

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT5637446

SUBMISSION TYPE:	NEW ASSIGNMENT	
NATURE OF CONVEYANCE:	SECURITY INTEREST	
CONVEYING PARTY DATA		
Name		Execution Date
ELECTRICAL GRID MONITORING LTD.		07/17/2019
RECEIVING PARTY DATA		
Name:	KT SQUARED ODEF, LLC	
Street Address:	251 LITTLE FALLS DRIVE	
City:	CITY OF WILMINGTON	
State/Country:	DELAWARE	
Postal Code:	19808	
Name:	YEHUDA KAHANE LTD.	
Street Address:	16 TSAMAROT ST (16 ZAMOROT ST)	
City:	HERZLIYA	
State/Country:	ISRAEL	
Postal Code:	4642413	
Name:	NEWGEN TRUST	
Street Address:	412 10TH ST.	
City:	SANTA MONICA	
State/Country:	CALIFORNIA	
Postal Code:	90402	
Name:	DENVER INVESTMENTS & HOLDINGS LTD.	
Street Address:	16 TSAMAROT ST (ZAMAROT 16 ST)	
City:	HERZLYA	
State/Country:	ISRAEL	
Postal Code:	4642413	
Name:	SHIELD CAPITAL LTD.	
Street Address:	8 ROZENBLUM HERTZEL	
City:	TEL-AVIV JAFFA	
State/Country:	ISRAEL	
Postal Code:	6937952	
Name:	TRANSOLAM LLC	
Street Address:	714 NORTH BEVERLY DRIVE	
City:	BEVERLY HILLS	

PATENT

State/Country:	CALIFORNIA
Postal Code:	90210
Name:	AMIR COHEN
Street Address:	BE'ER TUVIA
City:	BE'ER TUVIA
State/Country:	ISRAEL
Postal Code:	83815
Name:	DEBORAH EDELSTEIN-WEISS
Street Address:	50 RIVERSIDE BLVD #4C
City:	NEW YORK
State/Country:	NEW YORK
Postal Code:	10069

PROPERTY NUMBERS Total: 4

Property Type	Number
Patent Number:	9377498
Application Number:	15738631
Application Number:	14953349
Application Number:	16308488

CORRESPONDENCE DATA

Fax Number: (770)804-0900

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 4046433430

Email: gsmith@srtslaw.com

Correspondent Name: SMITH TEMPEL BLAHA LLC

Address Line 1: 50 GLENLAKE PKWY

Address Line 2: SUITE 340

Address Line 4: ATLANTA, GEORGIA 30328

ATTORNEY DOCKET NUMBER:	05051.1000
NAME OF SUBMITTER:	GREGORY SCOTT SMITH
SIGNATURE:	/Gregory Scott Smith/
DATE SIGNED:	07/25/2019

Total Attachments: 41

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RECORDATION FORM COVER SHEET
PATENTS ONLY

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)

Electrical Grid Monitoring Ltd

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance/Execution Date(s):

Execution Date(s) _____

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Joint Research Agreement
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other _____

2. Name and address of receiving party(ies)

Name: KT Squared Odef, LLC

Internal Address: _____

Street Address: 251 Little Falls Drive

City: City of Wilmington

State: Delaware

Country: USA Zip: 19808

Additional name(s) & address(es) attached? ☒ Yes ☐ No

4. Application or patent number(s):

☐ This document serves as an Oath/Declaration (37 CFR 1.63).

A. Patent Application No.(s)

15/738631, 14/953349, 16/308488

B. Patent No.(s)

9377498

Additional numbers attached? ☐ Yes ☒ No

5. Name and address to whom correspondence concerning document should be mailed:

Name: Smith Tempel Blaha LLC

Internal Address: Suite 340

Street Address: 50 Glenlake Pkwy

City: Atlanta

State: GA Zip: 30328

Phone Number: 7707090080

Docket Number: 05051.1000

Email Address: gsmith@srtsalw.com

6. Total number of applications and patents involved: 4

7. Total fee (37 CFR 1.21(h) & 3.41) \$ _____

- ☐ Authorized to be charged to deposit account
☐ Enclosed
☒ None required (government interest not affecting title)

8. Payment Information

Deposit Account Number _____

Authorized UserName _____

9. Signature: /Gregory Scott Smith/

July 19, 2019

Signature

Date

Gregory Scott Smith

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

18

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

PATENT

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**RECORDATION FORM COVER SHEET
PATENTS ONLY**

Continuation of Block 2. Name and address of receiving party(ies)

Name: Newgen Trust,
Street Address: 412 10th St.
City: Santa Monica,
State: CA
Country USA
Zip: 90402

Name: Yehuda Kahane Ltd.
Street Address: 16 Tsamarot St,
City: Herzliya
Country Israel
Zip: 4642413

Name: Denver Investments & Holdings Ltd
Street Address: 16 Tsamarot St.
City: Herzliya
Country Israel
Zip: 6937952

Name: Shield Capital Ltd.
Street Address: 8 Rozenblum Hertzal
City: Tel-Aviv Jaffa
Country Israel
Zip: 6937952

Name: Transolam LLC
Street Address: 714 North Beverly Drive
City: Beverly Hills
State: CA
Country USA
Zip: 90210

Name: Amir Cohen
Address: Be'er Tuvia
Country Israel
Zip: 83815

Name: Deborah Edelstein-Weis
Street Address: 50 Riverside Blvd #4C
City: 50 Riverside Blvd #4C
State: NY
Country USA
Zip: 10069

Execution Copy**SECURITY AGREEMENT (FIXED CHARGE)**

Made and executed this ____ day of ____ 2019

WHEREAS, the undersigned, Electrical Grid Monitoring Ltd., a limited liability private company, no. 51-405928-6, organized and existing under the laws of the State of Israel, with its registered office at 15 Hamlacha, Rosh Haayin, 4809136, Israel (hereinafter: the "**Borrower**"), intends to receive and/or has received from the undersigned lenders, KT Squared Odef, LLC, a limited liability company organized in the State of Delaware, with its registered office at 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808 ("**KT Odef**"), Newgen Trust, a _____ organized in the State of _____, with its registered office at 412 10th St. Santa Monica, CA 90402, USA ("**Newgen**", and together with KT Odef, the "**Lenders**"), secured loans convertible into shares, pursuant to, for such purpose and on such conditions as specified in the provisions of the Advance Investment Agreements dated as of June 2018 and December 12, 2018, respectively, by and between the Company and the Investors (as defined therein) (together, the "**Advanced Investment Agreements**"), and the Secured Convertible Loan Agreement dated as of June [], 2019 by and between the Company and the Investors (as defined therein) (the "**June 2019 Loan Agreement**" and the "**Effective Date**", respectively) (the Advance Investment Agreements and the June 2019 Loan Agreement, together, as may be amended, modified, restated, replaced or supplemented from time to time in accordance with their terms, the "**Loan Agreements**"); and

THEREFORE, it has been agreed that the Borrower shall secure the repayment of the various amounts of money which the Borrower may owe and/or may be liable to the Lenders or their successors or affiliates in connection with the Loan Agreements, all in accordance with the terms hereinafter contained.

Any terms not otherwise defined in this Security Agreement shall have the meaning attributed thereto in the Loan Agreements or the other Loan Documents (as defined in the June 2019 Loan Agreement), as applicable.

NATURE OF THE SECURITY AGREEMENT

1. This Security Agreement (the "**Security Agreement**") has, effective as of the Effective Date, been made to secure the full and punctual payment of all the sums due and to become due to the Lenders or their successors or affiliates from the Borrower in connection with the Loan Agreements (including, without limitation the Aggregate Loan Amounts), which are payable prior to the realization of the Collateral Security (as defined below) to which this Security Agreement is applicable or subsequent thereto, whether due absolutely or contingently, directly or indirectly, unlimited in amount, together with interest, commissions, charges, fees and expenses of whatever nature, including costs of realising the Collateral Security, reasonable lawyers fees, insurance, stamp duty and any other payments arising from this Security Agreement and together with any nature of linkage differences due and becoming due from the Borrower to the Lenders and/or their successors or affiliates in any manner whatsoever in respect of linked principal and interest and any other linked sum (all the foregoing sums being jointly and severally hereinafter referred to as the "**Secured Sums**").

PLEDGE AND FIXED CHARGE

2. As collateral security (the “**Collateral Security**”) for the full and punctual payment of all of the Secured Sums (whether at stated maturity, acceleration or otherwise), and without derogating from any other security, the Borrower hereby absolutely and unconditionally charges and pledges to the Lenders and their successors by way of a first ranking fixed charge and pledge, and by an assignment by way of pledge, as applicable, all Borrower's rights, whether now existing or thereafter created, (i) in and to all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished, and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held (“**Copyrights**”), including without limitation as specified in Appendix A attached hereto; (ii) in and to all patents, patent applications and like protections, including without limitation improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same (“**Patents**”), including without limitation as specified in Appendix B attached hereto; (iii) in and to all trademark and service mark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Borrower connected with and symbolized by such trademarks (“**Trademarks**”), including without limitation as specified in Appendix C attached hereto; (iv) in and to all mask works or similar rights, now owned or hereafter acquired (“**Mask Works**”), including, without limitation as specified in Appendix D attached hereto; (v) in and to all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals; (vi) in and to all source code; (vii) in and to all design rights now or hereafter existing, created, acquired or held; (viii) in and to all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above; (ix) in and to all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held; (x) in and to all amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents and Mask Works; in all cases whether now owned or hereafter acquired by Borrower; (xi) in and to all licenses or other rights to use any of the Copyrights, Trademarks, Patents, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights; and (xii) to all proceeds and products of the foregoing, including, without limitation, all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing; (hereinafter, subsections (i) – (xii), the “**Charged Property**”).

It is hereby agreed and acknowledged that the description of the Charged Property, including without limitations, Copyrights, Patents, Trademarks, and Mask Works, shall be amended and updated from time to time by the Borrower as requested by the Lender Majority.

3. The pledge and charge created by operation of this Security Agreement shall apply to all and any rights to compensation or indemnity which may accrue to the Borrower by reason of the loss of, damage to or appropriation of the Charged Property.
4. Reserved.

DECLARATIONS OF THE BORROWER

5. The Borrower hereby declares as follows:
 - (a) That the Charged Property is not charged, pledged or attached in favor of any other persons or parties.

- (b) That the Charged Property is, in its entirety, in the exclusive possession and ownership of the Borrower, or in the possession or under the control of the Lenders.
- (c) That no restriction or condition of law or any agreement exists or applies to the ability of the Borrower to transfer or charge the Charged Property.
- (d) That the Borrower is capable of and entitled to charge the Charged Property.
- (e) That no assignment of rights or other disposition has occurred derogating from the value of the Charged Property.
- (f) The Borrower has received all permits, consents and authorizations that shall be necessary or required to consummate this Security Agreement.

COVENANTS OF THE BORROWER

- 6. The Borrower hereby covenants, so long as this Security Agreement is in effect and until the Lenders holding the majority of the outstanding loan amounts and interest under the Loan Agreements (the "**Lender Majority**") confirm in writing that this Security Agreement has been terminated in accordance with the provisions of Sections 19 and 26 hereinbelow, as follows:
 - (a) To hold the Charged Property in accordance with the provisions of the Loan Agreements and this Security Agreement;
 - (b) Reserved;
 - (c) To use and deal with the Charged Property with a reasonable degree of care and to notify the Lenders of any case of disrepair, damage, loss, fault or defect materially affecting same, except in the event caused by reasonable wear and tear or as a result of disrepair or aging in the ordinary course of business, as long as the aforesaid wear and tear or aging, with notice or without notice or upon the expiration of time, will not cause any of the events listed in Section 13 below, and to remedy any disrepair, damage, fault or defect materially affecting the Charged Property due to use or for any other reason, and to be liable towards the Lenders for any disrepair, damage, fault or defect as aforesaid;
 - (d) Upon reasonable notice to Borrower from the Lender Majority, to allow any representative of the Lenders, at any reasonable time to inspect and examine, during the regular business hours of the Borrower, the condition of the Charged Property wherever the Charged Property may be situated;
 - (e) Upon the occurrence of and during the continuance of any of the events listed in Section 13 below, upon the Lender Majority's first demand, to deliver to the Lender Majority or to any bailee on its behalf, the Charged Property. In the event of the refusal of the Borrower to comply with the provisions of this subsection, the Lender Majority may, upon the delivery of a prior notice to, but without the consent of, the Borrower, remove the Charged Property from the Borrower's possession and hold the same or deliver the same to a bailee on its behalf. Where the Charged Property has been so delivered to a bailee, the Lenders shall be exempt from any loss or damage which for any reason may be caused to the Charged Property;

- (f) Not to sell, assign, dispose of, hire out, let, lease or transfer any of the Charged Property and not to allow any person to do any of the foregoing acts, without the prior written consent of the Lender Majority, except as specifically permitted under the Loan Agreements, provided that nothing herein shall restrict the Borrower from licensing Charged Property in the ordinary course of its business;
- (g) Not to sell, assign, transfer, let, lease, surrender, dispose of, relinquish or waive, in whole or in part, any present or future asset, claim or right of the Borrower, except as specifically permitted under the Loan Agreements;
- (h) To notify the Lenders forthwith of the levying of any attachment on the Charged Property, to forthwith notify the attachor of the charge in favor of the Lenders and to take at the Borrower's own expense immediately and without delay all such measures as are required for discharging such attachment;
- (i) Not to charge or pledge in any manner or way the Charged Property by conferring any rights ranking *pari-passu*, prior to or deferred to the rights of the Lenders and not to make any assignment of any right which the Borrower may have in the Charged Property without receiving the prior written consent of the Lender Majority;
- (j) To be liable towards the Lenders for any defect in the Borrower's title to the Charged Property and/or any default thereunder and to bear the responsibility for the authenticity, regularity and correctness of all the signatures, endorsements and particulars of any Bills, documents, instruments and securities which have been or may be delivered to the Lenders by way of collateral security;
- (k) To pay when due all taxes and compulsory payments levied against the Charged Property and/or the income accruing thereon under any law and to furnish the Lenders, at each of their request, with all the receipts for such payments. If the Borrower fails to make such payments when due, each Lender may, upon delivery to the Borrower of reasonable notice of such Lender's intention to do so, pay the same for the account of the Borrower and debit the Borrower with the payment thereof coupled with expenses, and Interest at the Default Rate (as defined below). Such payments shall be secured by this Security Agreement;
- (l) Not to wind up, liquidate or dissolve, sell, exchange, lease, transfer or otherwise dispose of all or substantially all its properties or other assets;
- (m) Not to create, incur, assume or allow by any other means to be created or exist any lien on any of its property, or assign or convey any right to receive income, including the sale of any Borrower accounts, or permit any of its subsidiaries to do so, or permit or allow any Collateral Security not to be subject to the first priority security interest granted in the Loan Agreements, or the charges granted hereunder, or enter into any agreement, document, instrument or other arrangement (except with or in favor of all of the Lenders) with any Person (as defined in the Loan Agreements) which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its subsidiaries from assigning, mortgaging, pledging, granting a security interest or charge in, over or upon, or encumbering any of Borrower's and/or its subsidiaries' intellectual property.

7. The Borrower undertakes to notify the Lenders forthwith:
- (a) of any claim of right to the Collateral Security given to the Lenders to which this Security Agreement is applicable and/or of any execution or injunction proceedings or other steps taken to attach, preserve or realise any such Collateral Security;
 - (b) of the occurrence of any of the events enumerated in Section 13 hereof;
 - (c) of any material reduction in value of any Collateral Security granted or which may be granted by the Borrower (including any default under any agreement related to the accounts of the Charged Property or the infringement of any of Borrower's intellectual property);
 - (d) of any application filed for the winding-up of the Borrower's affairs or for the appointment of a receiver over the Borrower's assets as well as any resolution regarding any structural change in the Borrower or any intention to do so;
 - (e) of any change of address of the Borrower.

INSURANCE

- 8. Reserved.
- 9. All the rights of the Borrower deriving from the insurance of the Charged Property, including rights under the Property Tax and Compensation Fund Law, 5721-1961, as in force at any relevant time and under any other law, whether or not assigned to the Lenders as aforesaid, are hereby, absolutely and unconditionally, charged and pledged to the Lenders by way of a first ranking fixed charge and pledge.

INTEREST

- 10. The Lenders shall calculate the interest on the Secured Sums according to the terms of the Loan Agreements.

REPAYMENT DATES

- 11. The Borrower hereby undertakes to pay the Lenders all and any of the Secured Sums promptly on the maturity dates prescribed or which may be prescribed therefor from time to time.
- 12. The Lender Majority may decline to accept any prepayment of the Secured Sums or pay part thereof prior to the date of maturity thereof and the Borrower shall not be entitled to redeem all or any of the Charged Property by discharging the Secured Sums and/or any part thereof prior to their prescribed maturity dates.

Neither the Borrower nor any person having a right liable to be affected by the pledges and charges hereby created or the realisation thereof shall have any right under Section 13(b) of the Pledge Law, 5727-1967, or any other statutory provisions in substitution therefor.

- 13. Without derogating from the generality of the provisions of this Security Agreement, the Lender Majority shall be entitled to demand the immediate payment

of the Secured Sums and to debit any account of the Borrower with the amount thereof in any one of the events enumerated below or pursuant to Section 9 (“*Certain Events*”) of the June 2019 Loan Agreement, in which case the Borrower undertakes to pay the Lenders (in the manner set forth in Sections 33-38 below) all of the Secured Sums, and the Lender Majority shall be entitled to take whatever steps they see fit for the collection of the Secured Sums and to realise, at the Borrower's expense, the Charged Property by any means allowed by law:

- (a) The Borrower is in breach of any of its obligations, undertakings, representations or warranties under this Security Agreement (the foregoing shall not derogate from any right, under any law, granted to any Lender in respect of any other breach); and/or
- (b) There occurs and continues to subsist an event which gives the Lenders right to demand payment, under any document signed between the Borrower and the Lenders (including, *inter alia*, under Section 5.7 and 5.8 of the June 2019 Loan Agreement, provided that any period (if any) given to the Borrower to effect such payment under such document shall have elapsed and as long as such payment is not actually effected.

RIGHTS OF THE LENDERS

- 14. The Lenders shall have the right of possession, lien, set-off and charge over any amounts, assets and/or rights including securities, coins, gold, banknotes, documents in respect of goods, insurance policies, Bills, assignments of rights as described hereinbelow, deposits, collaterals and their countervalue, in the possession of or under the control of the Lenders at any time for or on behalf of the Borrower, including such as have been delivered for collection, as security, for safe-keeping or otherwise. Upon the occurrence of and during the subsistence of any of the events set forth in Section 13 above, the Lenders shall be entitled to retain the said assets until payment in full of the Secured Sums or to realize said assets by selling them and applying the countervalue thereof in whole or in part toward payment of the Secured Sums.
- 15. Reserved.
- 16. Without derogating from the other provisions contained in this Security Agreement, any waiver, extension, concession, acquiescence or forbearance (hereinafter “**Waiver**”) on the Lenders' part as to the non-performance, partial performance or incorrect performance of any of the Borrower's obligations pursuant to this Security Agreement, such Waiver shall not be treated as a waiver on the part of the Lenders of any rights but as a limited consent given in respect of the specific instance. For the avoidance of doubt, any Waiver on behalf of the Lenders shall be made solely by the Lender Majority.
- 17. Upon the occurrence of and during the subsistence of any of the events set forth in Section 13 above:
 - (a) The Lender Majority shall be entitled to adopt all the measures it deems fit in order to recover the Secured Sums and realize all of the Lenders' rights hereunder, including the realization of the Charged Property, in whole or in part, and to apply the proceeds thereof to the Secured Sums without the Lenders first being required to realize any other guarantees or collateral securities, if such be held by the Lenders.

(b) Should the Lender Majority decide to realize securities, Bills and other negotiable instruments, in accordance with Section 4(2) of the Pledge Law 5727-1967, then a three (3) day advance notice regarding the steps that the Lenders intends to take shall be deemed to be reasonable advance notice for the purpose of Section 19(b) of the Pledge Law, 5727-1967, or any other statutory provisions in substitution therefor. In the event that reasonable advance notice is required to realize the securities in the United States, Europe or in another jurisdiction, then said three (3) advance notice period shall be deemed to be reasonable advance notice for the purpose of the statutory provisions applicable thereto.

(c) As long as the Secured Sums are not paid in full, the Lender Majority may, as agent of the Lenders, and as attorney-in-fact of the Borrower (and, for the purpose hereof, the Borrower irrevocably appoints the Lender Majority to be their attorney-in-fact), sell all or any of the Charged Property by public auction or otherwise, by itself or through others, for cash or instalments thereof or otherwise, at a price and on such terms as the Lender Majority in its absolute discretion shall deem fit, and likewise the Lender Majority may of their own accord or through the court or an execution office, realize the Charged Property or any other property, *inter alia*, by appointing a receiver or receiver and manager on behalf of the Lenders, who shall be empowered, *inter alia*,:

- (1) to call in all or any part of the Charged Property.
- (2) to carry on or to participate in the management of the business of the Borrower, as they see fit.
- (3) to sell or agree to the sale of the Charged Property, in whole or in part, to dispose of same or agree to dispose of same in such other manner on such terms as they deem fit.
- (4) to make such other arrangement regarding the Charged Property or any part thereof as they deem fit.

(d) All income to be received by the receiver or the receiver and manager from the Charged Property as well as any proceeds to be received by the Lenders and/or by the receiver or receiver and manager from the sale of the Charged Property or any part thereof shall be applied to the Secured Sums *pari-passu* in accordance with the Lenders' Proportionate Share.

18. Should the payment date of the Secured Sums or any part thereof not yet have fallen due at the time of the sale of the Charged Property, or the Secured Sums be due to the Lenders contingently only, then the Lenders shall be entitled to recover out of the proceeds of the sale an amount sufficient to cover the Secured Sums and the amount so recovered shall be charged to the Lenders as security for, and be held by the Lenders until the discharge in full of, the Secured Sums.

NATURE OF THE COLLATERAL SECURITY

19. The Collateral Security which has been or may be given to the Lenders under this Security Agreement shall be continuing and revolving securities and shall remain in force until all Secured Sums have been fully discharged and the Lender Majority has certified in writing that this Security Agreement is terminated.
20. All Collateral Securities which have been or may be given to the Lenders for payment of the Secured Sums shall be independent of one another.

21. The nature and effect of the Collateral Security to which this Security Agreement is applicable shall not be affected nor shall the validity of any of the securities and obligations of the Borrower hereunder be impaired or affected by any compromise, concession, granting of time or other like release consented to by the Lenders with respect to the Borrower or by any variation in the Borrower's obligations towards the Lenders in connection with the Secured Sums or by any release or waiver by the Lenders of any other collateral security or guarantees.
22. Upon the occurrence or during the subsistence of any of the events listed in Section 13 above, the Lenders may deposit all or any of the Charged Property given or which may be given pursuant to this Security Agreement with a bailee of their own choosing, at their discretion and at the Borrower's expense, and may substitute such bailee with another from time to time. The Lenders may register all or any of such Charged Property with any competent authority in accordance with any law and/or in any public register. Actions taken under this Section 22 shall be at the discretion of the Lender Majority.

RIGHT OF ASSIGNMENT

23. The Lenders may at any time, at their own discretion and without the Borrower's consent being required, and provided that the Lender Majority's consent has been granted and the assignee agrees to the terms and conditions hereof, assign this Security Agreement and the rights arising thereunder, including the Charged Property in whole or in part (and any assignee may also reassign the said rights without any further consent being required from the Borrower (subject to the same conditions as aforesaid)), to any permitted assignees of the Lenders under Section 11.6 (*Assignment*) of the June 2019 Loan Agreement. Such assignment may be effected by endorsement on this Security Agreement or in any other way the Lenders or any subsequent assignor deems fit. For the avoidance of doubt, the Borrower is not entitled to assign or to transfer this Security Agreement and or any rights or obligations, in whole or in part, arising pursuant to this Security Agreement.

NOTICE OF OBJECTION

24. The Borrower undertakes to promptly notify the Lenders in writing of any objection or contention it may have regarding any statement of account, extract thereof, certificate or notice received by it from the Lenders including information received through any means of automatic communications. Where no such objection or contention is received by the Lenders, then the Borrower will be deemed to have confirmed the correctness thereof.

EXPENSES

25. All the expenses in connection with this Security Agreement and in any other documents signed between the Lenders and the Borrower in accordance therewith, including the fee for preparing credit and security documents, the stamping and registration of documents, and all and any expenses involved in the realization of the Collateral Security and institution of proceedings for collection (including fees of the Lenders' lawyers), insurance, safe-keeping, maintenance and repair of the Charged Property shall be paid by the Borrower to the Lenders on their first demand, together with Interest at the Default Rate from the date demand was made and until payment in full, and all the above expenses together with interest thereon

shall be secured by this Security Agreement until discharged in full. The Lenders may debit the Borrower with the aforesaid expenses, together with interest thereon.

TERMINATION

26. Upon the indefeasible repayment in full of the Secured Sums or the conversion of the Secured Sums into shares in the Borrower in accordance with the terms of the Loan Agreements, this Security Agreement shall automatically terminate and be of no further force and effect. Upon such termination, the Lenders agree to execute, as expeditiously as possible, and deliver to the Borrower all documents necessary to effect the termination of the pledge and charge created by operation of this Security Agreement, including the filings with the Israeli Companies Registrar and other applicable filings.

INTERPRETATION; AMENDMENT

27. Any of the representations, warranties and covenants made by Borrower hereunder shall be in addition to, and shall not derogate in any manner from, any representations, warranties and covenants made by Borrower under the Loan Agreements or the other Loan Documents. In the event of a conflict between this Security Agreement and the Loan Agreements related to the calculation of the Secured Sums and/or any rights or available remedies of the Lenders with respect thereto (excluding the specific rights of the Lenders with respect to the creation and realization of the Collateral Security above), the provisions of the Loan Agreements shall prevail.
28. In this Security Agreement - (a) the singular includes the plural and vice versa; (b) the masculine gender includes the feminine gender and vice versa; (c) “**Bills**” means: promissory notes, bills of exchange, cheques, undertakings, guarantees, sureties, assignments, bills of lading, deposit notes and any other negotiable instruments; (d) “**Interest at the Default Rate**” shall be such rate as set forth in the Loan Agreements or the other Loan Documents, as applicable; (e) the headings are only indicative and are not to be used in construing this Security Agreement; (f) the recitals hereto form an integral part hereof.
29. Any term of this Security Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) with the written consent of the Borrower and the Lender Majority outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought (provided that any waiver by the Lenders, as a whole, shall be made by the Lender Majority); provided, however, that in the event that the Initial Lenders and/or additional lenders extend loans under the Loan Agreements subsequent to the Initial Closing, then, effective as of the date of each such loan, this Security Agreement shall be deemed to have been automatically amended to include, for all purposes hereunder, (i) such additional lenders, if any, as “Lenders”, and (ii) any Secured Sums in connection with the Loan Agreements entered into with the Initial Lenders and/or additional lenders, as applicable, as “Secured Sums”, and in the case of additional lenders, in order to affect such amendment, the then-existing parties hereto and such additional lenders shall execute an amended agreement with the same terms as this Security Agreement, amended only to include such additional lenders (and, for the avoidance of doubt, without changing the inter-lender provisions hereunder, including the requirement of a Lender Majority for amendments hereto).

30. To the extent required, this Security Agreement may be translated into Hebrew for the sole purpose of the registration and filing of this Security Agreement with the Israeli Registrar of Companies and/or any other relevant Israeli official registrar. Notwithstanding the aforesaid, the executed English version of this Security Agreement shall prevail and supersede for all purposes and for all respects, in the event of any discrepancy or inconsistency between the English version and the translation thereof.

NOTICES AND WARNINGS

- 31.
- (a) Each communication to be made under this Security Agreement shall be made in writing and, unless otherwise stated, may be made also by facsimile transmission or by electronic mail.
- (b) Each communication or document to be made or delivered by each party to another pursuant to this Security Agreement shall (unless that other party has by written notice, specified another address) be made or delivered to that party, addressed as follows:

- (i) if to the Borrower:

Electrical Grid Monitoring Ltd.
15 HaMelacha St., Rosh Haayin, Israel
Attn.: Mr. Amir Cohen
Email: amir@egm.net

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

Glusman, Chowers, Lahat & Co. Law Offices
"Hashahar Tower", 30th floor, 4 Ariel Sharon St.
Givatayim 5320045, Israel
Attn: Noam Gavish, Adv.
Phone: +972-36088300
Fax: (972) 3-609-0620
Email: noam.gavish@gcl-law.co.il

- (ii) if to the Lenders:

KT Squared Odef, LLC
Phone: []
Fax: []
Email: []
Attn:

[

]

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

Sabban Law Offices
83 Ahuza, Raanana 4360017
Email: behir@sabbanlaw.com

Attention: Behir A. Sabban, Adv.

Newgen Trust

Phone: []

Fax: []

Email: []

Attn: []

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

Phone: []

Fax: []

Email: []

Attn: []

and shall be deemed to have been made or delivered (a) upon the earlier of actual receipt and five (5) business days after deposit in regular mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission with receipt confirmation (or if delivered not on a business day, on the first business day following the transmission with electronic confirmation of transmission); (c) one (1) business day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger. The Lenders and the Borrower may change their postal mail address, electronic mail address or facsimile by way of the delivery of a notice in writing to the other party in accordance with the terms of this Section 31.

EXECUTION

32. This Security Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

INTER-LENDER PROVISIONS

33. KT Odef is hereby appointed as agent of the other Lenders in connection with the Charged Property and this Security Agreement.
34. Irrespective of any provision of law to the contrary or the time, order or method of entry into this Security Agreement, the Lenders’ respective security interests hereunder shall rank *pari-passu* based on, as of a given date, each Lender’s proportionate amount of the outstanding amount of principal and interest owed to it under its respective Loan Agreement(s), to the aggregate outstanding amount of principal and interest owed to the Lenders under the Loan Agreements (the “Proportionate Share”).

35. Upon the occurrence of and during any of the events listed in Section 13 herein, KT Odef shall be entitled, at its sole discretion, and the other Lenders hereby appoint KT Odef as their agent, to take such actions in accordance with the remedies available to the parties with respect to the Charged Property and this Security Agreement, including such actions KT Odef deems necessary for the enforcement of the Security Agreement. For the avoidance of doubt, no other Lender shall be entitled to take any of the foregoing actions.
36. If, following the occurrence of any of the events listed in Section 13 herein, the Secured Sums are accelerated, or any foreclosure, sale, or other disposition or liquidation proceedings concerning the Charged Property are commenced by KT Odef, all payments or amounts realized or received thereafter, which payments or amounts are secured by or derived from the Charged Property, will, except as otherwise provided in Sections 5.7 and 5.8 of the June 2019 Loan Agreement, be shared among the Lenders based upon their Proportionate Share. If any Party receives any amount from the Borrower in excess of its Proportionate Share, it will hold such excess in constructive trust for the other Lenders and will promptly distribute such excess to the other Lenders.
37. For the avoidance of doubt, the provisions set forth in Sections 33-38 herein are not intended to limit in any way the security rights of the Lenders in the Charged Property, insofar as the Borrower or any third parties are concerned.
38. The Borrower may rely on any communication delivered to it by KT Odef as a communication delivered in accordance with this Agreement and any notification hereunder shall only be deemed satisfied upon the notification of KT Odef.

GOVERNING LAW AND PLACE OF JURISDICTION

39.
 - (a) This Security Agreement shall be construed in accordance with the laws of the State of Israel except as to matters which are specifically required by the laws of a foreign jurisdiction to be governed by the laws of such jurisdiction with regard to Charged Property registered in such jurisdiction.
 - (b) The exclusive place of jurisdiction for the purpose of this Security Agreement is hereby established as the competent court of law in Israel situated in Tel Aviv-Jaffa; provided, however, that nothing shall be deemed to preclude the Lender Majority from bringing suit or taking other legal action in any other jurisdiction to realize on the Charged Property, or to enforce a judgment or other court order in favor of Lenders.

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT (FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.

BORROWER:

ELECTRICAL GRID MONITORING LTD.

By: _____
Title: _____

LENDERS:

KT SQUARED ODEF, LLC

By: _____
Title: _____

NEWGEN TRUST

By: _____
Title: _____

[Additional Lenders that will join the Loan Agreement]

Appendix A

Copyrights

1. Source code of the MSU1 sensor;
2. Source code of the server analytics system;
3. Source code of the prediction system.

Appendix B

Patents



EGM - IP -
6.6.2019.pdf

US Patent No. 9377498

US Patent Application S/N 15/738631 (20180207684)

US Patent Application S/N 14/953349 (20160337721)

US Patent Application S/N 16/308488

Appendix C**Trademarks**

EGM has filed for the trademark “Meta-Alert” in the USA, Israel, and, via the Madrid Protocol in the European Union, Australia, China, Japan, and Russia. The trademark has been officially registered in the USA, EU (28 countries), Australia, Japan, Russia, and Israel.

Appendix D

Mask Works

None.

Execution Copy**SECURITY AGREEMENT (FIXED CHARGE)**

Made and executed this 17 day of July 2019

WHEREAS, the undersigned, Electrical Grid Monitoring Ltd., a limited liability private company, no. 51-405928-6, organized and existing under the laws of the State of Israel, with its registered office at 15 Hamlacha, Rosh Haayin, 4809136, Israel (hereinafter: the "**Borrower**"), intends to receive and/or has received from the undersigned lenders, KT Squared Odef, LLC, a limited liability company organized in the State of Delaware, with its registered office at 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware 19808 ("**KT Odef**"), Newgen Trust, organized in the State of Cincinnati, with its registered office at 412 10th St. Santa Monica, CA 90402, USA ("**Newgen**"), Yehuda Kahane Ltd., organized and existing under the laws of the State of Israel, with its registered office at 16 Tsamarot St, Herzliya 4642413, Israel ("**Kahane**"), Denver Investments & Holdings Ltd., organized and existing under the laws of the State of Israel, with its registered office at 16 Tsamarot St, Herzliya 4642413, Israel ("**Denver**"), Shield Capital Ltd. organized and existing under the laws of the State of Israel, with its registered office at 8 Rozenblum Hertz, Tel-Aviv Jaffa 6937952, Israel ("**Shield**"), and Transolam LLC, a limited liability company organized in the State of California, with its registered office at 714 North Beverly Drive, Beverly Hills, CA 90210, ("**Transolam**"), Amir Cohen, bearer of Israeli I.D. no 003538626 residing at Be'er Tuvia 83815, Israel ("**Amir**"), and Deborah Edelstein-Weiss, residing at 50 Riverside Blvd #4C, New York, NY 10069, US Passport No: 469273792 ("**Deborah**"), and together with KT Odef, Newgen, Kahane, Denver, Shield, Transolam and Amir, the "**Lenders**", secured loans convertible into shares, pursuant to, for such purpose and on such conditions as specified in the provisions of the Advance Investment Agreements dated as of June 2018 and December 12, 2018, respectively, by and between the Company and the Investors (as defined therein) (together, the "**Advanced Investment Agreements**"), and the Secured Convertible Loan Agreement dated as of July 17, 2019 by and between the Company and the Investors (as defined therein) (the "**July 2019 Loan Agreement**" and the "**Effective Date**", respectively) (the Advance Investment Agreements and the July 2019 Loan Agreement, together, as may be amended, modified, restated, replaced or supplemented from time to time in accordance with their terms, the "**Loan Agreements**"); and

THEREFORE, it has been agreed that the Borrower shall secure the repayment of the various amounts of money which the Borrower may owe and/or may be liable to the Lenders or their successors or affiliates in connection with the Loan Agreements, all in accordance with the terms hereinafter contained.

Any terms not otherwise defined in this Security Agreement shall have the meaning attributed thereto in the Loan Agreements or the other Loan Documents (as defined in the July 2019 Loan Agreement), as applicable.

NATURE OF THE SECURITY AGREEMENT

1. This Security Agreement (the "**Security Agreement**") has, effective as of the Effective Date, been made to secure the full and punctual payment of all the sums due and to become due to the Lenders or their successors or affiliates from the Borrower in connection with the Loan Agreements (including, without limitation the Aggregate Loan Amounts), which are payable prior to the realization of the Collateral Security (as defined below) to which this Security Agreement is applicable or subsequent

thereto, whether due absolutely or contingently, directly or indirectly, unlimited in amount, together with interest, commissions, charges, fees and expenses of whatever nature, including costs of realising the Collateral Security, reasonable lawyers fees, insurance, stamp duty and any other payments arising from this Security Agreement and together with any nature of linkage differences due and becoming due from the Borrower to the Lenders and/or their successors or affiliates in any manner whatsoever in respect of linked principal and interest and any other linked sum (all the foregoing sums being jointly and severally hereinafter referred to as the “**Secured Sums**”).

PLEDGE AND FIXED CHARGE

2. As collateral security (the “**Collateral Security**”) for the full and punctual payment of all of the Secured Sums (whether at stated maturity, acceleration or otherwise), and without derogating from any other security, the Borrower hereby absolutely and unconditionally charges and pledges to the Lenders and their successors by way of a first ranking fixed charge and pledge, and by an assignment by way of pledge, as applicable, all Borrower's rights, whether now existing or thereafter created, (i) in and to all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished, and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held (“**Copyrights**”), including without limitation as specified in Appendix A attached hereto; (ii) in and to all patents, patent applications and like protections, including without limitation improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same (“**Patents**”), including without limitation as specified in Appendix B attached hereto; (iii) in and to all trademark and service mark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of the Borrower connected with and symbolized by such trademarks (“**Trademarks**”), including without limitation as specified in Appendix C attached hereto; (iv) in and to all mask works or similar rights, now owned or hereafter acquired (“**Mask Works**”), including, without limitation as specified in Appendix D attached hereto; (v) in and to all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals; (vi) in and to all source code; (vii) in and to all design rights now or hereafter existing, created, acquired or held; (viii) in and to all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above; (ix) in and to all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held; (x) in and to all amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents and Mask Works; in all cases whether now owned or hereafter acquired by Borrower; (xi) in and to all licenses or other rights to use any of the Copyrights, Trademarks, Patents, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights; and (xii) to all proceeds and products of the foregoing, including, without limitation, all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing; (hereinafter, subsections (i) – (xii), the “**Charged Property**”).

It is hereby agreed and acknowledged that the description of the Charged Property, including without limitations, Copyrights, Patents, Trademarks, and Mask Works, shall be amended and updated from time to time by the Borrower as requested by the Lender Majority.

3. The pledge and charge created by operation of this Security Agreement shall apply to all and any rights to compensation or indemnity which may accrue to the Borrower by reason of the loss of, damage to or appropriation of the Charged Property.

4. Reserved.

DECLARATIONS OF THE BORROWER

5. The Borrower hereby declares as follows:
- (a) That the Charged Property is not charged, pledged or attached in favor of any other persons or parties.
 - (b) That the Charged Property is, in its entirety, in the exclusive possession and ownership of the Borrower, or in the possession or under the control of the Lenders.
 - (c) That no restriction or condition of law or any agreement exists or applies to the ability of the Borrower to transfer or charge the Charged Property.
 - (d) That the Borrower is capable of and entitled to charge the Charged Property.
 - (e) That no assignment of rights or other disposition has occurred derogating from the value of the Charged Property.
 - (f) The Borrower has received all permits, consents and authorizations that shall be necessary or required to consummate this Security Agreement.

COVENANTS OF THE BORROWER

6. The Borrower hereby covenants, so long as this Security Agreement is in effect and until the Lenders holding the majority of the outstanding loan amounts and interest under the Loan Agreements (the "**Lender Majority**") confirm in writing that this Security Agreement has been terminated in accordance with the provisions of Sections 19 and 26 hereinbelow, as follows:
- (a) To hold the Charged Property in accordance with the provisions of the Loan Agreements and this Security Agreement;
 - (b) Reserved;
 - (c) To use and deal with the Charged Property with a reasonable degree of care and to notify the Lenders of any case of disrepair, damage, loss, fault or defect materially affecting same, except in the event caused by reasonable wear and tear or as a result of disrepair or aging in the ordinary course of business, as long as the aforesaid wear and tear or aging, with notice or without notice or upon the expiration of time, will not cause any of the events listed in Section 13 below, and to remedy any disrepair, damage, fault or defect materially affecting the Charged Property due to use or for any other reason, and to be liable towards the Lenders for any disrepair, damage, fault or defect as aforesaid;
 - (d) Upon reasonable notice to Borrower from the Lender Majority, to allow any representative of the Lenders, at any reasonable time to inspect and examine, during the regular business hours of the Borrower, the condition of the Charged Property wherever the Charged Property may be situated;
 - (e) Upon the occurrence of and during the continuance of any of the events listed in Section 13 below, upon the Lender Majority's first demand, to deliver to the Lender Majority or to any bailee on its behalf, the Charged Property. In the

event of the refusal of the Borrower to comply with the provisions of this subsection, the Lender Majority may, upon the delivery of a prior notice to, but without the consent of, the Borrower, remove the Charged Property from the Borrower's possession and hold the same or deliver the same to a bailee on its behalf. Where the Charged Property has been so delivered to a bailee, the Lenders shall be exempt from any loss or damage which for any reason may be caused to the Charged Property;

- (f) Not to sell, assign, dispose of, hire out, let, lease or transfer any of the Charged Property and not to allow any person to do any of the foregoing acts, without the prior written consent of the Lender Majority, except as specifically permitted under the Loan Agreements, provided that nothing herein shall restrict the Borrower from licensing Charged Property in the ordinary course of its business;
- (g) Not to sell, assign, transfer, let, lease, surrender, dispose of, relinquish or waive, in whole or in part, any present or future asset, claim or right of the Borrower, except as specifically permitted under the Loan Agreements;
- (h) To notify the Lenders forthwith of the levying of any attachment on the Charged Property, to forthwith notify the attachor of the charge in favor of the Lenders and to take at the Borrower's own expense immediately and without delay all such measures as are required for discharging such attachment;
- (i) Not to charge or pledge in any manner or way the Charged Property by conferring any rights ranking *pari-passu*, prior to or deferred to the rights of the Lenders and not to make any assignment of any right which the Borrower may have in the Charged Property without receiving the prior written consent of the Lender Majority;
- (j) To be liable towards the Lenders for any defect in the Borrower's title to the Charged Property and/or any default thereunder and to bear the responsibility for the authenticity, regularity and correctness of all the signatures, endorsements and particulars of any Bills, documents, instruments and securities which have been or may be delivered to the Lenders by way of collateral security;
- (k) To pay when due all taxes and compulsory payments levied against the Charged Property and/or the income accruing thereon under any law and to furnish the Lenders, at each of their request, with all the receipts for such payments. If the Borrower fails to make such payments when due, each Lender may, upon delivery to the Borrower of reasonable notice of such Lender's intention to do so, pay the same for the account of the Borrower and debit the Borrower with the payment thereof coupled with expenses, and Interest at the Default Rate (as defined below). Such payments shall be secured by this Security Agreement;
- (l) Not to wind up, liquidate or dissolve, sell, exchange, lease, transfer or otherwise dispose of all or substantially all its properties or other assets;
- (m) Not to create, incur, assume or allow by any other means to be created or exist any lien on any of its property, or assign or convey any right to receive income, including the sale of any Borrower accounts, or permit any of its subsidiaries to do so, or permit or allow any Collateral Security not to be subject to the first priority security interest granted in the Loan Agreements, or the charges granted hereunder, or enter into any agreement, document, instrument or other arrangement (except with or in favor of all of the Lenders) with any Person (as

defined in the Loan Agreements) which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its subsidiaries from assigning, mortgaging, pledging, granting a security interest or charge in, over or upon, or encumbering any of Borrower's and/or its subsidiaries' intellectual property.

7. The Borrower undertakes to notify the Lenders forthwith:
- (a) of any claim of right to the Collateral Security given to the Lenders to which this Security Agreement is applicable and/or of any execution or injunction proceedings or other steps taken to attach, preserve or realise any such Collateral Security;
 - (b) of the occurrence of any of the events enumerated in Section 13 hereof;
 - (c) of any material reduction in value of any Collateral Security granted or which may be granted by the Borrower (including any default under any agreement related to the accounts of the Charged Property or the infringement of any of Borrower's intellectual property);
 - (d) of any application filed for the winding-up of the Borrower's affairs or for the appointment of a receiver over the Borrower's assets as well as any resolution regarding any structural change in the Borrower or any intention to do so;
 - (e) of any change of address of the Borrower.

INSURANCE

- 8. Reserved.
- 9. All the rights of the Borrower deriving from the insurance of the Charged Property, including rights under the Property Tax and Compensation Fund Law, 5721-1961, as in force at any relevant time and under any other law, whether or not assigned to the Lenders as aforesaid, are hereby, absolutely and unconditionally, charged and pledged to the Lenders by way of a first ranking fixed charge and pledge.

INTEREST

- 10. The Lenders shall calculate the interest on the Secured Sums according to the terms of the Loan Agreements.

REPAYMENT DATES

- 11. The Borrower hereby undertakes to pay the Lenders all and any of the Secured Sums promptly on the maturity dates prescribed or which may be prescribed therefor from time to time.
- 12. The Lender Majority may decline to accept any prepayment of the Secured Sums or pay part thereof prior to the date of maturity thereof and the Borrower shall not be entitled to redeem all or any of the Charged Property by discharging the Secured Sums and/or any part thereof prior to their prescribed maturity dates.

Neither the Borrower nor any person having a right liable to be affected by the pledges and charges hereby created or the realisation thereof shall have any right under Section 13(b) of the Pledge Law, 5727-1967, or any other statutory provisions in substitution therefor.

13. Without derogating from the generality of the provisions of this Security Agreement, the Lender Majority shall be entitled to demand the immediate payment of the Secured Sums and to debit any account of the Borrower with the amount thereof in any one of the events enumerated below or pursuant to Section 9 ("*Certain Events*") of the July 2019 Loan Agreement, in which case the Borrower undertakes to pay the Lenders (in the manner set forth in Sections 33-38 below) all of the Secured Sums, and the Lender Majority shall be entitled to take whatever steps they sees fit for the collection of the Secured Sums and to realise, at the Borrower's expense, the Charged Property by any means allowed by law:
 - (a) The Borrower is in breach of any of its obligations, undertakings, representations or warranties under this Security Agreement (the foregoing shall not derogate from any right, under any law, granted to any Lender in respect of any other breach); and/or
 - (b) There occurs and continues to subsist an event which gives the Lenders right to demand payment, under any document signed between the Borrower and the Lenders (including, *inter alia*, under Section 5.7 and 5.8 of the July 2019 Loan Agreement, provided that any period (if any) given to the Borrower to effect such payment under such document shall have elapsed and as long as such payment is not actually effected.

RIGHTS OF THE LENDERS

14. The Lenders shall have the right of possession, lien, set-off and charge over any amounts, assets and/or rights including securities, coins, gold, banknotes, documents in respect of goods, insurance policies, Bills, assignments of rights as described hereinbelow, deposits, collaterals and their countervalue, in the possession of or under the control of the Lenders at any time for or on behalf of the Borrower, including such as have been delivered for collection, as security, for safe-keeping or otherwise. Upon the occurrence of and during the subsistence of any of the events set forth in Section 13 above, the Lenders shall be entitled to retain the said assets until payment in full of the Secured Sums or to realize said assets by selling them and applying the countervalue thereof in whole or in part toward payment of the Secured Sums.
15. Reserved.
16. Without derogating from the other provisions contained in this Security Agreement, any waiver, extension, concession, acquiescence or forbearance (hereinafter "**Waiver**") on the Lenders' part as to the non-performance, partial performance or incorrect performance of any of the Borrower's obligations pursuant to this Security Agreement, such Waiver shall not be treated as a waiver on the part of the Lenders of any rights but as a limited consent given in respect of the specific instance. For the avoidance of doubt, any Waiver on behalf of the Lenders shall be made solely by the Lender Majority.
17. Upon the occurrence of and during the subsistence of any of the events set forth in Section 13 above:
 - (a) The Lender Majority shall be entitled to adopt all the measures it deems fit in order to recover the Secured Sums and realize all of the Lenders' rights hereunder, including the realization of the Charged Property, in whole or in part, and to apply

the proceeds thereof to the Secured Sums without the Lenders first being required to realize any other guarantees or collateral securities, if such be held by the Lenders.

(b) Should the Lender Majority decide to realize securities, Bills and other negotiable instruments, in accordance with Section 4(2) of the Pledge Law 5727-1967, then a three (3) day advance notice regarding the steps that the Lenders intends to take shall be deemed to be reasonable advance notice for the purpose of Section 19(b) of the Pledge Law, 5727-1967, or any other statutory provisions in substitution therefor. In the event that reasonable advance notice is required to realize the securities in the United States, Europe or in another jurisdiction, then said three (3) advance notice period shall be deemed to be reasonable advance notice for the purpose of the statutory provisions applicable thereto.

(c) As long as the Secured Sums are not paid in full, the Lender Majority may, as agent of the Lenders, and as attorney-in-fact of the Borrower (and, for the purpose hereof, the Borrower irrevocably appoints the Lender Majority to be their attorney-in-fact), sell all or any of the Charged Property by public auction or otherwise, by itself or through others, for cash or instalments thereof or otherwise, at a price and on such terms as the Lender Majority in its absolute discretion shall deem fit, and likewise the Lender Majority may of their own accord or through the court or an execution office, realize the Charged Property or any other property, *inter alia*, by appointing a receiver or receiver and manager on behalf of the Lenders, who shall be empowered, *inter alia*,:

- (1) to call in all or any part of the Charged Property.
- (2) to carry on or to participate in the management of the business of the Borrower, as they see fit.
- (3) to sell or agree to the sale of the Charged Property, in whole or in part, to dispose of same or agree to dispose of same in such other manner on such terms as they deem fit.
- (4) to make such other arrangement regarding the Charged Property or any part thereof as they deem fit.

(d) All income to be received by the receiver or the receiver and manager from the Charged Property as well as any proceeds to be received by the Lenders and/or by the receiver or receiver and manager from the sale of the Charged Property or any part thereof shall be applied to the Secured Sums *pari-passu* in accordance with the Lenders' Proportionate Share.

18. Should the payment date of the Secured Sums or any part thereof not yet have fallen due at the time of the sale of the Charged Property, or the Secured Sums be due to the Lenders contingently only, then the Lenders shall be entitled to recover out of the proceeds of the sale an amount sufficient to cover the Secured Sums and the amount so recovered shall be charged to the Lenders as security for, and be held by the Lenders until the discharge in full of, the Secured Sums.

NATURE OF THE COLLATERAL SECURITY

19. The Collateral Security which has been or may be given to the Lenders under this Security Agreement shall be continuing and revolving securities and shall remain in force until all Secured Sums have been fully discharged and the Lender Majority has certified in writing that this Security Agreement is terminated.

20. All Collateral Securities which have been or may be given to the Lenders for payment of the Secured Sums shall be independent of one another.
21. The nature and effect of the Collateral Security to which this Security Agreement is applicable shall not be affected nor shall the validity of any of the securities and obligations of the Borrower hereunder be impaired or affected by any compromise, concession, granting of time or other like release consented to by the Lenders with respect to the Borrower or by any variation in the Borrower's obligations towards the Lenders in connection with the Secured Sums or by any release or waiver by the Lenders of any other collateral security or guarantees.
22. Upon the occurrence or during the subsistence of any of the events listed in Section 13 above, the Lenders may deposit all or any of the Charged Property given or which may be given pursuant to this Security Agreement with a bailee of their own choosing, at their discretion and at the Borrower's expense, and may substitute such bailee with another from time to time. The Lenders may register all or any of such Charged Property with any competent authority in accordance with any law and/or in any public register. Actions taken under this Section 22 shall be at the discretion of the Lender Majority.

RIGHT OF ASSIGNMENT

23. The Lenders may at any time, at their own discretion and without the Borrower's consent being required, and provided that the Lender Majority's consent has been granted and the assignee agrees to the terms and conditions hereof, assign this Security Agreement and the rights arising thereunder, including the Charged Property in whole or in part (and any assignee may also reassign the said rights without any further consent being required from the Borrower (subject to the same conditions as aforesaid)), to any permitted assignees of the Lenders under Section 11.6 (*Assignment*) of the July 2019 Loan Agreement. Such assignment may be effected by endorsement on this Security Agreement or in any other way the Lenders or any subsequent assignor deems fit. For the avoidance of doubt, the Borrower is not entitled to assign or to transfer this Security Agreement and or any rights or obligations, in whole or in part, arising pursuant to this Security Agreement.

NOTICE OF OBJECTION

24. The Borrower undertakes to promptly notify the Lenders in writing of any objection or contention it may have regarding any statement of account, extract thereof, certificate or notice received by it from the Lenders including information received through any means of automatic communications. Where no such objection or contention is received by the Lenders, then the Borrower will be deemed to have confirmed the correctness thereof.

EXPENSES

25. All the expenses in connection with this Security Agreement and in any other documents signed between the Lenders and the Borrower in accordance therewith, including the fee for preparing credit and security documents, the stamping and registration of documents, and all and any expenses involved in the realization of the Collateral Security and institution of proceedings for collection (including fees of the Lenders' lawyers), insurance, safe-keeping, maintenance and repair of the Charged Property shall be paid by the Borrower to the Lenders on their first demand, together with Interest at the Default Rate from the date demand was made and until payment in full, and all the above expenses together with interest thereon shall be secured by

this Security Agreement until discharged in full. The Lenders may debit the Borrower with the aforesaid expenses, together with interest thereon.

TERMINATION

26. Upon the indefeasible repayment in full of the Secured Sums or the conversion of the Secured Sums into shares in the Borrower in accordance with the terms of the Loan Agreements, this Security Agreement shall automatically terminate and be of no further force and effect. Upon such termination, the Lenders agree to execute, as expeditiously as possible, and deliver to the Borrower all documents necessary to effect the termination of the pledge and charge created by operation of this Security Agreement, including the filings with the Israeli Companies Registrar and other applicable filings.

INTERPRETATION; AMENDMENT

27. Any of the representations, warranties and covenants made by Borrower hereunder shall be in addition to, and shall not derogate in any manner from, any representations, warranties and covenants made by Borrower under the Loan Agreements or the other Loan Documents. In the event of a conflict between this Security Agreement and the Loan Agreements related to the calculation of the Secured Sums and/or any rights or available remedies of the Lenders with respect thereto (excluding the specific rights of the Lenders with respect to the creation and realization of the Collateral Security above), the provisions of the Loan Agreements shall prevail.
28. In this Security Agreement - (a) the singular includes the plural and vice versa; (b) the masculine gender includes the feminine gender and vice versa; (c) "**Bills**" means: promissory notes, bills of exchange, cheques, undertakings, guarantees, sureties, assignments, bills of lading, deposit notes and any other negotiable instruments; (d) "**Interest at the Default Rate**" shall be such rate as set forth in the Loan Agreements or the other Loan Documents, as applicable; (e) the headings are only indicative and are not to be used in construing this Security Agreement; (f) the recitals hereto form an integral part hereof.
29. Any term of this Security Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) with the written consent of the Borrower and the Lender Majority outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought (provided that any waiver by the Lenders, as a whole, shall be made by the Lender Majority); provided, however, that in the event that the Initial Lenders and/or additional lenders extend loans under the Loan Agreements subsequent to the Initial Closing, then, effective as of the date of each such loan, this Security Agreement shall be deemed to have been automatically amended to include, for all purposes hereunder, (i) such additional lenders, if any, as "Lenders", and (ii) any Secured Sums in connection with the Loan Agreements entered into with the Initial Lenders and/or additional lenders, as applicable, as "Secured Sums", and in the case of additional lenders, in order to affect such amendment, the then-existing parties hereto and such additional lenders shall execute an amended agreement with the same terms as this Security Agreement, amended only to include such additional lenders (and, for the avoidance of doubt, without changing the inter-lender provisions hereunder, including the requirement of a Lender Majority for amendments hereto).
30. To the extent required, this Security Agreement may be translated into Hebrew for the sole purpose of the registration and filing of this Security Agreement with the

Israeli Registrar of Companies and/or any other relevant Israeli official registrar. Notwithstanding the aforesaid, the executed English version of this Security Agreement shall prevail and supersede for all purposes and for all respects, in the event of any discrepancy or inconsistency between the English version and the translation thereof.

NOTICES AND WARNINGS

31.

(a) Each communication to be made under this Security Agreement shall be made in writing and, unless otherwise stated, may be made also by facsimile transmission or by electronic mail.

(b) Each communication or document to be made or delivered by each party to another pursuant to this Security Agreement shall (unless that other party has by written notice, specified another address) be made or delivered to that party, addressed as follows:

(i) if to the Borrower:

Electrical Grid Monitoring Ltd.
15 HaMelacha St., Rosh Haayin, Israel
Attn.: Mr. Amir Cohen
Email: amir@egm.net

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

Glusman, Chowers, Lahat & Co. Law Offices
"Hashahar Tower", 30th floor, 4 Ariel Sharon St.
Givatayim 5320045, Israel
Attn: Noam Gavish, Adv.
Phone: +972-36088300
Fax: (972) 3-609-0620
Email: noam.gavish@gcl-law.co.il

(ii) if to the Lenders:

KT Squared Odef, LLC
Phone: []
Fax: []
Email: []
Attn: []

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

Sabban Law Offices
83 Ahuza, Raanana 4360017
Email: behir@sabbanlaw.com
Attention: Behir A. Sabban, Adv.

Newgen Trust
Phone: []
Fax: []
Email: []
Attn: []

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

Phone: []
 Fax: []
 Email: []
 Attn: []

and shall be deemed to have been made or delivered (a) upon the earlier of actual receipt and five (5) business days after deposit in regular mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission with receipt confirmation (or if delivered not on a business day, on the first business day following the transmission with electronic confirmation of transmission); (c) one (1) business day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger. The Lenders and the Borrower may change their postal mail address, electronic mail address or facsimile by way of the delivery of a notice in writing to the other party in accordance with the terms of this Section 31.

EXECUTION

32. This Security Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

INTER-LENDER PROVISIONS

33. KT Odef is hereby appointed as agent of the other Lenders in connection with the Charged Property and this Security Agreement.
34. Irrespective of any provision of law to the contrary or the time, order or method of entry into this Security Agreement, the Lenders’ respective security interests hereunder shall rank *pari-passu* based on, as of a given date, each Lender’s proportionate amount of the outstanding amount of principal and interest owed to it under its respective Loan Agreement(s), to the aggregate outstanding amount of principal and interest owed to the Lenders under the Loan Agreements (the “**Proportionate Share**”).
35. Upon the occurrence of and during any of the events listed in Section 13 herein, KT Odef shall be entitled, at its sole discretion, and the other Lenders hereby appoint KT Odef as their agent, to take such actions in accordance with the remedies available to the parties with respect to the Charged Property and this Security Agreement, including such actions KT Odef deems necessary for the enforcement of the Security Agreement. For the avoidance of doubt, no other Lender shall be entitled to take any of the foregoing actions.
36. If, following the occurrence of any of the events listed in Section 13 herein, the Secured Sums are accelerated, or any foreclosure, sale, or other disposition or liquidation proceedings concerning the Charged Property are commenced by KT

Odef, all payments or amounts realized or received thereafter, which payments or amounts are secured by or derived from the Charged Property, will, except as otherwise provided in Sections 5.7 and 5.8 of the July 2019 Loan Agreement, be shared among the Lenders based upon their Proportionate Share. If any Party receives any amount from the Borrower in excess of its Proportionate Share, it will hold such excess in constructive trust for the other Lenders and will promptly distribute such excess to the other Lenders.

37. For the avoidance of doubt, the provisions set forth in Sections 33-38 herein are not intended to limit in any way the security rights of the Lenders in the Charged Property, insofar as the Borrower or any third parties are concerned.
38. The Borrower may rely on any communication delivered to it by KT Odef as a communication delivered in accordance with this Agreement and any notification hereunder shall only be deemed satisfied upon the notification of KT Odef.

GOVERNING LAW AND PLACE OF JURISDICTION

39.
 - (a) This Security Agreement shall be construed in accordance with the laws of the State of Israel except as to matters which are specifically required by the laws of a foreign jurisdiction to be governed by the laws of such jurisdiction with regard to Charged Property registered in such jurisdiction.
 - (b) The exclusive place of jurisdiction for the purpose of this Security Agreement is hereby established as the competent court of law in Israel situated in Tel Aviv-Jaffa; provided, however, that nothing shall be deemed to preclude the Lender Majority from bringing suit or taking other legal action in any other jurisdiction to realize on the Charged Property, or to enforce a judgment or other court order in favor of Lenders.

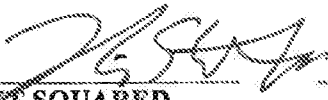
IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT (FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.

BORROWER:

ELECTRICAL GRID MONITORING LTD.

By: _____
Title: _____

LENDERS:


KT SQUARED
ODEF LLC
By: Michael E. Apter, Jr.
Title: as Manager

NEWGEN TRUST

By: _____
Title: _____

YEHUDA
KAHANE LTD.

By: _____
Title: _____

DENVER
INVESTMENTS
LTD.

By: _____
Title: _____

TRANSOLAM
LLC

By: _____
Title: _____

SHIELD CAPITAL
LTD.

By: _____
Title: _____

העתק ואין לתקור

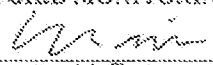
TRUE COPY

רפאל מגיד, ע"פ
Rafael Magid, Adv
מ.ר. 65513
רח' אחוזה 83, רעננה

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT (FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.

BORROWER:

ELECTRICAL GRID MONITORING LTD.


By: AMIR COHEN
Title: CEO

LENDERS:

<u>KT SQUARED</u> <u>ODEF LLC</u>	 <u>NEWGEN TRUST</u>	<u>YEHUDA</u> <u>KAHANE LTD.</u>
By: _____ Title: _____	By: <u>Dorice Melamed</u> Title: <u>Trustee</u>	By: _____ Title: _____

<u>DENVER</u> <u>INVESTMENTS</u> <u>LTD.</u>	<u>TRANSOLAM</u> <u>LLC</u>	<u>SHIELD CAPITAL</u> <u>LTD.</u>
By: _____ Title: _____	By: _____ Title: _____	By: _____ Title: _____

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT (FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.

BORROWER:

ELECTRICAL GRID MONITORING LTD.

By: _____
Title: _____

LENDERS:

KT SQUARED
ODEF LLC

By: _____
Title: _____

NEWGEN TRUST

By: _____
Title: _____

Yehuda Kahane
YEHUDA
KAHANE LTD.

By: *Yehuda Kahane*
Title: *CEO C.O.B.*

Yehuda Kahane
DENVER
INVESTMENTS
LTD.

By: *YEHUDA KAHANE*
Title: *C.O.B.*

TRANSOLAM
LLC

By: _____
Title: _____

SHIELD CAPITAL
LTD.

By: _____
Title: _____

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT (FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.

BORROWER:

ELECTRICAL GRID MONITORING LTD.

By: _____
Title: _____

LENDERS:

KT SQUARED
ODEF LLC

By: _____
Title: _____
:

NEWGEN TRUST

By: _____
Title: _____
:

YEHUDA
KAHANE LTD.

By: _____
Title: _____
:

DENVER
INVESTMENTS
LTD.

By: _____
Title: _____
:

TRANSOLAM
LLC

By: *SEVZAD KIAMMAHA*
Title: *MANAGER*
:

SHIELD
CAPITAL LTD.

By: _____
Title: _____
:

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT (FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.

BORROWER:

ELECTRICAL GRID MONITORING LTD.


By: AMIR COHEN
Title: CEO

LENDERS:

KT SQUARED
ODEF LLC

By: _____
Title: _____

NEWGEN TRUST

By: _____
Title: _____

YEHUDA
KAHANE LTD.


By: _____
Title: _____

DENVER
INVESTMENTS
LTD.

By: _____
Title: _____

TRANSOLAM
LLC

By: _____
Title: _____


SHIELD CAPITAL
LTD.

By: Dean Salomon
Title: CEO

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT (FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.



AMIR COHEN

DEBORAH
EDELSTEIN - WEISS

IN WITNESS WHEREOF THE PARTIES HAVE CAUSED THIS SECURITY AGREEMENT
(FIXED CHARGE) TO BE SIGNED ON THE DATE FIRST ABOVE WRITTEN.

AMIR COHEN

Deborah E. Weiss
DEBORAH
EDELSTEIN - WEISS

העתיק נכון למקור
TRUE COPY

רפאל מגיד, אדו
Rafael Magid, Adv
מ.ר. 65513
רח' אחוזה 83, רעננה

Appendix A

Copyrights

1. Source code of the MSU1 sensor;
2. Source code of the server analytics system;
3. Source code of the prediction system.

Appendix B

Patents



IP Appendix
2019-07.pdf

Appendix C**Trademarks**

EGM has filed for the trademark “Meta-Alert” in the USA, Israel, and, via the Madrid Protocol in the European Union, Australia, China, Japan, and Russia. The trademark has been officially registered in the USA, EU (28 countries), Australia, Japan, Russia, and Israel.

Appendix D

Mask Works

None.