patents.

4. THE INITIAL RESEARCH PLAN

4.1 The Initial BG Research is and will be performed by the BG Research Team and funded by the Company in accordance with the Initial Research Plan. It is understood that the Initial BG Research commenced prior to the Effective Date with the consent of the Parties (pursuant to the Side Letter) and any action taken thereunder shall be deemed taken pursuant and subject to the terms hereof.

4.2 If the Principal Investigator ceases to participate in the supervision of the Initial BG Research for any reason, the BG Entities shall do their best to find a substitute researcher or researchers, pre-approved by the Company, to continue the supervision of the Initial BG Research. If no agreement is reached regarding the identity of the replacing researcher/s between the Company and the BG Entities, the Company shall have the right to terminate the Initial BG Research by written notice to the BG Entities (and for the avoidance of doubt no other remedy will be available to the Company with regard thereto).

4.3 Nothing contained in this Agreement shall be construed as an express or implied warranty or representation on the part of the BG Entities that any substantial or other results will be achieved by the BG Research, or that any results achieved will be commercially or technically exploitable.

5. DEVELOPMENT, COMMERCIALIZATION AND INFORMATION EXCHANGE

5.1 THE DEVELOPMENT PLAN

The Initial Research Plan will serve as a first agreed-upon assessment (to be validated within 3 months following the Effective Date) of the first phase of a full development plan to be adopted by the Company as soon as reasonably practicable hereafter in consultation with BGN and the Principal Researcher (but with final call being by the Company's board of directors), which plan will set out the periods and timetables for the development of Licensed Products and bringing them to market, including without limitation the attainment of the Milestones listed in Sections 7.1.5(a) through (e) below (the "**Development Plan**"). Upon its adoption, the Development Plan will be deemed attached to this Agreement as **APPENDIX 5.1** hereto, as shall any subsequent modifications or updates thereto, and any future Development Plans.

5.2 DILIGENCE

The Company shall use its Reasonable Efforts, directly and/or via its Affiliates and/or Sublicensees, including funding consistent with such efforts: ***(a)*** to develop Licensed Products in accordance with the applicable Development Plan during the periods and within the timetables specified therein; and ***(b)*** to introduce the Licensed Products into the commercial market as soon as practicable and to

maintain them there thereafter, until the expiration of this Agreement. Specifically, the Company, directly and/or via its Affiliates and/or Sublicensees, shall fulfill the following obligations:

5.2.1 DEVELOPMENT MILESTONES

The Company, directly and/or via its Affiliates and/or Sublicensees, shall perform its obligations under and meet the milestones set forth in the Development Plan during the periods and within the timetables specified therein. Ninety (90) days prior to the date specified for the completion of each milestone, the Company shall provide BGN with a written report setting forth the progress toward achieving such milestone. If the Company believes that additional development work on a given milestone is advisable prior to moving on to the next milestone specified in the Development Plan, and such additional development work will require adjustments to the timetable set out in the Development Plan, it shall present BGN and the Principal Researcher, in such report, with the proposed changes to the timetable and the rationale for such changes. Any changes to such timetable will be determined in the manner set forth in Section 5.2.3 hereof concerning amendment of the Development Plan .

5.2.2 CLINICAL MILESTONES

Upon completion of the first milestone set forth in the Development Plan, the Parties will meet and discuss, in good faith, and agree upon a timetable that will include milestones (with dates) for the commencement of an FDA Phase II Study, the commencement of an FDA Phase III Study, and the filing of an NDA with respect to the first Licensed Product (or Other Product) developed and sold under this Agreement. Such timetable shall be attached to this Agreement as **APPENDIX 5.2.2**. The Company, directly and/or via its Affiliates and/or Sublicensees, shall perform its obligations under such timetable and meet the milestones included therein.

5.2.3 DEVELOPMENT PLAN COMPLIANCE AND MODIFICATION

The Company shall use its Reasonable Efforts to comply with the Development Plan. The Development Plan may be amended from time to time in good faith by the Company's board of directors based upon, *inter alia*, the following considerations: ***(a)*** the performance and progress of the BG Research pursuant to the BG Research Plan; ***(b)*** the successful completion of milestones set forth in the Development Plan; ***(c)*** market conditions; ***(d)*** third party infringement claims; and ***(e)*** the protection of Licensed BG IP and Licensed BG Patents in any jurisdiction.

The Principal Researcher, a Company representative and a BGN representative shall meet prior to any change in the Development Plan, and in any case at least once every six (6) months during the term commencing on the first anniversary of the Effective Date and ending upon the First Commercial Sale, at locations and times to be mutually agreed by BGN and the Company in advance, in order ***(i)*** to review the progress being made under the Development Plan and in any other research and development activities conducted by the Company relating to Licensed Products; ***(ii)*** to review any necessary or proposed revisions to the then current Development Plan; and ***(iii)*** to discuss ongoing and planned efforts towards achieving outstanding milestones. Notwithstanding, any amendment to the Development Plan that may be construed as having the effect of shelving the Licensed BG IP or of suspending or abandoning diligent efforts for the development and/or commercialization of Licensed Products shall require the prior written consent of BGN, such consent not to be unreasonably withheld.

5.2.4 If the First Commercial Sale or Commercialization of a Licensed Product has not occurred within ten (10) years after the Effective Date, then BGN shall be entitled to require the Company to pay an annual minimum royalty of US $35,000.

5.3 **REPORTS**

Within sixty (60) days after the end of each calendar year, the Company shall furnish BGN with a written report on the progress of its efforts, directly and through its Affiliates and Sublicensees, during such calendar year to develop and Commercialize Licensed Products, including without limitation research and development efforts, efforts to obtain Regulatory Approval, marketing efforts, and sales figures. The report shall also contain a discussion of intended efforts and sales projections for the then current calendar year.

6. TITLE TO INTELLECTUAL PROPERTY

6.1 Except as explicitly provided herein, all rights, title and interest in and to the Licensed BG IP shall be owned by BGN and/or BGU and/or NIBN, and the Company undertakes not to do, or cause to be done, any acts contesting or in any way impairing or tending to impair any portion of their right, title and interest in and to any of the aforesaid. The Company further undertakes not to represent in any manner that it possesses any ownership interest in the Licensed BG IP, nor shall any action taken by the Company or on the Company's behalf create in the Company's favor any right, title or interest in and to the aforesaid.

6.2 Subject to the aforesaid in Section 6.1 above, all rights, title and interest in and to any IP developed, conceived, invented, made and/or reduced into practice by the Company shall be owned solely by the Company, and no rights are created hereunder for the BG Entities in any of the Company's IP.

7. CONSIDERATION AND PAYMENT TERMS

7.1 In consideration for the rights granted under this Agreement, the Company shall pay BGN the following fees and payments:

7.1.1 RUNNING ROYALTIES

(a) 4% (four percent) of all Net Sales generated during the first 12 months following the First Commercial Sale (the "**First Year**"), and 3% (three percent) of all Net Sales generated following the lapse of the First Year until the last to expire of the BG Patents in each country, on a Licensed Product-by-Licensed Product, country-by-country basis ("**Running Royalties**").

(b) Prior to the First Commercial Sale of a Combination Product, BGN and the Company shall negotiate in good faith the appropriate reduction, if any, in percentage of all Other Net Sales to be paid as royalties by the Company to BGN with respect to such Combination Product, taking into account the amount of royalties payable to Third Parties with respect to the Additional Ingredient(s) included in such Combination Product.

7.1.2 OTHER PRODUCT ROYALTIES – in addition to Running Royalties, 2% (two percent) of all Net Sales and Other Net Sales of Other Products generated during the First Year, and 1.5% (one and one-half percent) of all Net Sales and Other Net Sales of Other Products, on an Other Product-by-Other Product, country-by-country basis, from the lapse of the First Year until the last to expire of the Patents for such Other Products in such country ("**Other Product Royalties**").

7.1.3 SUBLICENSE CONSIDERATION – 25% (twenty-five percent) of any Sublicense Income actually received by an Invoicing Entity during the First Year in connection with any Licensed BG IP or Licensed BG Product, and 20% (twenty percent) of any Sublicense Income actually received by an Invoicing Entity after the First Year in connection with any Licensed BG IP or Licensed BG Product ("**Sublicense Consideration**").

7.1.4 OTHER SUBLICENSE CONSIDERATION – in addition to the above mentioned Sublicense Consideration, 6% (six percent) of any Sublicense Income actually received by an Invoicing Entity during the First Year in connection with any Ramot IP or Other Product, and 5% (five percent) of all amounts received by an Invoicing Entity after the First Year in connection with any Ramot IP or Other Product ("**Other Sublicense Consideration**").

7.1.5 MILESTONE FEES

The Company shall also pay BGN the following one-time fees upon achievement by the Company of the following Milestones (the "**Milestone Fees**"):

(a) Upon the successful completion of a phase II clinical trial of a Licensed Product: US $150,000;

(b) Upon the successful completion of a phase III clinical trial of a Licensed Product: US $500,000;

(c) US $1,000,000 upon submission of the first NDA to the FDA for an approval of the commercial sale of a Licensed Product in the USA (or similar submission with EMA for commercial sale in Europe);

(d) US $2,000,000 upon receipt of the first NDA approval by the FDA for the commercial sale of a Licensed Product (or similar approval by EMA); and

(e) US $2,000,000 upon receipt of the first regulatory approval for the commercial sale of any other Licensed Product (*i.e.*, not the Licensed Product for which payment was made pursuant to subsection *(ii)* above) in the respective jurisdiction.

7.2 With respect to the calculation of Net Sales, Other Net Sales, and Sublicense Income, it is clarified that in order to avoid "double-dipping", where there is a series of transactions (whether sublicenses or sales of Product) through multiple Invoicing Entities, the only transaction in such chain to serve as the basis for such calculation shall be the first sale/sublicense in the chain to a Third Party or to an end-user Affiliate.

7.3 **PAYMENT**

All payments due under this Agreement shall be payable in USD. Payment shall be made as follows:

7.3.1 Running Royalties, Other Product Royalties, Sublicense Consideration and Other Sublicense Consideration shall be paid by the Company to BGN no later than sixty (60) days after the end of the Quarter in which the underlying amounts are received by the Invoicing Entity.

7.3.2 In the event that conversion from foreign currency is required in calculating a payment under this Agreement, the exchange rate used shall be the conversion rate for the foreign currency as published in the eastern edition of The Wall Street Journal, or successor, at the end of the last business day of the Quarter in which such amounts are received by the Company.

7.3 OVERDUE PAYMENTS

Without derogating from BGN's rights hereunder or by law to any other additional remedy or relief, if any payment due to BGN under this Agreement is not paid by its due date of payment, the overdue amounts shall bear per annum interest at the prime rate published by Bank of Israel plus one percent (1%) as of the payment due date until payment.

7.4 PAYMENT METHOD

Each payment due to BGN under this Agreement shall be made by wire transfer to BGN's accounts in accordance with written instructions as provided from time to time by BGN, and shall be net and free of any set-offs, deductions or withholdings, except as set forth in Section 7.5.

7.5 WITHHOLDING AND SIMILAR TAXES

If applicable laws requires that taxes be withheld or deducted at source from any amounts due to BGN under this Agreement, the Company shall: ***(a)*** deduct these taxes from the remittable amount, ***(b)*** pay the taxes to the appropriate tax authority, and ***(c)*** promptly deliver to BGN a statement including the amount of tax withheld and justification therefore, and such information as may be necessary for tax credit purposes. Each Party agrees to assist the other Party in claiming exemption from such deductions or withholdings under any double taxation or similar agreement or treaty which may be in force from time to time.

7.6 EQUITY

7.6.1 On the Effective Date and as a condition precedent for the effectiveness of the BG License granted hereunder, the Company: ***(a)*** will replace its Articles of Association with the Amended and Restated Articles attached as **APPENDIX 7.6.1(A)** hereto (the "**Amended Articles**"); ***(b)*** will effect the conversion of all ordinary shares of the Company held by the BG Entities and the Principal Investigator into Ordinary A Shares (as defined in the Amended Articles); and ***(c)*** will effect the issuance of an additional 1,375 (one thousand three hundred seventy-five) Ordinary A Shares of the Company (the "**Additional BG Shares**" to Drs. Salach Abu Hamed, Doron Kalu and Hilal Zaid, subject to the execution by each of an irrevocable proxy substantially in the form attached hereto as **APPENDIX 7.6.1(B)**, in accordance with the allocation set out in the Cap Tables (as defined below), which Additional BG Shares shall upon their issuance be fully paid-up and free and clear of any liens, charges or encumbrances of any kind whatsoever.

7.6.2 The Company hereby represents and warrants to the BG Entities that the capitalization tables set out on **APPENDIX 7.6.2** hereto (the "**Cap Tables**") accurately reflect the allocation of the entire issued and outstanding share capital of the Company on a fully-diluted basis as of immediately following the actions to be performed under Section 7.6.1 above, and as of before and after the conversion of the Loan (as defined in the Term Sheet).

8. COMPANY REPORTS AND RECORDS

8.1 REPORTS

Within sixty (60) days after the conclusion of each Quarter, commencing with the first Quarter in which an Invoicing Entity first receives consideration from Net Sales, Other Net Sales and/or Sublicense Income, the Company shall deliver to BGN a report containing the following information:

8.1.1 the number of Licensed Products and Other Products sold by all Invoicing Entities in each country for the applicable Quarter;

8.1.2 the gross revenues received for the Licensed Products by all Invoicing Entities in each country during the applicable Quarter;

8.1.3 a calculation of all Net Sales, Other Net Sales for the applicable Quarter in each country, including a list of any and all applicable deductions;

8.1.4 the amount of Sublicense Income received by all Invoicing Entities for the applicable Quarter; and

8.1.5 the total amount payable to BGN in USD for the applicable Quarter, together with exchange rates used for conversion, if such rates apply.

8.1.6 The reports shall state if no amounts are due to BGN for any given Quarter.

8.2 RECORDS AND AUDIT

8.2.1 The Company shall maintain and shall cause its Affiliates to maintain complete and accurate records of all Licensed Products sold by Invoicing Entities, any amounts payable to Invoicing Entities in relation to such Licensed Products, and all Sublicense Income received by Invoicing Entities. The Company shall cause its Sublicensees to maintain complete and accurate records with respect to all Sublicense Income due and payable to Invoicing Entities, which records shall contain sufficient information to permit BGN to confirm the accuracy of any reports or notifications delivered to BGN under Section 8.1.

8.2.2 The Company shall retain such records relating to a given Quarter for at least three (3) years after the conclusion of the Quarter. During such three (3) year period, BGN shall have the right, at BGN's expense, no more than once per year, to cause an independent, certified public accountant, who is bound by a suitable confidentiality arrangement with the Company, to inspect the Company's and the relevant Affiliates' relevant records during normal business hours, upon twenty (20) days' prior written notice, for the purpose of verifying any reports and payments delivered under this Agreement.

8.2.3 The Parties shall reconcile any underpayment or overpayment within thirty (30) days after the accountant delivers the results of the audit, together with interest accrued thereon in accordance with Section 7.3.

8.2.4 The Company shall cause its Affiliates and Sublicensees to fully comply with the terms of this Section 8.2.

8.2.5 Notwithstanding the aforementioned, in the event that such an inspection reveals an underpayment of monies to BGN by more than 5% five percent, the Company shall pay all costs of such inspection.

8.3 SHARING OF INFORMATION AMONG THE BG ENTITIES

To remove any doubt, it is agreed that BGN will be entitled and authorized to share with NIBN any information reported, disclosed or otherwise received by it under this Section 8.

9. PATENT EXPENSES; PATENT FILING, PROSECUTION AND MAINTANANCE

9.1 The Company will reimburse the BG Entities for all documented, out-of-pocket expenses incurred by them in the filing, prosecution and maintenance of the Licensed BG Patents prior to the Effective Date, as set out on **APPENDIX 9.1** hereto. Reimbursement for such patent expenses shall be made in three installments as follows:

9.1.1 First installment, in the amount of US $70,000 – on the first business day following the Effective Date;

9.1.2 Second installment, in the amount of US $70,000– within 11 calendar months after the Effective Date; and

9.1.3 Third installment, in the amount of the remaining balance – within 17 calendar months after the Effective Date.

9.2 Company shall in full consultation with BGN be responsible, at its sole cost and expense, for the diligent and ongoing filing, prosecution and maintenance of the Licensed BG Patents in the Mandatory Jurisdictions and in any Optional Jurisdiction(s) in which the Company has elected to file a patent application under the Licensed BG Patents, using counsel selected by Sepal and the BG Entities and reasonably acceptable to the Company. Such counsel shall be charged with the duty to act in the best interests of each of the BG Entities and the Company, and shall attempt to achieve a consensus in all decisions made relative to the content of applications and the prosecution of

Licensed BG Patents. In furtherance of the foregoing, the Company shall promptly forward to BGN copies of any substantive correspondence and actions prepared for or received from any patent office relating to the Licensed BG Patents, and provide BGN with a reasonable opportunity to comment on all draft filings of Licensed BG Patents, at the respective Party's own cost and expense, prior to their submission to the relevant patent authority.

9.3 **MANDATORY AND OPTIONAL JURISDICTIONS**

9.3.1 The Company's diligent and ongoing filing, prosecution and maintenance of the Licensed BG Patents shall be mandatory with respect to the patent applications filed on the Licensed BG Patents as of the Effective Date, in each of the jurisdictions for the respective patent applications filed on a Licensed Patent as of the Effective Date, as listed on **APPENDIX 9.3.1** hereto (collectively, the "**Mandatory Jurisdictions**"). In the event that both Parties agree to abandon a Licensed Patent application filed as of the Effective Date in a Mandatory Jurisdiction, then it shall no longer be considered a Mandatory Jurisdiction for that Licensed Patent. In the event that any Licensed Patent Application shall be denied by a patent office in any jurisdiction, such denial which shall not be reasonably appealable, then such jurisdiction shall no longer be considered a Mandatory Jurisdiction for that Licensed Patent.

9.3.2 The Company may, following coordination with BGN pursuant to Section 9.2 above, elect to file, prosecute and maintain the Licensed BG Patents in other jurisdictions beyond the Mandatory Jurisdictions (collectively, the "**Optional Jurisdictions**"). The Company may abandon a Licensed Patent application filed as of the Effective Date in an Optional Jurisdiction at its sole discretion.

9.4 Except as explicitly provided herein and with respect to Company IP, all Licensed BG Patents shall be filed and registered in the name of BGN (or BGU, if so designated by BGN) or NIBN. Commencing on the Effective Date, any and all reasonable ongoing costs and expenses pertaining to the preparation, filing, maintenance and prosecution of the Licensed BG Patents shall be borne and paid by the Company.

9.5 The Parties shall consult in all respects relating to the manner of making applications and registering the Licensed BG Patents, including the timing of filings in the Optional Jurisdictions, those Optional Jurisdictions where applications will be made, and all other particulars relating to patent registration as aforesaid. The Parties shall assist each other in all respects relating to the preparation of documents for the registration of Licensed BG Patents or the maintenance thereof forthwith upon the other Party's request.

9.6 Failure by the Company to diligently and reasonably maintain, prosecute and defend the Licensed BG Patents in a Mandatory Jurisdiction shall constitute a material breach of this Agreement.

9.7 In the event that the Company shall fail to cause the diligent filing, maintenance, prosecution and/or defense of the Licensed BG Patents in any Mandatory Jurisdiction, or fail to pay the costs and expenses associated therewith (such abandoned Licensed BG Patents - the "**Abandoned Licensed BG Patents**"; and such Patent Jurisdiction - the "**Abandoned Patent Jurisdiction**"), except as provided in 9.3, then: ***(a)*** any right granted hereunder to the Company with respect to the Abandoned Patent Right will terminate with respect to such Abandoned Patent Jurisdiction, and the Company shall have no rights whatsoever to exploit such Abandoned Licensed BG Patents in such Abandoned Patent Jurisdiction, after sixty (60) days' notice to BGN; ***(b)*** the Company shall no longer be responsible for any and all costs, expenses and other obligations, including, but not limited to, Running Royalties, under this Agreement related to the Abandoned Licensed BG Patents in the Abandoned Patent Jurisdiction and ***(c)*** BGN shall be entitled, in its sole discretion and at its sole expense, to continue to file, maintain, prosecute and/or defend the Abandoned Licensed BG Patents in such Abandoned Patent Jurisdiction, as it sees fit from time to time.

9.8 BGN makes no representation and extends no warranties of any kind, either express or implied, as to the validity of any of the Licensed BG Patents, issued or pending. BGN disclaims all warranties

whatsoever with respect to the Licensed BG Patents, either express or implied, including, but not limited to warranties of merchantability or fitness for a particular purpose. The Company makes no representation and extends no warranties of any kind, either express or implied, as to the ability to obtain patents with respect to the Licensed BG Patents, and disclaims all warranties whatsoever with respect thereto, either express or implied.

9.9 **PROSECUTION AND DEFENSE**

9.9.1 If either Party shall become aware of any known or threatened infringements, imitations or counterfeits of the Licensed BG Patents by any Third Party ("**Infringements**"), or of any legal challenge by any Third Party to the validity or ownership of same ("**Challenges**"), such Party shall promptly notify the other Party.

9.9.2 Where such Infringement or Challenge is in a Mandatory Jurisdiction, the Company may, and has the first right to, promptly take appropriate legal action to defend the Licensed BG Patents against such Infringement or Challenge, in its own name and at the Company's cost and expense, and with counsel of the Company's sole choosing, but shall consult with BGN regarding choice of legal counsel. BGN, only if requested by the Company, shall, join the Company as a party to any such proceeding relating to such Infringement or Challenge, and execute such documents and take such other actions as the Company deems necessary or helpful, at the cost and expense of the Company.

9.9.3 Where such Infringement or Challenge is in an Optional Jurisdiction, the Company may, and has the first right to, take appropriate legal action to defend the Licensed BG Patents against such Infringement or Challenge, in its own name and at the Company's cost and expense, and with counsel of the Company's sole choosing, but shall consult with BGN regarding choice of legal counsel. If the Company does elect to take such legal action, then BGN –, only if requested by the Company, shall join the Company as a party to any such proceeding relating to such Infringement or Challenge, and execute such documents and take such other actions as the Company deems necessary or helpful, at the cost and expense of the Company.

9.9.4 In any legal action initiated by the Company in the circumstances described in Section 9.9.2 or 9.9.3 above, BGN shall have reasonable access to and participation in all internal discussions with the Company regarding such action. BGN shall have the right to retain its own separate legal counsel, at BGN's expense.

9.9.5 The Company shall not enter into any settlement agreement with a Third Party in respect of any Infringement or Challenge, the effect of which would be detrimental to the validity and ownership (by BGU and/or BGN) of the Licensed BG Patents, without the prior written consent of BGN, which consent shall not be unreasonably withheld, conditioned or delayed.

9.9.6 In the event that the Company shall, in the circumstances described in Section 9.9.2 or 9.9.3 above, fail or elect not to take legal action in its own name and at its own cost, or shall neglect or abandon any such legal action previously commenced by it, then:

(a) the Company shall promptly notify BGN to such effect in writing; and

(b) BGN shall be entitled to assume the prosecution or defense of such actions, and to pursue such other legal action against third parties as it sees fit, at its own cost and expense.

9.9.7 Where such Infringement or Challenge is in an Abandoned Patent Jurisdiction, BGN shall be entitled in its sole and absolute discretion to take (or decline to take) such actions as it sees fit for the prosecution or defense of the Licensed BG Patents in such Abandoned Patent Jurisdiction.

9.9.8 In the event that the Company is permanently enjoined from exercising its License under this Agreement pursuant to an Infringement or Challenge suit, or if both the Company and BGN

elect not to undertake the defense or settlement of a suit alleging Infringement or Challenge for a period of six (6) months from notice of such suit, then the Company shall have the right to terminate this Agreement in the country where the suit was filed with respect to the Licensed Patent following thirty (30) days' written notice to BGN in accordance with the terms of Section 13.9. In addition, if the Company is required to pay a royalty or other amount to a Third Party as a result of a final judgment or settlement, the amounts payable to BGN under this Agreement shall be reduced by said other amount, or in the case of a royalty, by said royalty, with respect to such Licensed Product in such country.

9.10 **RECOVERY**

9.10.1 DURING THE TERM

(a) If, during the term of this Agreement, there is any pecuniary award made to the Company and/or BGN in any legal action taken by the Company with respect to Licensed BG Patents pursuant to Section 9.9.2 or 9.9.3 above and not subsequently assumed by BGN under Section 9.9.6 or Section 9.9.7 above, including without limitation any arbitration award or settlement amount, then the amount of such award shall be allocated as follows:

(i) *First*, the Company shall be entitled to recover the reasonable costs and fees of its legal counsel, and if BGN's assistance was requested in connection with such actions, then BGN shall be entitled to recover the reasonable costs and fees of its separate legal counsel on a *pro rata* basis with Company;

(ii) *Second*, BGN shall be entitled to recover (**1**) the reasonable costs and fees of its separate legal counsel, if its assistance was not requested in connection with such legal action, but it has nonetheless joined in such action and retained separate legal counsel; and (**2**) reimbursement for any Running Royalties payments past due or withheld by the Company relating to the suit;

(iii) *Third*, Company shall be entitled to be paid its lost profits attributable to the infringement or a reasonable royalty on the sales of the infringer, whichever standard the court may have applied;

(iv) *Fourth*, BGN shall be entitled to reimbursement for any Running Royalties payments not received by BGN as a result of such infringement; and

(v) *Fifth,* if the Company has seen such action through to its completion (*i.e.*, the Company has not neglected or abandoned such action as described in Section 9.9.5 above), then the remaining balance of such award, after the deduction of the amounts set forth in sub-Sections (i), (ii), (iii) and (iv) above, will be split 90% (ninety percent) to the Company, and 10% (ten percent) to BGN.

(b) If the Company has elected not to pursue such action as described in Sections 9.9.2 and 9.9.3 above, and/or BGN has assumed the prosecution or defense of such action under Section 9.9.6 or Section 9.9.7 above, prior to the time of such award, then the amount of such award shall be allocated as follows:

(i) *First*, BGN shall be entitled to recover the reasonable costs and fees of its legal counsel, and if the Company initiated such action prior to the assumption by BGN, or if BGN requested Company's assistance in connection with such actions, then the Company shall be entitled to recover the reasonable costs and fees of its separate legal counsel on a *pro rata* basis with BGN;

(ii) *Second*, BGN shall be entitled to reimbursement for any Running Royalties payments past due or withheld by the Company relating to the suit;

(iii) *Third*, Company shall be entitled to recover its lost profits attributable to the infringement or a reasonable royalty on the sales of the infringer, whichever standard the court may have applied;

(iv) *Fourth*, BGN shall be entitled to reimbursement for any Running Royalties payments not received by BGN as a result of such infringement; and

(v) *Fifth,* the entire balance of such award, after the deduction of the amounts set forth in sub-Sections 9.10.1(b)(i) through (iv) above, will be split between BGN and the Company on a pro rata basis as determined by the relative total out of pocket and legal expenses incurred by each Party in pursuing the legal action.

9.10.2 FOLLOWING EXPIRATION OR TERMINATION

(a) If, following the expiration or termination of this Agreement, howsoever arising, there is any pecuniary award made to the Company and/or BGN in any legal action commenced by the Company with respect to Licensed BG Patents pursuant to Section 9.9.2 or 9.9.3 above during the term of this Agreement, and not subsequently assumed by BGN under Section 9.9.6 or Section 9.9.7, including without limitation any arbitration award or settlement amount, then the amount of such award attributable to the Licensed BG Patents shall be allocated as follows:

(i) *First*, the Company shall be entitled to recover the reasonable costs and fees of its legal counsel, and if BGN's assistance was requested in connection with such actions, then BGN shall be entitled to recover the reasonable costs and fees of its separate legal counsel on a *pro rata* basis with Company;

(ii) *Second*, BGN shall be entitled to recover (**1**) the reasonable costs and fees of its separate legal counsel, if its assistance was not requested in connection with such legal action, but it has nonetheless joined in such action and retained separate legal counsel; and (**2**) reimbursement for any Running Royalties past due or withheld by the Company relating to the suit;

(iii) *Third*, the Company shall be entitled to recover its lost profits attributable to the infringement or a reasonable royalty on the sales of the infringer (prior to the effective date of termination or expiration of this Agreement), whichever standard the court may have applied;

(iv) *Fourth,* BGN shall be entitled to reimbursement for the amount of Running Royalties not received by BGN as a result of such infringement; and

(v) *Fifth,* any recovery of damages still remaining shall thereafter be split by BGN and the Company 10% - 90%, respectively.

(b) If the Company has elected not to pursue such action as described in Sections 9.9.2 and 9.9.3 above, and/or BGN has assumed the prosecution or defense of such action under Section 9.9.6 or Section 9.9.7, either before or after the expiration or termination of this Agreement, but prior to the time of such award, then the amount of such award shall be allocated as follows:

(i) *First*, BGN shall be entitled to recover the reasonable costs and fees of its legal counsel, and if the Company initiated such action prior to the assumption by BGN, or if BGN requested Company's assistance in connection with such actions, then the Company shall be entitled to recover the reasonable costs and fees of its separate legal counsel on a *pro rata* basis with BGN;

(ii) *Second*, BGN shall be entitled to reimbursement for any Running Royalties payments past due or withheld by the Company relating to the suit;

(iii) *Third*, Company shall be entitled to recover its lost profits attributable to the infringement or a reasonable royalty on the sales of the infringer made prior to the effective date of termination or expiration of this Agreement;

(iv) *Fourth*, BGN shall be entitled to reimbursement for any Running Royalties payments not received by BGN as a result of such infringement; and

(v) *Fifth,* the entire balance of such award after the deduction of the amounts set forth in sub-Sections 9.10.2(b)(i) through (iv) above will be split between BGN and the Company on a pro rata basis as determined by the relative total out of pocket and legal expenses incurred by each Party in pursuing the legal action.

10. TERM AND TERMINATION

10.1 The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until the earlier of the following: ***(a)*** twenty (20) years as of the date of the First Commercial Sale; ***(b)*** date of expiry of the last of the Licensed BG Patents (the "**Term**").

10.2 Notwithstanding any provision herein to the contrary, a Party may terminate this Agreement forthwith, without prejudice to other rights and remedies to which it may be entitled pursuant to this Agreement and/or applicable law, by written notice to the other Party upon the occurrence of any of the following events, without liability to the other Party for the proper exercise of such right:

10.2.1 The other Party has breached this Agreement in a manner incurable by its nature, or if such breach is curable by its nature, it nonetheless remains uncured sixty (60) days after the terminating Party first gave written notice thereof to the breaching Party; or

10.2.2 For a period of ninety (90) consecutive days, the other Party is declared to be insolvent or is the subject of bankruptcy or liquidation proceedings, whether compulsory or voluntary, or has a receiver, judicial administrator or similar officer appointed over all or any material part of its assets, or any security holder or encumbrance lawfully takes possession of any property of or in possession of the other Party, or if the other Party ceases to carry on its business for ninety (90) consecutive days or more.

10.3 Without in any way limiting the general scope or meaning of Section 10.2.1 above, it is clarified that any ***(a)*** failure to comply with the provisions of Section 5 above, or ***(b)*** default or breach of the payment obligations under Section 7 above, shall constitute a material breach of the Agreement and shall entitle the BG Entities to terminate the Agreement.

10.4 **EFFECTS OF EXPIRATION AND TERMINATION**

10.4.1 Upon the expiration of the last valid claim on the Licensed BG Patents underlying a Licensed Product generating Net Sales or Other Net Sales in a given country, on a country-by–country basis, Company shall have a fully-paid up license in such country (with the right to grant sublicenses), solely with respect to such expired claim. Notwithstanding, the BG Entities shall continue to be entitled to receive Sublicense Consideration with respect to any Sublicense Income received after such expiration.

10.4.2 Upon the termination of this Agreement, howsoever arising (without prejudice to any additional rights or remedies available to any Party pursuant to this Agreement and/or under applicable law) except as otherwise provided in this Agreement:

(a) The Company shall, within ninety (90) days of the effective date of termination, return to BGN, or otherwise dispose of as BGN may instruct, copies of all confidential information disclosed by the BG Entities or the BG Research Team, including, *inter alia*, documentation, technical pamphlets, photographs, specifications and other materials, documents and papers whatsoever, relating to the Licensed BG IP which the Company may have (either directly or indirectly, through Sublicensees) in its possession or under its control.

(b) All rights granted to the Company hereunder, except as otherwise provided in this Agreement, shall cease, and shall revert to the BG Entities, and the Company shall not thereafter be entitled, directly or indirectly, to make any use of the Licensed Products or the Licensed BG IP, including the Commercialization of the Licensed Products and/or the Licensed BG IP.

10.4.3 None of the Parties shall be entitled, by reason of such termination or expiration of this Agreement, to claim any compensation, indemnity or damages, whether actual or contingent, for any reason whatsoever (or on the basis of any cause of action, including unjust enrichment), including without limitation on account of the loss of present or prospective profits on commercialization of the Licensed Products and/or the Licensed BG IP, and none of the Parties shall be liable to pay any compensation, indemnity or damages, as aforesaid.

10.4.4 For the avoidance of any doubt, it is hereby further agreed and understood that the expiration or termination of this Agreement, for any reason whatsoever, except as otherwise provided in this Agreement, shall not release any Party from any obligations, duties or liabilities accrued prior to such expiration or termination, or which are by their terms or nature intended to survive such expiration or termination, including without limitation the Parties' respective obligations arising under Sections 3.8, 6, 7.1 (to the extent applicable, such as with respect to payments received by an Invoicing Entity after termination) through 7.5, 8.1 (to the extent revenues have been received by an Additional Entity but not yet reported under this Section), 8.2, 8.3, 9.1, 9.2 (exclusive of its first sentence), 9.9 - with respect only to litigation ongoing at the time of termination, 9.10.2, 10, 11.1, 12 and 13 hereto, and any obligations not yet matured shall be eliminated following such expiration or termination.

10.4.5 For the avoidance of any doubt, it is hereby further agreed and understood that the termination of this Agreement, howsoever arising, shall not affect the right of the BG Entities to freely and directly contract any Sublicensee or former sub-contractor of the Company or its Affiliates, subject only to the provisions of Section 3.6 above.

10.4.6 Upon termination of this Agreement for any reason, all regulatory approvals of, or clinical trials or other studies conducted on, and all filings made with regulatory agencies with respect to, the Licensed Product as well as all records required by regulatory authorities to be maintained with respect to the sale, storage, handling, shipping and use of the Licensed Product, all reimbursement approval files, all documents, data and information related to clinical trials and other studies of Licensed Product, any other data, techniques, know-how and other information developed or generated that relate to the Licensed BG IP or Licensed Products, and all copies and facsimiles of such materials, documents, information and files shall remain the proprietary property and Confidential Information of the Company.

10.4.7 In the event of termination of this Agreement other than pursuant to Section 10.2.2 above or in circumstances under which the Company is no longer able to meet its financial obligations, and in the event the BG Entities request the transfer of the patent portfolio of the Licensed BG Patents from the Company's patent counsel back to the BG Entities' patent counsel, any expenses involved in such transfer shall be paid by the Company.

11. CONFIDENTIAL INFORMATION AND PUBLICATION

11.1 Concurrently with the signature hereof, the Parties shall execute a non-disclosure agreement in the form attached hereto as **APPENDIX 11.1** (the "**NDA**"). To the extent that the provisions of the NDA conflict with the provisions of Section 11.2 below, the provisions of Section 11.2 shall prevail.

11.2 The BG Entities shall be entitled to allow the Principal Investigator and other members of the BG Research Team to publish information and results regarding research conducted under this Agreement in scientific publications or to present such results at scientific symposia, provided that no proprietary Confidential Information (as defined in the NDA) of Company is disclosed and that the following procedure is followed:

11.2.1 Such publications and presentations shall comply with standard academic practice regarding authorship of scientific publications and recognition of contribution of other parties.

11.2.2 No later than sixty (60) days prior to submission for publication of any scientific articles, abstracts or papers concerning above results and prior to the presentation of such results at any scientific symposia, the Principal Investigator shall send to Company and the BG Entities a written copy of the material to be so submitted or presented, and shall allow them to review such submission in order to determine whether the publication or presentation contains subject matter for which patent protection should be sought prior to publication or presentation or whether the publication or presentation contains non-patentable know-how or trade secrets that should remain confidential.

11.2.3 Company and the BG Entities shall provide their written comments with respect to such publication or presentation within sixty (60) days following their receipt of such written material.

11.2.4 If Company in its written comments reasonably identifies the material as trade secrets or as proprietary Confidential Information (as defined in the NDA) of Company, the BG Entities and the Principal Investigator will refrain from publication of such material.

11.2.5 If either Party, in its written comments, identifies material for which patent protection should be sought, then the Parties shall cause the publication or presentation of such submission to be delayed for up to an additional six (6) months, in order to enable the Parties, through their patent counsel, to make the necessary patent filings in accordance with Section 8 above.

11.2.6 After compliance with the foregoing procedures with respect to an academic, scientific or medical publication and/or public presentation, the Principal Investigator and/or BG Research Team members shall not have to resubmit any such information for re-approval should it be republished or publicly disclosed in another form in scientific publications.

12. LIABILITY AND INDEMNIFICATION

12.1 In this Section 12 each Party which either directly or via its Affiliates and/or any Person on its or its Affiliates' behalf, including its Sublicensees, Commercializes Products under or in connection to this Agreement shall be referred to as "**Commercializing Party**" and with regard to each such Commercialization activities the other Party herein shall be referred to as "**Non Commercializing Party**".

12.2 Each Commercializing Party hereby declares that it alone assumes any and all liabilities and responsibilities for any Licensed Product Commercialized by it, by any of its Affiliates, and/or by any Person on its or its Affiliates' behalf, and shall ensure that its Sublicensees shall be subject to similar undertaking. Without derogating from the generality of the aforesaid, each Commercializing Party shall be responsible to obtain, at its own risk and expense, any and all licenses and/or official authorizations, including without limitation with respect to standards and/or quality, required with

respect to its Commercialization activities in the field of use assigned to it hereunder in accordance with any relevant laws, rules and regulations.

12.3 All warranties in connection with any Licensed Products Commercialized by any Commercializing Party herein (or by any of its Affiliates and/or by any Person on its or its Affiliates behalf including its sublicensees) shall be made by such Commercializing Party or its Affiliates and/or sublicensees as manufacturer and seller, and shall not directly or by implication obligate the Non Commercializing Party or any of its respective officers, directors, agents, employees, shareholders, successors or assignees (collectively with the Non Commercializing Party, the "**Indemnitees**").

12.4 The Indemnitees shall not be liable for any claims, demands, liabilities, costs, losses, damages or expenses (including legal costs and attorneys' fees) of whatever kind or nature (all of the foregoing, collectively, "**Liabilities**") caused to or suffered by any Person (including the Commercializing Party, its Affiliates or any sublicensee) that directly arise out of or result from or are encountered in connection with the exercise of a license by the Commercializing Party, its Affiliates or any sublicensee, including without limitation Liabilities directly arising out of or resulting from or encountered in connection with the Commercialization of any Licensed Products by the Commercializing Party, its Affiliates and/or any Sublicensee, or any Person acting in the name of or on behalf of any of the foregoing, or acquiring any of the Licensed Products directly from any of the foregoing.

12.5 In the event that any of the Indemnitees should incur or suffer any Liabilities that arise out of or result from or are encountered in connection with the exercise of a license by a Commercializing Party (its Affiliates or any of its sublicensees or any Person on their behalf) or as otherwise set forth in Section 12.4 above, or shall be requested or obliged to pay to any Person any amount whatsoever as compensation for any Liabilities as aforesaid in Section 12.4 above, then: ***(a)*** such Indemnitee shall, as promptly as is reasonably possible, give the Commercializing Party notice of such claim or demand ("**Claim**") and give the Commercializing Party sole control over the conduct of the defense and settlement of any such Claim, provided that the Commercializing Party shall not be entitled to enter into any settlement that would constitute a stipulation of Third Party claims against any Indemnitee, or a relinquishment of the Non Commercializing Party's rights in any IP licensed herein, without the prior written consent of the Non Commercializing Party; and ***(b)*** subject to the fulfillment of the terms of subsection *(a)*, the Commercializing Party shall defend, indemnify and hold harmless such Indemnitees upon their first demand, from and against any and all such Liabilities. Without limiting the generality of the foregoing, the Commercializing Party's indemnification as aforesaid shall extend to product liability claims and to direct damages, claims, demands, liabilities, costs and expenses attributable to death, personal injury or property damage or to penalties imposed on account of the violation of any law, regulation or governmental requirement.

12.6 The Commercializing Party shall at its own expense obtain commercial insurance, commensurate with level of risk as it should be reasonably anticipated in the present and as it may develop, to insure against its liability during the period immediately beginning prior to any Commercialization and continuing during the entire period that the license it receives herein is in force, plus any additional period any such Licensed Product is being Commercialized by it or its Affiliate or sublicensee. Such insurance shall be in reasonable amounts and on reasonable terms in the circumstances, having regard, in particular, to the nature of the Licensed Products, and shall be subscribed for from a reputable insurance company.

12.7 IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR SPECIAL DAMAGES, HOWEVER CAUSED, INCLUDING LOST PROFITS, LOSS OF BUSINESS OPPORTUNITIES, LOSS OF GOODWILL, OR LOSS OF USE; PROVIDED, HOWEVER, THAT THE AFORESAID EXCLUSION OF CONSEQUENTIAL, INDIRECT AND INCIDENTAL DAMAGES SHALL NOT APPLY TO ANY MALICIOUS INFRINGEMENT BY A PARTY OF ITS CONFIDENTIALITY OBLIGATIONS OR OF PRIOPRIETARY RIGHTS IN ANOTHER PARTY'S INTELLECTUAL PROPERTY LICENSED UNDER THIS AGREEMENT. THIS LIMITATION WILL APPLY EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13. MISCELLANEOUS PROVISIONS

13.1 **ENTIRE AGREEMENT**. The terms and conditions of this Agreement comprise the entire understanding between the Parties in connection with the subject matter hereof, and shall prevail over any oral or written understanding, commitment, representation, or undertaking entered into prior to the signing of this Agreement.

13.2 **ALTERATION**. No alteration, amendment, or modification to any of the provisions of this Agreement shall be valid unless made in writing and signed by both Parties.

13.3 **NO WAIVER**. The failure of either Party hereto to enforce at any time or for any period any provision of this Agreement shall not be construed as a waiver of such right or provision, and such Party shall be entitled to enforce such right or provision at any time as it shall see fit.

13.4 **GOVERNING LAW AND JURISDICTION**. All disputes, controversies or claims arising in connection with this Agreement (and subsequent amendments thereof), its valid conclusion, binding effect, interpretation, performance, breach or termination, including tort and unjust enrichment claims, shall be exclusively governed by and construed in accordance with the laws of the State of Israel, without giving effect to the rules of conflict of laws thereof. Any disputes or controversy or claim arising under, out of or in connection with this Agreement (and subsequent amendments thereof), its valid conclusion, binding effect, interpretation, performance, breach or termination, including tort and unjust enrichment claims, shall be exclusively submitted to, and finally settled by, the competent courts in Tel Aviv, Israel.

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

13.6 **INDEPENDENT CONTRACTORS**. The Parties are independent contractors vis-à-vis one another. No relationship of principal to agent, master to servant, employer to employee, or franchisor to franchisee is established hereby between the Parties. Neither Party has the authority to bind the other party or incur any obligation or liability on the other Party's behalf.

13.7 **COUNTERPARTS**. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

13.8 **NO ASSIGNMENT**

13.8.1 Neither Party shall assign this Agreement or any of its respective rights, duties and obligations hereunder to any third party, without having obtained the prior written consent of the other Parties which will not be unreasonably withheld or denied. Notwithstanding the aforesaid, ***(a)*** the BG Entities shall be entitled to assign to one another or to BGU any of their rights and obligations under this Agreement, without the approval of Company; and ***(b)*** the Company may, without the consent of the other Parties, assign this Agreement in its entirety to any purchaser of all or substantially all of its assets, or to any successor corporation resulting from any merger or consolidation of the Company with or into such corporation, provided that any such assignee agrees in writing to be bound by the terms of this Agreement.

13.8.2 Any putative assignment of this Agreement in contravention of the provisions of Section 13.8.1 above shall be null and void, *ab initio*, and shall constitute a material breach of the provisions of this Agreement.

13.9 **NOTICES**

13.9.1 Notices to be given by one Party to another shall be deemed properly given if reduced to writing and transmitted to the Party's address appearing in the first page of this Agreement, by certified or registered first class mail postage prepaid, return receipt requested, or reputable overnight courier with written verification of receipt - all to be effective upon receipt, or by facsimile with confirmation receipt - to be effective at the first business day following the date of transmission, or by messenger with confirmation receipt - to be effective at the date of the confirmation receipt.

13.9.2 The addresses of the Parties, listed on the first page of this Agreement, shall be subject to any change of such address notified in writing by one Party to the other, according to the procedure set out in this Section 13.9.

13.9.3 Notwithstanding the above, notice to BGN shall be considered properly given only if a copy thereof has been delivered to Eytan Liraz & Co. Law Offices, Sonol Tower, 17th Floor, 52 Menachem Begin Road, Tel Aviv, Israel, Fax: 03 – 5377399.

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SIGNATURE PAGE FOLLOWS

Agreed and accepted by the Parties' authorized representatives as of the Effective Date:

_____

VIDAC PHARMA LTD.

BY: _____

TITLE: _____

_____

B. G. NEGEV TECHNOLOGIES AND APPLICATIONS LTD.

BY: _____

TITLE: _____

_____

THE NATIONAL INSTITUTE OF BIOTECHNOLOGY IN THE NEGEV LTD.

BY: _____

TITLE: _____

****

LIST OF APPENDICES

APPENDIX A – The Technology

APPENDIX B – Patent Applications for Existing BG IP

APPENDIX C – The Term Sheet (as amended by the first and second Side Letters thereto)

APPENDIX 1.3.15 – Initial Research Plan

APPENDIX 1.3.32 – Ramot License

APPENDIX 5.1 – Development Plan (to be attached upon adoption)

APPENDIX 5.2.2 – Timetable for clinical trials (to be attached)

APPENDIX 7.6.1(A) – The Amended Articles

APPENDIX 7.6.1(B) - Irrevocable Proxy

APPENDIX 7.6.2 – The Cap Tables

APPENDIX 9.1 – BG Patent Expenses to be Reimbursed by Company

APPENDIX 9.3.1 – Mandatory Jurisdictions

APPENDIX 11.1 – NDA

Agreed and accepted by the Parties' authorized representatives as of the Effective Date:

VIDAC PHARMA LTD.

BY: Nir Hershberg

TITLE: Chairman

B. G. NEGEV TECHNOLOGIES AND APPLICATIONS LTD.

BY: Nethanel Cohen, Moti Herskowitz

TITLE: CEO, Director

THE NATIONAL INSTITUTE OF BIOTECHNOLOGY IN THE NEGEV LTD.

BY: VARDA SHOSHAN-BARMATZ

TITLE: Director

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APPENDIX 9.3.1 –	Mandatory Jurisdictions
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APPENDIX B: The BG Patents

File No.	Inventor	Title	Country	Status	Appl. No	Appl. Date
192-01	Shoshan-Barmatz V., Zaid H., Abu-Hamad S.	The voltage dependent anion channel modulates apoptotic cell death	USA	Prov. 1	60/659,876	3/10/2005
192-02	Shoshan-Barmatz V., Zaid H., Abu-Hamad S.	VDAC1 Peptides	USA	Prov. 2	60/736,291	15/11/2005
192-03	Shoshan-Barmatz V., Zaid H., Abu-Hamad S.	VDAC1compositions and methods of use thereof for regulating apoptosis	PCT		IL06/000311	9/3/2006
192-04	Shoshan-Barmatz V., Zaid H., Abu-Hamad S.	VDAC1compositions and methods of use thereof for regulating apoptosis	USA	Pending	11/817,869	5/9/2007
192-05	Shoshan-Barmatz V., Zaid H., Abu-Hamad S.	VDAC1compositions and methods of use thereof for regulating apoptosis	Israel	Pending	185500	23/8/2007
192-06	Shoshan-Barmatz V., Zaid H., Abu-Hamad S.	VDAC1compositions and methods of use thereof for regulating apoptosis	Europe	Pending	6711293.8	27/8/2007
192-07	Shoshan-Barmatz V., Zaid H., Abu-Hamad S.	VDAC1compositions and methods of use thereof for regulating apoptosis	Europe	Pending	10178317.3	22/9/2010
224-01	Shoshan-Barmatz V., Abu-Hamad S.	The expression level of voltage dependent anion channel controls life and	USA	Prov.	60/724,794	11/10/2005
224-02	Shoshan-Barmatz V., Abu-Hamad S.	COMPOSITIONS FOR SILENCING THE EXPRESSION OF VDAC1 AND USES THEREOF	PCT		IL06/001176	15/10/2006
224-03	Shoshan-Barmatz V., Abu-Hamad S.	COMPOSITIONS FOR SILENCING THE EXPRESSION OF VDAC1 AND USES THEREOF	Europe	Pending	6796164.9	18/3/2008

224-04	Shoshan-Barmatz V., Abu-Hamad S.	COMPOSITIONS FOR SILENCING THE EXPRESSION OF VDAC1 AND USES THEREOF	Israel	Pending	190310	19/3/2008
224-05	Shoshan-Barmatz V., Abu-Hamad S.	COMPOSITIONS FOR SILENCING THE EXPRESSION OF VDAC1 AND USES THEREOF	USA	Pending	12/088,896	1/4/2008
249-01	Shoshan-Barmatz V., Calo D.	N-Terminal modified VDAC, VDAC N-terminal peptidew and uses therof	USA	Prov.	60/789,570	6/4/2006
249-02	Shoshan-Barmatz V., Calo D.	N-Terminal VDAC variants and uses thereof	PCT		IL07/000455	10/4/2007
249-03	Shoshan-Barmatz V., Calo D.	N-Terminal modified VDAC, variants and uses thereof	USA	Pending	12/296,239	6/10/2008
249-04	Shoshan-Barmatz V., Calo D.	N-Terminal modified VDAC variants and uses thereof	Europe	Pending	7736195.4	6/10/2008
249-05	Shoshan-Barmatz V., Calo D.	N-Terminal modified VDAC variants and uses thereof	Israel	Pending	194466	2/10/2008
only VDAC part	Varda Shoshan-Barmatz	Methods for diagnosing cancer	USA	Prov.	61/532,150	8/9/2011