

U. S. Securities and Exchange Commission  
Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-37370

MY SIZE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

51-0394637

(I.R.S. Employer  
I.D. No.)

3 Arava St., pob 1026, Airport City, Israel, 7010000  
(Address of principal executive offices)

+972-3-600-9030

Registrant's telephone number, including area code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of November 16, 2018, 29,852,389 shares of common stock, par value \$0.001 per share were issued and outstanding.

**MY SIZE, INC.**  
**INDEX TO QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

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**PART I**  
**FINANCIAL INFORMATION**

Item 1. Financial Statements.

**My Size, Inc. and Subsidiaries**

**Condensed Consolidated  
Interim  
Financial Statements  
As of September 30, 2018  
(unaudited)  
U.S. Dollars in Thousands**

**Condensed Consolidated Interim Financial Statements as of September 30, 2018 (Unaudited)**

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**Condensed Consolidated Interim Balance Sheets**

U.S. dollars in thousands (except share data)

	September 30, 2018 <u>(Unaudited)</u> \$ thousands	December 31, 2017 <u>(Audited)</u> \$ thousands
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	5,406	1,802
Short-term deposit	2,384	-
Other receivables and prepaid expenses	82	381
Restricted cash	77	70
<b>Total current assets</b>	<b>7,949</b>	<b>2,253</b>
Investment in marketable securities	425	98
Property and equipment, net	64	67
	<b>489</b>	<b>165</b>
<b>Total assets</b>	<b>8,438</b>	<b>2,418</b>
<b>Liabilities and stockholders' equity</b>		
<b>Current liabilities:</b>		
Short-term loan	-	558
Trade payables	246	245
Accounts payable	265	336
Warrants, derivatives and stock based compensation liabilities	2,219	2,431
<b>Total current liabilities</b>	<b>2,730</b>	<b>3,570</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>Stockholders' equity (deficit):</b>		
Stock Capital -		
Common stock of \$ 0.001 par value - Authorized: 100,000,000 and 50,000,000 shares;		
Issued and outstanding: 29,710,028 and 22,238,745 as of September 30, 2018 and December 31, 2017 respectively	30	22
Additional paid-in capital	28,730	16,008
Accumulated other comprehensive loss	(611)	(134)
Accumulated deficit	(22,441)	(17,048)
<b>Total stockholders' equity (deficit)</b>	<b>5,708</b>	<b>(1,152)</b>
<b>Total liabilities and stockholders' equity</b>	<b>8,438</b>	<b>2,418</b>

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**Condensed Consolidated Interim Statements of Comprehensive Loss**

U.S. dollars in thousands (except share data and per share data)

	Nine-Months Ended September 30,		Three-Months Ended September 30,	
	2018	2017	2018	2017
	\$ thousands (Unaudited)	\$ thousands (Unaudited)	\$ thousands (Unaudited)	\$ thousands (Unaudited)
<b>Operating expenses</b>				
Research and development	807	624	311	213
Marketing, general and administrative	3,103	2,667	771	611
Total operating expenses	3,910	3,291	1,082	824
Operating loss	(3,910)	(3,291)	(1,082)	(824)
Financial income (expenses), net	(1,483)	(228)	(479)	17
Net loss	(5,393)	(3,519)	(1,561)	(807)
<b>Other comprehensive income (loss):</b>				
Gain on available for sale securities	-	93	-	67
Foreign currency translation differences	(477)	15	31	16
<b>Total comprehensive loss</b>	<b>(5,870)</b>	<b>(3,411)</b>	<b>(1,530)</b>	<b>(724)</b>
Basic and diluted loss per share	(0.19)	(0.19)	(0.05)	(0.04)
Basic and diluted weighted average number of shares outstanding	28,870,135	17,599,340	29,709,009	17,625,440

The accompanying notes are an integral part of the condensed consolidated interim financial statements

**Condensed Consolidated Interim Statements of Changes in Stockholders' Equity (Deficit) (Unaudited)**

U.S. dollars in thousands (except share data and per share data)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity (deficit)
	Number	Amount				
Balance as of January 1, 2018	22,238,745	22	16,008	(134)	(17,048)	(1,152)
Stock-based compensation related to employees	-	-	110	-	-	110
Issuance of shares to consultants	312,400	1	320	-	-	321
Total comprehensive loss	-	-	-	(477)	(5,393)	(5,870)
Exercise of warrants and options	3,846,515	4	8,644	-	-	8,648
Liability reclassified to equity	82,368	(*)	104	-	-	104
Issuance and receipts on account of shares, net of issuance cost of \$351	3,230,000	3	3,544	-	-	3,547
Balance as of September 30, 2018	<u>29,710,028</u>	<u>30</u>	<u>28,730</u>	<u>(611)</u>	<u>(22,441)</u>	<u>5,708</u>

(\*) Represent an amount less than \$1.

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity (deficit)
	Number	Amount				
Balance as of July 1, 2018	29,678,778	30	28,430	(642)	(20,880)	6,938
Stock-based compensation related to employees	-	-	4	-	-	4
Issuance of shares to consultants	31,250	(*)	106	-	-	106
Total comprehensive income (loss)	-	-	-	31	(1,561)	(1,530)
Exercise of warrants and options	-	-	190	-	-	190
Balance as of September 30, 2018	<u>29,710,028</u>	<u>30</u>	<u>28,730</u>	<u>(611)</u>	<u>(22,441)</u>	<u>5,708</u>

(\*) Represent an amount less than \$1.

The accompanying notes are an integral part of the condensed consolidated interim financial statements

**Condensed Consolidated Interim Statements of Cash Flows**

	Nine-Months Ended September 30,	
	2018	2017
	\$ thousands (Unaudited)	\$ thousands (Unaudited)
<b>Cash flows from operating activities:</b>		
Net loss	(5,393)	(3,519)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	24	22
Revaluation of warrants, loan and derivatives	2,299	(251)
Revaluation and interest on short-term deposits	(8)	-
Interest payment of short term loan	(192)	-
Revaluation of investment in marketable securities	(338)	472
Stock based compensation- equity	431	126
Stock based compensation- liability	475	265
Decrease in other receivables and prepaid expenses	8	115
Change in embedded derivative and warrants	(59)	126
Increase in trade payable	13	64
Increase (decrease) in accounts payable	(58)	108
Net cash used in operating activities	<u>(2,798)</u>	<u>(2,472)</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(24)	(8)
Investment in short-term deposits	(2,380)	-
Net cash used in investing activities	<u>(2,404)</u>	<u>(8)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from exercise of warrants and options	3,945	-
Repayment of short-term loan	(555)	(10)
Proceeds from issuance of shares, warrants and short term loan	5,923	2,506
Net cash provided by financing activities	<u>9,313</u>	<u>2,496</u>
Effect of exchange rate fluctuations on cash and cash equivalents	(500)	(36)
Increase (decrease) in cash, cash equivalents and restricted cash	3,611	(20)
Cash, cash equivalents and restricted cash at the beginning of the period	1,872	34
Cash, cash equivalents and restricted cash at the end of the period	<u>5,483</u>	<u>14</u>
<b>Non cash transactions</b>		
Exercise of warrants and share-based payment liability to shares	4,703	-
Derivative liability reclassified to equity	104	-

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)**

**U.S. dollars in thousands (except share data and per share data)**

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**Note 1 - General**

- a. My Size, Inc. along with its subsidiaries (collectively, the “Company”) is developing unique measurement technologies based on algorithms with applications in a variety of areas, including the apparel e-commerce market, the courier services market and the do it yourself (“DIY”) smartphone and tablet apps market. The technology is driven by several patent and patent-pending algorithms which are able to calculate and record measurements in a variety of novel ways.
- b. During the nine month period ended September 30, 2018, the Company has incurred significant losses and negative cash flows from operations and as of September 30, 2018, has an accumulated deficit of \$22,441. The Company has financed its operations mainly through fundraising from various investors.

Management’s plans contemplate that the cash on hand will be sufficient to meet its obligations for a period which is longer than 12 months.

**Note 2 - Significant Accounting Policies**

- a. Unaudited condensed consolidated financial statements:

The accompanying unaudited condensed consolidated interim financial statements included herein have been prepared by the Company in accordance with the rules and regulations of the United States Securities and Exchange Commission (“SEC”). The unaudited condensed consolidated financial statements are comprised of the financial statements of the Company. In management’s opinion, the interim financial data presented includes all adjustments necessary for a fair presentation. All intercompany accounts and transactions have been eliminated. Certain information required by U.S. generally accepted accounting principles (“GAAP”) has been condensed or omitted in accordance with rules and regulations of the SEC. Operating results for the nine months ended September 30, 2018 are not necessarily indicative of the results that may be expected for any future period or for the year ending December 31, 2018.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto for the year ended December 31, 2017.

- b. Use of estimates:

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates.

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)****U.S. dollars in thousands (except share data and per share data)**

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**Note 2 - Significant Accounting Policies (cont'd)**

## c. Impact of recently adopted accounting standard:

1. In January 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2016-01 (ASU 2016-01) "Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities." ASU 2016-01 amends various aspects of the recognition, measurement, presentation, and disclosure for financial instruments. The amendments should be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption, with other amendments related specifically to equity securities without readily determinable fair values applied prospectively. ASU 2016-01 is effective for annual reporting periods, and interim periods within those years beginning after December 15, 2017.

The Company adopted this guidance as of January 1, 2018.

During the nine and three month period ended September 30, 2018, the Company recorded a gain (loss) of \$338 and (\$87) respectively for changes in the fair value of the investment in marketable securities in the statements of comprehensive loss in financial income (expenses) and not as other comprehensive income.

2. In November 2016, the FASB issued guidance on the treatment of restricted cash in the statements of cash flows. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The guidance is effective for fiscal years beginning after February 15, 2017, and interim periods within those fiscal years.

The Company adopted this guidance retrospectively as of January 1, 2018.

3. In August 2016, the FASB issued ASU 2016-15, Classification of Certain Cash Receipts and Cash Payments, which provides guidance on several issues related to cash flows classifications.

The Company implemented this guidance retrospectively as of January 1, 2018, according to which the payment of a principal short-term loan was classified in the statement of cash flows to cash flow from financing activities and the interest related to the debt was classified in the statements of cash flows to cash flows from operating activities.

During the nine and three month period ended September 30, 2018, interest expenses on the short term loan are classified in the statement of cash flows as cash flow from operating activities in the amount of \$192 and \$0, respectively.

## d. Impact of recently issued accounting standard not yet adopted:

On June 20, 2018, the FASB issued ASU 2018-07, Stock Compensation: Improvements to Nonemployee Share-Based Payment Accounting, align the guidance for stock compensation to employees and nonemployees. The amended guidance replaces ASC 505-50, Equity—Equity-Based Payments to Non-Employees. This ASU is effective for annual and interim periods in fiscal years beginning after December 15, 2018. Early adoption is permitted in any interim or annual period provided that the entire ASU is adopted.

The expected effect of the ASU on the Company's financial statements will be in the measurement of the existing share-based payments to consultants at fair value. Furthermore the share-based liabilities will be classified to equity. The fair value at the transition date will be considered as the new fair value of the share based payments to consultants and the expenses will then be recognized over the remaining service period.

- e. Certain comparative figures and disclosures were reclassified to adjust to current period presentation.

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)****U.S. dollars in thousands (except share data and per share data)****Note 3 - Financial Instruments**

Fair value of financial instruments:

Accounting Standards Codification (“ASC”) 820, Fair Value Measurements and Disclosures, relating to fair value measurements, defines fair value and established a framework for measuring fair value. ASC 820 fair value hierarchy distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity and the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price. In addition, the fair value of assets and liabilities should include consideration of non-performance risk, which for the liabilities described below includes the Company’s own credit risk.

In accordance with ASC820 when measuring the fair value, an entity shall take into account the characteristics of the asset or liability if a market participant would take those characteristics into account when pricing the asset or liability at the measurement date. Such characteristics include, for example:

- a. The condition and location of the asset.
- b. Restrictions, if any, on the sale or the use of the asset.

As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 - Valuations based on quoted prices in active markets for identical assets that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The expected volatility of the share prices reflects the assumption that the historical volatility of the share prices is reasonably indicative of expected future trends.

The carrying amounts of cash and cash equivalents, other receivables, short-term loan, trade payables and accounts payable approximate their fair value due to the short-term maturities of such instruments.

The Company holds share certificates in iMine Corporation (“iMine”) formerly known as Diamante Minerals, Inc., a publicly-traded company on the OTCQB and is acting to register them under its name and intends to take all necessary actions to complete such registration.

Due to sales restrictions on the sale of the iMine share, the fair value of the shares was measured on the basis of the quoted market price for an otherwise identical unrestricted equity instrument of the same issuer that trades in a public market, adjusted to reflect the effect of the sales restrictions and is therefore, ranked as Level 2 assets.

	<b>September 30, 2018</b>		
	<b>Fair value hierarchy</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets			
Investment in marketable securities (*)	-	425	-

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)**

U.S. dollars in thousands (except share data and per share data)

**Note 3 - Financial Instruments (cont'd)**

	<b>September 30, 2018</b>		
	<b>Fair value hierarchy</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial liabilities			
Warrants, Derivative and stock based compensation liabilities (**)	-	2,219	-

	<b>December 31, 2017</b>		
	<b>Fair value hierarchy</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial assets			
Investment in marketable securities (*)	-	98	-

	<b>December 31, 2017</b>		
	<b>Fair value hierarchy</b>		
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Financial liabilities			
Warrants, Derivatives and stock based compensation liabilities (**)	-	2,431	-

(\*) For the nine and three month period ended September 30, 2018, and 2017, the recognized gain (loss) (based on quoted market prices with a discount due to security-specific restrictions iMine shares) of the marketable securities was \$338, \$(472), (\$87) and \$(132), respectively.

(\*\*) For the nine and three month period ended September 30, 2018, and 2017, the financial expenses from derivatives resulting from hedging activities was \$2, \$0, \$2 and \$0, respectively.

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)****U.S. dollars in thousands (except share data and per share data)****Note 4 - Stock Based Compensation**

The stock based expense recognized in the financial statements for services received is related to research and development, marketing, general and administrative expenses and shown in the following table:

	<b>Nine months ended September 30,</b>		<b>Three months ended September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Stock-based compensation expense - equity awards	431	126	110	53
Stock-based compensation expense - liability awards	475	265	25	88
	<b>906</b>	<b>391</b>	<b>135</b>	<b>141</b>

## Option issued to consultants

- a. Further to Note 10a of the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

During May 2018, the Company issued to Consultant1 an additional 82,368 shares of common stock of the Company and as of September 30, 2018, the Company has no further obligation to Consultant1.

During the nine and three month period ended September 30, 2018, costs in the sum of \$1 and \$0, respectively, were recorded by the Company as stock-based equity-awards.

- b. Further to Note 10b of the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

During January 2018, options to purchase up to 781,838 shares of common stock of the Company were exercised for total proceeds of \$1,314.

- c. In January 2018, the Company entered into a twelve month agreement with a consultant ("Consultant6") to provide strategic consulting and investor relations services. Pursuant to the terms of the agreement, the Company agreed to pay a monthly fee of \$5 and to issue to Consultant6 99,000 shares of common stock of the Company in three tranches of 33,000 each, with each tranche vesting on the first day of January, April and August 2018. The issuance of the shares under the agreement was subject to the receipt of all the approvals required by the laws applicable to the Company, including approvals by The Nasdaq Capital Market and the Tel Aviv Stock Exchange ("TASE"), and the approval of the Company's stockholders to increase the number of shares of the Company's common stock reserved for issuance pursuant to the Company's 2017 Consultant Equity Incentive Plan (the "2017 Consultant Plan"). The increase in reserve pursuant to the Company's 2017 Consultant Plan was approved by the Company's stockholders on February 12, 2018 at the Company's special meeting of stockholders.

During the nine and three month period ended September 30, 2018, amounts of \$84 and \$28, respectively, were recorded by the Company as stock-based equity awards with respect to Consultant6.

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)****U.S. dollars in thousands (except share data and per share data)**

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**Note 4 - Stock Based Compensation (cont'd)**

- d. In February 2018, the Company entered into an agreement with a consultant (“Consultant7”) to provide consulting related to investor relations. Pursuant to such agreement and in consideration for such services, the Company agreed to issue to Consultant7 65,000 shares of common stock of the Company. The shares will vest as follows: 50,000 shares shall vest upon the effective date of the agreement and 15,000 shares shall vest three month after the effective date of the agreement.

During the nine and three month period ended September 30, 2018, amounts of \$78 and \$22, respectively, were recorded by the Company as stock-based equity- awards with respect to Consultant7.

- e. In October 2017, the Company entered into agreements with three consultants (collectively, the “Consultants”) to provide services to the Company including promoting the Company’s products and services. For such consulting services, the Company agreed to issue to each of the Consultants options to purchase up to 50,000 shares of the Company’s common stock at an exercise price of \$2.00 per share. The options shall vest quarterly in four equal installments and shall terminate eighteen months from their respective vesting dates. The issuance of the options under the agreement was subject to the receipt of all the approvals required by the laws applicable to the Company, including approvals by The Nasdaq Capital Market and the TASE and the approval of the Company’s stockholders to increase the number of shares of the Company’s common stock reserved for issuance pursuant to the Company’s 2017 Consultant Plan. The increase in reserve pursuant to the Company’s 2017 Consultant Plan was approved by the Company’s stockholders on February 12, 2018 at the Company’s special meeting of stockholders.

During the nine and three month period ended September 30, 2018, amounts of \$74 and \$22, respectively, were recorded by the Company as stock-based liability- awards with respect to the Consultants.

- f. In August 2018, the Company entered into an agreement with a consultant (“Consultant8”) to provide services to the Company including promoting the Company’s products and services. Pursuant to such agreement and in consideration for such consulting services, the Company agreed to issue to Consultant8 options to purchase up to 50,000 shares of the Company’s common stock at an exercise price of \$1.00 per share. The options shall vest quarterly in eight equal installments and shall terminate five years after the grant date. The issuance of the options under the agreement was subject to the receipt of all the approvals required by the laws applicable to the Company.

During the nine and three month period ended September 30, 2018, amounts of \$2 and \$2, respectively, were recorded by the Company as stock-based liability-awards with respect to Consultant8.

**Stock Option Plan for Employees**

In March 2017, the Company adopted the 2017 Equity Incentive Plan (the “Plan”) pursuant to which the Company’s Board of Directors may grant stock options to purchase up to 2,000,000 shares of the Company’s common stock to officers, directors and employees. At the 2018 annual meeting of stockholders, stockholders approved an increase to the number of shares of the Company’s common stock reserved for issuance pursuant to the Plan from 2,000,000 to 3,000,000 shares. The exercise price of the stock options are equal the fair market value of the Company’s stock at the date of grant.

During the nine month period ended September 30, 2018, no options were granted, 26,666 options were exercised and 15,500 options expired.

The total stock option compensation expense during the nine and three month period ended September 30, 2018 which were recorded as research and development and marketing expenses were \$33 and \$2, respectively.

The total stock option compensation expense during the nine and three month period ended September 30, 2018 which were recorded as general and administrative expenses were \$77 and \$2, respectively.

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)****U.S. dollars in thousands (except share data and per share data)**

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**Note 5 - Contingencies and Commitments**

- a. Further to Note 12c to the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

On January 25, 2018, the court rendered the settlement agreement (the "Settlement Agreement") between the parties a status of a judgment. On January 30, 2018, the plaintiff informed the Company that all the Original Shares and the New Shares, were sold for an aggregate of Israeli New Shekel ("NIS") 1,061,533 (\$302,087). Accordingly, the plaintiff was entitled to receive from the Company an additional amount of NIS 213,467 (\$62,000) payable either in cash or in kind, by the issuance of additional Company's common stock (the "Additional Amount"). "Original Shares" means shares of the Company's common stock originally issued to the plaintiff. "New Shares" means 80,358 additional shares of the Company's common stock issued to the plaintiff pursuant to the terms of the Settlement Agreement.

Pursuant to the Settlement Agreement, the payment of the Additional Amount was due and payable no later than March 16, 2018. On March 13, 2018, the Company paid the plaintiff the Additional Amount.

- b. Further to Note 12d to the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

At a preliminary hearing on the Company's motion to dismiss, that was held on April 26, 2018, the Court ordered to suspend all the proceedings regarding the class motion and the Company's motion to dismiss, until Israeli Supreme Court's adjudication in two cases pending before the Supreme Court, pertaining to similar issues argued by the Company in its motion to dismiss regarding the proper choice of law applicable to foreign companies listed both on TASE and on Nasdaq.

On October 16, 2018 the appellants in both Supreme Court pending cases withdrew their appeals without prejudice, following the Supreme Court's recommendation. The Supreme Court commented that it appears that the lower courts' judgments in the cases before him, which accepted arguments similar to the Company's arguments in its motion to dismiss, appear to be correct. The Supreme Court recommended that to avoid additional future doubts, the legislator should attend to the matter of the proper choice of law applicable to foreign companies with dual listings.

Following the dismissal of the Supreme Court pending cases, a hearing, held on November 19, 2018, the court ordered dismissal of the class action with prejudice. No order for costs was made.

- c. Further to Note 12b to the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

On June 12, 2018, the Company and the original plaintiffs (excluding Mr. Asher Shmuelevitch, a former controlling shareholder of the Company) (collectively, the "Shareholders"), entered into a settlement agreement (the "Settlement").

Pursuant to the Settlement, the Company agreed to withdraw its appeal and the Shareholders waived any and all claims, demands, disputes, remedies or causes of action whatsoever against the Company, monetary or otherwise, pertaining to any and all matters related to or in connection with the Shareholders original complaint against the Company and /or the judgment in favor of the Shareholders.

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)****U.S. dollars in thousands (except share data and per share data)**

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**Note 5 - Contingencies and Commitments (cont'd)**

On June 13, 2018, the Company filed a motion with the Supreme Court of Israel, with the Shareholders' consent (excluding Mr. Shmuelevitch), requesting to render the Settlement the status of a judgment and to dismiss the appeal, without ordering costs for any of the respondents (the "Motion to Dismiss").

Following the Supreme Court's order, Mr. Shmuelevitch submitted his written response to the Motion to Dismiss on June 28, 2018, arguing he is entitled to the reimbursement of his cost in connection with the appeal and the original claim.

On July 5, 2018, the Supreme Court granted the Motion to Dismiss, endorsed the Settlement and dismissed the appeal.

- d. On August 7, 2018, the Company commenced an action against North Empire LLC ("North Empire") in the Supreme Court of the State of New York, County of New York for breach of a Securities Purchase Agreement (the "Agreement") in which it is seeking damages in an amount to be determined at trial, but in no event less than \$616,000. On August 2, 2018, North Empire filed a Summons with Notice against the Company, also in the same Court, in which they allege damages in an amount of \$11.4 million arising from an alleged breach of the Agreement. On September 6, 2018 North Empire filed a Notice of Discontinuance of the action it had filed on August 2, 2018. On September 27, 2018, North Empire filed an answer and asserted counterclaims in the action commenced by the Company against them, alleging that the Company failed to deliver stock certificates to North Empire causing damage to North Empire in the amount of \$10,958,589. North Empire also filed a third-party complaint against Eli Wales and Ronen Luzon asserting similar claims against them in their individual capacities. On October 17, 2018, the Company filed a reply to North Empire's counterclaims. On November 15, 2018, Eli Walles and Ronen Luzon filed a motion to dismiss North Empire's third-party complaint. The Company believes, based on the opinion of its legal counsel, it is more likely than not that the counterclaims will be denied.
- e. On September 6, 2018, the Company was notified by The Nasdaq Stock Market, ("NASDAQ") that it was not in compliance with the minimum bid price requirements set forth in NASDAQ Listing Rule 5550(a)(2) for continued listing on The Nasdaq Capital Market. NASDAQ Listing Rule 5550 (a)(2) requires listed securities to maintain a minimum bid price of \$1.00 per share, and NASDAQ Listing Rule 5810(c)(3)(A) provides that a failure to meet the minimum bid price requirement exists if the deficiency continues for a period of 30 consecutive business days. The notification provided that the Company had 180 calendar days, or until March 5, 2019, to regain compliance with NASDAQ Listing Rule 5550(a)(2).

On October 10, 2018, the NASDAQ Staff concluded that the Company had regained compliance with its Rule 5550(a)(2) based on the closing bid price of the Company's common stock having been at \$1.00 per share or greater from the 10 consecutive business days from September 20, 2018 to October 9, 2018.

The Company's common stock continues to trade on The Nasdaq Capital Market under the symbol "MYSZ."

**Notes to Condensed Consolidated Interim Financial Statements (unaudited)****U.S. dollars in thousands (except share data and per share data)**

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**Note 6 - Significant Events During the Reporting Period**

- a. Further to Note 10e to the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

On January 23, 2018, the Company and Consultant5 entered into an amendment to the consulting agreement pursuant to which the number of the options were amended such that Consultant5 received options to purchase up to 800,000 shares of the Company's common stock at an exercise price of \$1.00 per share. The options expired on July 23, 2018.

- b. On February 2, 2018, the Company conducted a public offering of its securities pursuant to which it issued an aggregate of 3,000,000 shares of its common stock and five-year warrants to purchase up to 1,500,000 shares of common stock at an exercise price of \$2.65 per share for gross proceeds of \$6,000. The Company received net proceeds of \$5,464 after deducting placement agent fees and other offering expenses.

The common stock and warrants are accounted for as two different components.

Warrants exercisable into shares of common stock are recognized as a liability and measured at fair value. Changes in fair value are recorded in the statements of comprehensive loss.

The warrants were measured at a total fair value of \$2,102, and the residual net amount of \$3,544 was recorded in the equity.

As of September 30, 2018, the warrants were presented in the balance sheet at a fair value of \$1,315.

The warrants contained price protection in the event that the Company issues additional warrants or common shares at a price lower than the exercise price of the warrants. If the first subsequent placement occurs within six months of the date of issuance of the warrant, then the applicable price shall be reduced to 110% of the new issuance price of such subsequent placement.

- c. Further to Note 11 to the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

During the nine and three month period ended September 30, 2018, the Company recorded financial expenses of \$192 and \$0, respectively from the loan.

During February 2018 the Company repaid the remaining outstanding balance of the loan.

During the nine and three month period ended September 30, 2018, warrants to purchase 444,444 and 111,111 shares of the Company's common stock were exercised, respectively, for total proceeds to the Company of \$318. The issuance of 111,111 shares was made in October 2018.

Upon the exercise of the warrants, the Company reclassified the liabilities associated with the warrants to equity in the total amount of \$411.

- d. Further to Note 9l to the Company's Annual Report on Form 10-K for the year ended December 31, 2017:

During the nine month period ended September 30, 2018, warrants to purchase 2,654,922 shares of the Company's common stock were exercised for proceeds to the Company of \$2,260. No warrants were exercised during the three month period ended September 30, 2018.

Upon the exercise of the warrants, the Company reclassified the liabilities associated with the warrants to equity in the total amount of \$3,851.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

*You should read the following discussion along with our financial statements and the related notes included in this report. The following discussion contains forward-looking statements that are subject to risks, uncertainties and assumptions, including those discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017. Our actual results, performance and achievements may differ materially from those expressed in, or implied by, these forward-looking statements.*

### **Results of Operations**

From inception through September 30, 2018, we have sustained an accumulated deficit of \$22,441,000. From inception through September 30, 2018, we have not generated any revenue from operations and expect to incur additional losses to perform further research and development activities: We do not currently have any commercial products. Our product development efforts continue to be in the early stages and we are unable to currently make estimates of the costs or the time they will take to complete.

### **Nine and Three Months Ended September 30, 2018 Compared to Nine and Three Months Ended September 30, 2017**

#### ***Research and Development Expenses***

Our research and development expenses for the nine months ended September 30, 2018 amounted to \$807,000 compared to \$624,000 for the nine months ended September 30, 2017. The increase between the corresponding period primarily resulted from increased subcontractors expenses and expenses associated with share-based payments to Company's employees.

Our research and development expenses for the three months ended September 30, 2018 amounted to \$311,000 compared to \$213,000 for the three months ended September 30, 2017. The increase between the corresponding period primarily resulted from increased subcontractors expenses and expenses associated with share-based payments to Company's employees.

#### ***Marketing, General and Administrative Expenses***

Our marketing, general and administrative expenses for the nine months ended September 30, 2018 amounted to \$3,103,000 compared to \$2,667,000 for the nine months ended September 30, 2017. The increase compared to the corresponding period was mainly due to share-based payments, marketing expenses and professional services which were offset by a reduction in public relations and investor relations expenses.

Our marketing, general and administrative expenses for the three months ended September 30, 2018 amounted to \$771,000 compared to \$611,000 for the three months ended September 30, 2017. The increase compared to the corresponding period was mainly due to share-based payments and professional services offset by increase in marketing expenses.

#### ***Financial income (Expenses), Net***

Our financial expenses net for the nine months ended September 30, 2018 amounted to \$1,483,000 compared to \$228,000 for the nine months ended September 30, 2017. The increase was due to revaluation of warrants, and stock based compensation liabilities, compared to the corresponding period offset by income from revaluation in investment in marketable securities compared to expenses in the corresponding period and income from exchange rate differences compared to expenses in the corresponding period.

Our financial expenses net for the three months ended September 30, 2018 amounted to \$479,000 compared to financial income of \$17,000 for the three months ended September 30, 2017. The increase was due to the revaluation of warrants, derivatives, stock based compensation liabilities and from revaluation of investment in marketable securities, compared to the corresponding prior period.

### ***Net Income (Loss)***

As a result of the foregoing, research and development, marketing, general and administrative expenses, and financial expenses, our net loss for the nine months ended September 30, 2018 was \$5,393,000, compared to \$3,519,000 for the nine months ended September 30, 2017. The main reasons for the increase in net loss were the expenses due to share-based payments and professional services compared to corresponding period and the expense with respect to the revaluation of warrants, derivatives and stock based compensation liabilities offset by an income from revaluation of investment in marketable securities and exchange rate differences compared to expenses in the corresponding period.

As a result of the foregoing research and development, marketing general and administrative expenses, and financial expenses, our net loss for the three months ended September 30, 2018 was \$1,561,000, compared to net loss of \$807,000 for the three months ended September 30, 2017. The main reasons for the increase in net loss were the expenses due to share-based payments, and professional services compared to corresponding period and the expense with respect to the revaluation of warrants, derivatives and stock based compensation liabilities offset by exchange rate differences compared to expenses in the corresponding period.

### **Liquidity and Capital Resources**

Since our inception, we have funded our operations primarily through public and private offerings of debt and equity in the State of Israel and in the U.S.

As of September 30, 2018, we had cash, cash equivalents and restricted cash of \$5,483,000 and short term deposit of \$2,384,000 compared to \$1,872,000 cash, cash equivalents and restricted cash and no deposits as of December 31, 2017. This increase primarily resulted from the public offering that we completed in February 2018 and from proceeds generated from the exercise of warrants, both of which are further described below.

On October 26, 2017, we entered into a securities purchase agreements to sell original issue discount non-convertible notes (the “Notes”) and warrants to certain accredited investors in a private placement. We received gross proceeds of approximately \$1,200,000, before deducting placement agent and other offering expenses. The Notes were initially due on the earlier of (i) February 28, 2018 and (ii) the first offering of our equity securities or any equity-linked or related securities with aggregate gross proceeds of at least \$1 million. The maturity date of the Notes was subsequently amended to the earlier of (i) the closing of our next offering or (ii) March 31, 2018. As of March 13, 2018, the Company had paid all amounts due and payable on the Notes. The five-year warrants issued in the private offering were initially exercisable at a price of \$0.75 per share. The warrants contain price protection provisions in the event that we issue additional equity securities at a price lower than the exercise price of the warrants.

In December 2017 we consummated a public offering of our securities. As a result of such offering, the exercise price of the warrants was reduced to \$0.715 per share.

During the nine and three month period ended September 30, 2018, warrants to purchase 444,444 and 111,111 shares of the Company’s common stock were exercised, respectively, for total proceeds of \$318,000. The issuance of 111,111 shares was made in October 2018.

On December 22, 2017, we completed a public offering of 3,832,500 shares of our common stock at a price of \$0.65 per share and five-year warrants to purchase an aggregate of 2,874,375 shares of common stock at an exercise price of \$0.851 per share. The gross proceeds from the public offering, before deducting placement agent fees and other offering expenses, were \$2,490,000. The net proceeds from the offering after deducting the placement agent fees and other offering expenses were approximately \$2,130,000. As a result of the public offering, the exercise price of the warrants issued in the October 2017 private placement was reduced to \$0.715.

On December 27, 2017, we repaid \$583,000 in principal amount of the Notes, and in February 2018, we repaid the remaining outstanding balance of the Notes.

During the nine months ended September 30, 2018, we received \$2,260,000 of proceeds from the exercise of the warrants to purchase 2,654,922 shares of common stock issued in our December 2017 private placement.

On February 2, 2018, we completed a public offering pursuant to which we issued 3,000,000 shares of our common stock and five-year warrants to purchase an aggregate of 1,500,000 shares of common stock. The gross proceeds from the offering were \$6,000,000 prior to deducting placement agent fees and other offering expenses. The net proceeds from the offering after deducting the placement agent fees and other offering expenses were approximately \$5,464,000.

Cash used in operating activities was \$2,798,000 for the nine months ended September 30, 2018, compared to \$2,472,000 for the nine months ended September 30, 2017.

Net cash used in investing activities was \$2,404,000 for the nine months ended September 30, 2018, compared to \$8,000 for the nine months ended September 30, 2017. The net cash used in investing activities for the nine month ended September 30, 2018 was mainly for short term deposits compared to purchase of property and equipment during the nine months ended September 30, 2017.

We had positive cash flow from financing activities of \$9,313,000 for the nine months ended September 30, 2018, compared to \$2,496,000 for the nine months ended September 30, 2017. The cash flow from financing activities for the nine months ended September 30, 2018 was due to a public offering our of securities and proceeds from the exercise of the warrants as described above compared to proceeds from a short term loan and a public offering our of securities during the nine months ended September 30, 2017.

#### **Off-Balance Sheet Arrangements**

We have not entered into any transactions with unconsolidated entities in which we have financial guarantees, subordinated retained interests, derivative instruments or other contingent arrangements that expose us to material continuing risks, contingent liabilities or any other obligations under a variable interest in an unconsolidated entity that provides us with financing, liquidity, market risk or credit risk support.

#### **Application of Critical Accounting Policies and Estimates**

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which we have prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses during the reporting periods. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in the notes to our financial statements appearing elsewhere in this report, we believe that the accounting policies discussed below are critical to our financial results and to the understanding of our past and future performance, as these policies relate to the more significant areas involving management's estimates and assumptions. We consider an accounting estimate to be critical if: (1) it requires us to make assumptions because information was not available at the time or it included matters that were highly uncertain at the time we were making our estimate; and (2) changes in the estimate could have a material impact on our financial condition or results of operations.

### ***Research and development expenses***

Research expenses are recognized as expenses when incurred. Costs incurred on development projects are recognized as intangible assets as of the date as of which it can be established that it is probable that future economic benefits attributable to the asset will flow to us considering its commercial feasibility. This is generally the case when regulatory approval for commercialization is achieved and costs can be measured reliably. Given the current stage of the development of our products, no development expenditures have yet been capitalized. Intellectual property-related costs for patents are part of the expenditure for the research and development projects. Therefore, registration costs for patents are expensed when incurred as long as the research and development project concerned does not meet the criteria for capitalization.

### ***Equity-based compensation***

The Company accounts for its employees' share-based compensation as expenses in the financial statements based on Accounting Standards Codification 718. All awards are classified as equity and therefore such cost are measured at the grant date fair value of the award. The Company estimates share option grant date fair value using the Binomial option pricing model.

The Company records stock options issued to non-employees at fair value, remeasures to reflect the current fair value at each reporting period and recognizes expense over the related service period.

The expected volatility of the share prices reflects the assumption that the historical volatility of the share prices is reasonably indicative of expected future trends.

The risk-free interest rate for grants with exercise price denominated in Israeli New Shekel is based on the yield from Israel treasury zero-coupon bonds with an equivalent term. The risk-free interest rate for grants with exercise price denominated in U.S. dollars is based on the yield from U.S. treasury zero-coupon bonds with an equivalent term.

### **Item 3. Quantitative and Qualitative Disclosure About Market Risk.**

Not required for a smaller reporting company.

### **Item 4. Controls and Procedures.**

#### **Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) under the Exchange Act, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2018. Based upon such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of September 30, 2018 were not effective and assessed as material weakness due to lack of controls in providing reasonable assurance regarding the fair value measurement of a financial asset.

To address the material weakness and mitigate the lack of fair value measurement of financial assets, we established controls in place to assess, on a quarterly basis, indicators for fair value measurement as well as to involve a valuation specialist in an effort to ensure our financial statements included in this Quarterly Report on Form 10-Q have been prepared in accordance with U.S. generally accepted accounting principles. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

Our Chief Executive Officer and Chief Financial Officer do not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

#### **Changes in Internal Controls**

During the most recent fiscal quarter, no change has occurred in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## Part II – Other Information

### Item 1. Legal Proceedings.

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business.

Set forth below are material updates to pending litigation matters which are more fully disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018.

With respect to the litigation with Lightcom (Israel) Ltd., on October 16, 2018 the appellants in both Supreme Court pending cases withdrew their appeals without prejudice, following the Supreme Court's recommendation. The Supreme Court commented that it appears that the lower courts' judgments in the cases before him, which accepted arguments similar to the Company's arguments in its motion to dismiss, appear to be correct. The Supreme Court recommended that to avoid additional future doubts, the legislator should attend to the matter of the proper choice of law applicable to foreign companies with dual listings. Following the dismissal of the Supreme Court pending cases, at a hearing held on November 19, 2018, the court ordered dismissal of the class action with prejudice. No order for costs was made.

With respect to the litigation commenced by fourteen shareholders, on July 5, 2018, the Supreme Court granted the motion to dismiss, endorsed the settlement agreement and dismissed the appeal.

With respect to the litigation with North Empire LLC ("North Empire") on September 27, 2018, North Empire filed an answer and asserted counterclaims in the action commenced by the Company against them, alleging that the Company failed to deliver stock certificates North Empire causing damage to North Empire in the amount of \$10,958,589. North Empire also filed a third-party complaint against Eli Wales and Ronen Luzon asserting similar claims against them in their individual capacities. On October 17, 2018, the Company filed a reply to North Empire's counterclaims. On November 15, 2018, Eli Walles and Ronen Luzon filed a motion to dismiss North Empire's third-party complaint. The Company believes, based on the opinion of its legal counsel, it is more likely than not that the counterclaims will be denied.

**Item 1A. Risk Factors.**

Not required for a smaller reporting company.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

On November 18, 2018, My Size Israel 2014 Ltd. (“My Size Israel”), a subsidiary of the Company, entered into an employment agreement with Ronen Luzon (the “Luzon Employment Agreement”) pursuant to which Mr. Luzon will serve as Chief Executive Officer of the Company. Pursuant to the terms of the Luzon Employment Agreement, Mr. Luzon shall receive NIS 50,000 per month as his base salary and shall be eligible to receive such bonus as determined by the Company. In addition, Mr. Luzon shall be entitled to other benefits, including, but not limited to, Company contributions towards an education fund and insurance coverage, including for disability. The term of the Luzon Employment Agreement shall be effective as of September 1, 2018 and shall continue until such time either party provides written notice to the other party at least 75 days in advance of the termination of such agreement. The Company may also terminate Mr. Luzon’s employment without prior written notice (or payment in lieu of such notice) for Cause (as defined in the Luzon Employment Agreement). Pursuant to the terms of the Luzon Employment Agreement and subject to certain conditions, payments made by the Company to a comprehensive pension fund (the “Pension Fund”), to a managers insurance, or a combination of payments to an annuity fund and a non-annuity fund (the “Insurance Fund”), including a combination of payments to a Pension Fund and an Insurance Fund, shall be made in lieu of severance payments due to Mr. Luzon.

On November 18, 2018, My Size Israel entered into an employment agreement with Or Kles (the “Kles Employment Agreement”) pursuant to which Mr. Kles will serve as Chief Financial Officer of the Company. Pursuant to the terms of the Kles Employment Agreement, Mr. Kles shall receive NIS 30,000 per month as his base salary and shall be eligible to receive such bonus as determined by the Company. In addition, Mr. Kles shall be entitled to other benefits, including, but not limited to, Company contributions towards an education fund and insurance coverage, including for disability. The term of the Kles Employment Agreement shall be effective as of September 1, 2018 and shall continue until such time either party provides written notice to the other party at least 75 days in advance of the termination of such agreement. The Company may also terminate Mr. Kles’ employment without prior written notice (or payment in lieu of such notice) for Cause (as defined in the Kles Employment Agreement). Pursuant to the terms of the Kles Employment Agreement and subject to certain conditions, payments made by the Company to the Pension Fund or to the Insurance Fund, including a combination of payments to a Pension Fund and an Insurance Fund, shall be made in lieu of severance payments due to Mr. Kles.

On November 18, 2018, My Size Israel entered into an employment agreement with Billy Pardo (the “Pardo Employment Agreement”) pursuant to which Mrs. Pardo will serve as Chief Product Officer of the Company. Pursuant to the terms of the Pardo Employment Agreement, Mrs. Pardo shall receive NIS 40,000 per month as her base salary and shall be eligible to receive such bonus as determined by the Company. In addition, Mrs. Pardo shall be entitled to other benefits, including, but not limited to, Company contributions towards an education fund and insurance coverage, including for disability. The term of the Pardo Employment Agreement shall be effective as of September 1, 2018 and shall continue until such time either party provides written notice to the other party at least 75 days in advance of the termination of such agreement. The Company may also terminate Mrs. Pardo’s employment without prior written notice (or payment in lieu of such notice) for Cause (as defined in the Pardo Employment Agreement). Pursuant to the terms of the Pardo Employment Agreement and subject to certain conditions, payments made by the Company to the Pension Fund or to the Insurance Fund, including a combination of payments to a Pension Fund and an Insurance Fund, shall be made in lieu of severance payments due to Mrs. Pardo.

On November 18, 2018, My Size Israel entered into an employment agreement with Eliyahu Walles (the “Walles Employment Agreement”) pursuant to which Mr. Walles will serve as Chairman of the Board of Directors of the Company. Pursuant to the terms of the Walles Employment Agreement, Mr. Walles shall receive NIS 35,000 per month as his base salary and shall be eligible to receive such bonus as determined by the Company. In addition, Mr. Walles shall be entitled to other benefits, including, but not limited to, Company contributions towards an education fund and insurance coverage, including for disability. The term of the Walles Employment Agreement shall be effective as of September 1, 2018 and shall continue until such time either party provides written notice to the other party at least 75 days in advance of the termination of such agreement. The Company may also terminate Mr. Walles’ employment without prior written notice (or payment in lieu of such notice) for Cause (as defined in the Walles Employment Agreement). Pursuant to the terms of the Walles Employment Agreement and subject to certain conditions, payments made by the Company to the Pension Fund or to the Insurance Fund, including a combination of payments to a Pension Fund and an Insurance Fund, shall be made in lieu of severance payments due to Mr. Walles.

The foregoing descriptions of the Luzon Employment Agreement, Kles Employment Agreement, Pardo Employment Agreement and Walles Employment Agreement are not complete and are qualified in their entireties by reference to the full text of the Luzon Employment Agreement, Kles Employment Agreement, Pardo Employment Agreement and Wales Employment Agreement, copies of which are filed as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, to this Quarterly Report on Form 10-Q and are incorporated by reference herein.

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description of Exhibits</b>
10.1*+	<a href="#">Employment Agreement between the Company and Ronen Luzon dated November 18, 2018</a>
10.2*+	<a href="#">Employment Agreement between the Company and Or Kles dated November 18, 2018</a>
10.3*+	<a href="#">Employment Agreement between the Company and Billy Pardo dated November 18, 2018</a>
10.4*+	<a href="#">Employment Agreement between the Company and Eliyahu Walles dated November 18, 2018</a>
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C Section 1350, as adopted Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2*	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Schema
101.CAL*	XBRL Taxonomy Calculation Linkbase
101.DEF*	XBRL Taxonomy Definition Linkbase
101.LAB*	XBRL Taxonomy Label Linkbase
101.PRE*	XBRL Taxonomy Presentation Linkbase

\* Filed herewith

+ Indicates a management contract or any compensatory plan, contract or arrangement

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**My Size, Inc.**

Date: November 19, 2018

By: /s/ Ronen Luzon  
Ronen Luzon  
Chief Executive Officer  
(Principal Executive Officer)

Date: November 19, 2018

By: /s/ Or Kles  
Or Kles  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

PERSONAL EMPLOYMENT AGREEMENT

Signed and entered on the 18<sup>th</sup> day of the month of November 2018

By and Between:

My Size Israel 2014 Ltd.,  
I.D. No. 515036895  
Of 3 Arava St., Airport City  
(the "Employer" and / or the "Company")

of the one part;

And

Ronen Luzon I.D. No. 027837020  
Of 17 Hamitzpe St., Shoam  
(the "Employee")

of the second part;

- Whereas** the Company is a subsidiary of My Size Inc., a Delaware corporation, (the "Parent"), and is engaged in developing unique measurement technologies based on algorithms with applications in a variety of areas for smartphone and tablet apps market.; and
- Whereas** the Employee is a co-founder of the Parent, a shareholder and serves as a Director of the Parent; and
- Whereas** as of March 1, 2017 (the "Commencement Date") the Employee has been employed by the Company as a CEO (the "Position"); and
- Whereas** the Company is interested in continuing to employ the Employee in the Position and the Employee is interested to continue to be employed by the Company in the Position; and
- Whereas** the Position is a management position, which requires a special degree of personal trust as provided in clause 30(a)(5) of the Work and Rest Hours Law, 1951 (the "Hours Law"); and
- Whereas** The Employer and the Employee (the "Parties") desire to enter in writing the terms and conditions of the Employee's employment, as set forth in this agreement (the "Agreement").

THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS:

1. Recitals

- 1.1. The preamble to this Agreement, including the declarations constitute an integral part hereof, and are considered as the conditions of the Agreement.
- 1.2. The headings in this Agreement are for convenience only and are not to be used to interpret or construe its provisions.
- 1.3. All words used in this Agreement and its appendixes in masculine include feminine, unless the specific context of the Agreement requires otherwise.

## **The Position**

- 1.4. The Employee shall be employed by the Employer in the duties of the Position, as described above. In carrying out his Position, the Employee shall be responsible for the management of the Company and shall perform the duties and authorities of the Position, as shall from time to time be delegated or assigned to him by the Board of Directors of the Company (the “**Board**”). The Employee shall report, as and when requested, to the Board.
- 1.5. The Employee’s employment and employment terms are subject to any legally required approvals, including, but not limited to, the Board, the sub-committee and the shareholders, as the case may be.

## **2. Employee’s Undertakings and Declarations**

- 2.1. The Employee undertakes that, in order to duly fulfill the duties of the Position, he shall devote his time, and his desire, know-how, efforts, expertise and talents required for the proper performance thereof and he shall act with loyalty and dedication in order to maintain the property and rights of the Company.
- 2.2. The Employee warrants that in performing his duties he will act in accordance with the policies of the Company and/or in accordance with specific instructions and approvals of the Board.
- 2.3. The Employee hereby undertakes to act in accordance with the Employer’s safety regulations in effect from time to time, including the Employer’s anti sexual-harassment regulations.
- 2.4. The Employee is aware and he hereby declares that his Position is a management position, that requires a special degree of personal trust, as well as requires him to perform activities at irregular hours and that, as provided in clause 30(a)(5) of the Hours Law.
- 2.5. The Employee confirms and declares that he has been informed that the use of the computer and/or the electronic mailbox he was provided by the Employer is solely for purposes of his work and he may not use them for private purposes. The Employee confirms and declares that he has been advised that he may make limited and reasonable use of the internet network also for private purposes. The Employee further declares that he has been advised that, in order to maintain a safe working environment, for the purposes of data security and in order to protect the Employer’s interests, data and information, the Employer conducts, from time to time, monitoring, maintenance and backup activities with respect to the use of the internet network, as well as the data stored on the Employer’s servers and email boxes, and as those means are provided to the Employee for the purpose of fulfilling his Position; the Employee declares that such actions by the Employer shall not be considered an infringement of his privacy. In the event of the occurrence of an irregular incident, in which a reasonable suspicion arises that the Employer has been compromised, in respect of an unauthorized act carried out by one of the Employer’s employees or an act that exposes the Employer to a law suit filed by any entity whatsoever, the Employer will conduct an investigation of the incident and, as required, will be entitled to carry out examinations and monitoring of the Employee’s personal computers and/or emails.

- 2.6. The Employee confirms and declares that during or as a result of his employment he has provided and/or shall provide to the Employer, personal and private information about him, such as CV, employment terms and conditions, personal data, medical data, bank account information, biometric data as well as possible additional information (the “**Private Information**”). The Employee further confirms that he has been informed that such Private Information is collected, held and processed by the Employer and/or someone on its behalf during his employment, for the purposes of the ordinary course of business, including managing human resources and payroll by the Employer and the Employee confirms that the abovementioned shall not be considered an infringement of his privacy. In addition, the Employee confirms and declares that he has been informed and hereby expressly agrees that the Employer will be entitled to transfer the Private Information (in whole or in part) as part of the Employer’s needs as mentioned above, to the following: (a) Public Entities as defined in the Privacy Protection Act - 1981; (b) Entities related to the Employer, in Israel and abroad, including, but not limited to, any parent Employer, subsidiary, or affiliate of the Employer; (c) Legal advisors and tax consultants of the Employer, as well as external entities that provide services of managing human resources and payroll to the Company; (d) Third parties in the framework of any legal or economic due diligence; (e) Other entities that are not mentioned in sections (a) to (d) above, subject to a prior written notice of the Company addressed to the Employee concerning its intention to disclose any information about the Employee provided that the Employee does not oppose such delivery of information within seven (7) days after receiving such notice from the Employer. Such notice shall include the specific name of the entity and the purpose for which the Employer is willing to deliver such information.
- 2.7. The Employee hereby undertakes that, during the term of his employment, he shall not engage, or be involved with, any additional and/or other work without the prior written consent of the Company.
- 2.8. The Employee hereby warrants and represents that he is in a condition of good health and fit for working and that he does not suffer from any disability that might limit his ability to act in the Position and that the Employee will inform the Employer regarding any change that may occur regarding his state of health.
- 2.9. The Employee hereby undertakes that upon termination of the employment of the Employee by the Employer for any reason whatsoever, whether at the initiative of the Employee or of the Employer, the Employer shall relinquish his Position in an orderly manner according to a procedure to be determined, and will turn over all matters under his care to whomever the Employer shall determine, in a manner which shall enable such person to continue with the performance of the Position in an orderly manner.
- 2.10. The Employee undertakes, that upon the termination of his employment with the Employer, for any reason whatsoever, the Employee will return any asset, equipment, Employer’s documents, that may be in the Employee’s possession, and that the Employee will not have any right of lien in respect of any asset or property belonging to the Employer.

### **3. Salary and Employment Benefits**

#### **3.1. Working days and hours**

- 3.1.1. The Employee shall work on a full time basis, at least forty-two (42) hours per week; the weekly day of rest of the Employee shall be Saturday.

- 3.1.2. The working hours shall be as may be required in accordance with his Position and tasks and the Employee acknowledges that he will be required to work overtime.
- 3.1.3. As the terms of the Employee's employment do not allow the Company to supervise his work and rest hours, at least a substantial part of the working hours, the Company cannot manage and record his work and rest hours in the attendance recording system. The pay slip of the Employee will contain an appropriate comment on the subject in accordance with the applicable law. Notwithstanding, the Employee shall report his attendance whenever possible.

3.2. Salary

- 3.2.1. In consideration for work carried out during a full month, the Employee shall receive a monthly salary in the amount of NIS 50,000 (gross) (the "**Salary**").
- 3.2.2. According at Section 2.4 the Employee acknowledges that the provisions of the Hours Law will not apply to the Employee and the Employee shall not be entitled to compensation for the necessity to work on irregular hours, overtime, and on weekly rest days, other than his Salary. The Employee confirms and declares that his Salary and his term of employment were determined based on the aforesaid.
- 3.2.3. The Company shall pay the Employee the Salary by the ninth (9th) day of each month for the previous month.
- 3.2.4. The Employee shall bear all governmental taxes and other payments which every employee is required to pay according to law.
- 3.2.5. The Employee hereby approves that the Company shall be entitled to set off from the Employee's Salary any debt the Employee owes and/or may owe to the Company (the "**Debt**"), subject to the Company informing the Employee in writing of the Debt, and the Employee has not explicitly in writing objected to the Debt within three (3) days of the Company's notice.

3.3. Bonuses

The Employee may be eligible to bonuses, all subject to Company's policy on this matter.

3.4. Annual Leave

- 3.4.1. The Employee shall be entitled to twenty-five (25) working days as paid annual leave.
- 3.4.2. The timing of the Employee's leave will be coordinated with the Company.
- 3.4.3. The Employee can accumulate his annual leave days up to fifty (50) days.
- 3.4.4. The redemption of annual leave days shall be in accordance with the Annual Leave Law, 5711-1951, and only upon termination of Employee's employment with the Company.

3.5. Sick Leave

- 3.5.1. The Employee shall be entitled to sick leave, according to the provisions of the Sick Pay Law, 1976, as long as he provides the Company an appropriate medical confirmation and is not paid for the sick leave money from the National Insurance Institute and/or pension insurance and/or from any other party. On an ex-gratia basis, the Employee shall be entitled to his full Salary as of the first (1st) day of illness.

3.5.2. The Employee may accrue up to ninety (90) days of sick leave. Accrued sick leave days are not redeemable, and the Employee will not be entitled to any kind of payment for unused sick days.

3.6. Convalescence

The Employee shall be entitled to convalescence payment according to the applicable law.

3.7. Pension Scheme and Severance pay

3.7.1. On the Effective Date, the Employee is insured and will continue to be insured by the Company in a managers' insurance policy of "Clal Bituach" ("**Pension Scheme**"), as of his choice.

3.7.2. The payments for the Pension Scheme will continue to be based on the Employee's Salary as set forth in Section 3.2.1 above and shall not include any other benefits and/or additional compensation, such as incentives of any kind. In the event that the Employee shall choose to insure his Salary in more than one pension program, in any event, the insured salary in all such programs shall not exceed the Employee's Salary as set forth in Section 3.2.1 above.

3.7.3. Should the Employee choose to continue to insure his Salary, fully or partially, in a managers' insurance policy, the Company will pay to such policy an amount equal to 14.83% of the part of the Salary insured in the managers' insurance policy: 8.33% for severance payments and 6.5% for both pension component and disability insurance to cover 75% of the Salary insured in the managers' insurance policy, subject to the pension component being no less than 5%. In the event that the cost of the disability insurance will be higher than 1.5%, the Company shall bear such costs, subject to the pension component together with a disability component being of a maximum cost of 7.5%

3.7.4. Should the Employee choose to insure his Salary, fully or partially, in a pension fund, the Company will pay to such fund an amount equal to 14.83% of the part of the Salary insured in the pension fund: 8.33% for severance payments and 6.5% for pension component.

3.7.5. In addition, the Company will continue to deduct from the Employee's Salary an amount equal to 6% for the Employee's part of the Pension Scheme to be forwarded to the Pension Scheme, and the Employee hereby approve such deduction.

3.7.6. The Company's contributions to the Pension Scheme for severance component of 8.33% shall be in lieu of 100% of the severance compensation according to clause 14 of the Severance Pay Law, 1963.

3.7.7. The Parties hereby declare that they wish to continue to adopt all the of the terms and conditions detailed in the general approval of the Minister of Labor regarding payments by employers to a pension fund and insurance fund in lieu of severance pay (the "**General Permit**"), in accordance with section 14 of the Severance Pay Law, 1963, attached as Appendix A to this Agreement, as will be updated from time to time. These terms and conditions oblige the Parties to this agreement. For the avoidance of doubt, it is hereby clarified that the above conditions do not derogate from the rights and/or benefits granted to the Employee in accordance with this Agreement.

- 3.7.8. The Company waives all rights for return of the sums paid by it to the Pension Scheme for severance, unless the Employee's right for severance was denied by court ruling under clauses 16-17 to the Severance Pay Law, 1963 or in the event that the Employee withdrew monies from the Pension Scheme without "Entitling Event", as defined by the General Permit.
- 3.7.9. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Pension Scheme exceeding the maximum amount exempt from income tax for such payments
- 3.7.10. The Employee hereby warrants and represents that he fully approves the aforesaid conditions detailed in this Section 3.7.
- 3.7.11.

3.8. Education Fund

- 3.8.1. The Employee will continue to be entitled to an education fund of his choice in "Harel" (the "Education Fund").
- 3.8.2. The contribution towards the Education Fund will be based on the Salary set forth in Section 3.2.1 above.
- 3.8.3. The Employer's monthly contributions shall be 7.5% and the Employee's monthly contributions shall be 2.5% (by way of withholding from the Salary).
- 3.8.4. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Education Fund exceeding the maximum amount exempt from income tax for such payments

3.9. Additional Benefits

The Employee shall be entitled to a Company's car, Company's cell phone and reimbursement for lunch expenses, all in accordance with the Company's policy.

3.10. Expenses

The Employee shall be entitled to reimbursement from the Company for all reasonable expenses and disbursements incurred by him in carrying out his duties under this Agreement subject to Company's policy, including any reasonable expenses associated with traveling overseas (flights, accommodation and travel insurance).

4. Term and Termination

- 4.1. The terms and conditions of this Agreement shall be in effect as of September 1, 2018 (the "Effective Date").
- 4.2. Without derogating from the aforementioned, the Employee's seniority shall be calculated as of the Commencement Date.
- 4.3. The employment is for an unlimited period, and shall continue until the termination of the Agreement as described below.
- 4.4. Each of the Parties will be allowed to terminate this Agreement, for any reason, by giving the other party seventy-five (75) days prior written notice (the "Notice Period").
- 4.5. The Company has the right to determine whether, during the prior Notice Period, the Employee shall continue to actually work for the Company or whether the Company shall waive the actual work of the Employee during such period, all without derogating from the Employee's right to receive a payment in lieu of notice period, according to law.

- 4.6. In the event that the Employee terminates his employment without providing prior notice, the Company may deduct the amount equal to the Salary to which the Employee would have been entitled had he continued to work during the Notice Period from his Salary or from any other sum due to the Employee.
- 4.7. Notwithstanding anything to the contrary herein, and without derogating from the causes of action available under the law, the Company may terminate this Agreement at any time during the term of this Agreement, without prior notice (or payment in lieu of such), in any of the following events (each cause for such termination, pursuant to the following and/or any applicable law shall be referred herein as: "Cause"):
- 4.7.1. The Employee has been convicted of a criminal offence involving moral turpitude;
  - 4.7.2. The Employee has acted in bad faith and/or acted dishonestly and/or disloyally and/or has provided a false report and/or caused the Company malicious damage and/or broke the discipline code;
  - 4.7.3. The Employee has breached Chapter 5 and/or Appendix B of this Agreement.

**5. Loyalty, Confidentiality, Proprietary Information and Non-Competition**

Concurrently with the execution of this Agreement, the Employee shall sign the Loyalty, Confidentiality, Intellectual Property and Non-Compete undertaking attached hereto as Appendix B to this Agreement, such letter of undertaking shall form an integral part of this Agreement.

**6. Miscellaneous**

- 6.1. This Agreement constitutes the entire understanding between the Parties, both oral and written, in relation to the employment of the Employee by the Company and this Agreement supersedes any previous agreements and understandings, whether explicit or implied, existing between the Parties prior to their signature hereof. As of signature hereunder, Parties shall only be subject to this Agreement. Any change and/or addition to this Agreement, in writing or in conduct, will not be valid unless drafted in writing and signed by the Parties.
- 6.2. The Employer is not a member of any employers union and provisions of any agreement and/or collective agreement shall not apply to the relations between the Parties, and such relations shall be governed solely by the provisions of this Agreement.
- 6.3. The payments according to the Agreement constitute the full consideration for all of Employee's undertakings towards the Company and that he does not have, nor will have, any right to any additional payment of any kind whatsoever, whether monetary or its equivalent.
- 6.4. The Company shall be entitled to transfer its rights under this Agreement to another company and/or person, provided that such transfer shall not prejudice the rights of the Employee as detailed in this Agreement and such transfer shall not give rise to a cause for resignation which will award him severance.
- 6.5. Upon termination of employment relations, the Company shall be entitled to offset from any amount due to the Employee the total amount of monetary Debts owed by the Employee to the Company. By signing this Agreement the Employee gives an irrevocable instruction to the Company to deduct and/or offset from any amount due to him from the Company upon termination of the employment relations, all his Debts to the Company and he also undertakes to sign any document required on the date of termination of the employment for the purpose of allowing the Company to collect the all of the Employee's Debts.

- 6.6. Shall the Company waive its right to any of its rights as described in this Agreement such waiver will not be used as precedent to that right or any other right. It will not be referred to in the future either for cases that are alike or similar.
- 6.7. This Agreement and the Employee's employment shall be governed solely by the laws of State of Israel and the competent Israeli labor courts shall have the exclusive jurisdiction on all matters regarding the Employee's employment.
- 6.8. The addresses of the Parties for the purposes of this Agreement shall be as first written above. Any notice shall be delivered via certified mail and shall be considered delivered to the other party at the earlier of receipt or seventy-two (72) hours following the date of the post office authorization regarding receipt.
- 6.9. The Employee confirms and declares that he had thoroughly read and understood this Agreement and he had thus signed this Agreement with full understanding of its content and significance.

**IN WITNESS THEREOF THE PARTIES HAVE SIGNED:**

My Size Israel 2014 Ltd

/s/ Ronen Luzon

**Employer**

**Employee**

**Appendix A**

**GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY**

By virtue of my power under section 14 of the Severance Pay Law, 1963 (hereinafter: the "**Law**"), I certify that payments made by an employer commencing from the date of the publication of this approval publication for its employee to a comprehensive pension benefit fund that is not an insurance fund within the meaning thereof in the Income Tax (Rules for the Approval and Conduct of Benefit Funds) Regulations, 1964 (hereinafter: the "**Pension Fund**") or to managers insurance including the possibility of an insurance pension fund or a combination of payments to an annuity fund and to a non-annuity fund (hereinafter: the "**Insurance Fund**"), including payments made by him by a combination of payments to a Pension Fund and an Insurance Fund, whether or not the Insurance Fund has an annuity fund (hereinafter: the "**Employer's Payments**"), shall be made in lieu of the severance pay due to the said employee in respect of the salary from which the said payments were made and for the period they were paid (hereinafter: the "**Exempt Salary**"), provided that all the following conditions are fulfilled:

- (1) The Employer's Payments -
  - (a) To the Pension Fund are not less than  $14\frac{1}{3}\%$  of the Exempt Salary or 12% of the Exempt Salary if the employer pays for its employee in addition thereto also payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee's name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary. In the event the employer has not paid an addition to the said 12%, its payments shall be only in lieu of 72% of the employee's severance pay;
  - (b) To the Insurance Fund are not less than one of the following:
    - (i)  $13\frac{1}{3}\%$  of the Exempt Salary, if the employer pays for its employee in addition thereto also payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount required to secure at least 75% of the Exempt Salary or in an amount of  $2\frac{1}{2}\%$  of the Exempt Salary, the lower of the two (hereinafter: "**Disability Insurance**");
    - (ii) 11% of the Exempt Salary, if the employer paid, in addition, a payment to the Disability Insurance, and in such case the Employer's Payments shall only replace 72% of the Employee's severance pay; In the event the employer has paid in addition to the foregoing payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee's name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary, the Employer's Payments shall replace 100% of the employee's severance pay.
- (2) No later than three months from the commencement of the Employer's Payments, a written agreement is executed between the employer and the employee in which -
  - (i) The employee has agreed to the arrangement pursuant to this approval in a text specifying the Employer's Payments, the Pension Fund and Insurance Fund, as the case may be; the said agreement shall also include the text of this approval;
  - (ii) The employer waives in advance any right, which it may have to a refund of monies from its payments, unless the employee's right to severance pay has been revoked by a judgment by virtue of Section 16 or 17 of the Law, and to the extent so revoked and/or the employee has withdrawn monies from the Pension Fund or Insurance Fund other than by reason of an entitling event; in such regard "Entitling Event" means death, disability or retirement at or after the age of 60.
- (3) This approval is not such as to derogate from the employee's right to severance pay pursuant to any law, collective agreement, extension order or employment agreement, in respect of salary over and above the Exempt Salary.

My Size Israel 2014 Ltd

**Employer**

/s/ Ronen Luzon

**Employee**

## Appendix B

### Loyalty, Confidentiality, Non-Competition and Intellectual Property Undertakings

To:  
**My Size Israel 2014 Ltd**  
(the "Company")

I, the undersigned, Ronen Luzon, I. D. No. 027837020, hereby declare, authorize and undertake towards the Company, as follows:

#### **1. Loyalty**

- 1.1. I undertake to act in good faith and in a skilled and professional manner in order to achieve the objectives of my employment and for the benefit of the Company, and I undertake to divulge to the Company, any item of news and to hand over any document related to its business, that will come into my possession as a result of my position in the Company.
- 1.2. I undertake to exercise practical and business consideration in the fulfillment of my duties, aimed exclusively to benefit the interests of the Company and I undertake to not be in a situation of a conflict between my personal interests and the interests of the Company and I am aware of the fact that the obligation of full disclosure applies to in respect of a personal conflict that I may have in any matter related to the Company.
- 1.3. I undertake to not receive any hidden proceeds, including commissions, rights and benefits of any kind whatsoever, as a result of my status in the Company or arising therefrom, and even should I receive such proceeds, in a way that I believe I am acting in good faith, that there is nothing improper in any way of receiving such, and the Company will be entitled to receive the proceeds or benefits or rights created or produced under these circumstances, in addition to any other remedy or relief permitted under the law.
- 1.4. I undertake to refrain from transferring to myself and/or to anyone acting on my behalf, directly and/or indirectly, business activities and/or business opportunities that the Company is interested in within the ambit of the business of the Company and/or its affiliated corporations, and this during the duration of my period of employment and also for a period of twelve (12) months from the date of the termination of my employment at the Company, unless I have received prior written approval from the Company.
- 1.5. I undertake that during the period of my employment at the Company and also for a period of twelve (12) months after the termination of my employment, I will not approach, in any manner whatsoever, the Company's customers and/or the Company's employees and/or the Company's service providers and/or the Company's affiliated corporations (the "**Entities Affiliated to the Company**") and neither to anyone who was an Entity Affiliated with the Company during the last year of my employment, in order to solicit them and/or encourage them to carry out any work and/or to provide any service in the field of developing unique measurement technologies for smartphone and tablet apps market and/or in order to solicit them to terminate their engagement with the Company and/or with its affiliated corporations. The above mentioned in this paragraph will not apply in the case that the Company authorized such an engagement and/or approach as stated, in advance and in writing.

2. **Confidentiality**

- 2.1. I recognize that as part of my employment with the Company, I may be exposed to, have access to and be engaged in the development of any information or knowledge directly or indirectly related to the Company's business and/or activity and/or products, including, without limitation, all data pertaining to the Company's technical, professional data, technological developments, commercial/trade secrets, lists of customers and suppliers, price lists, method of determining prices, the Company's policy regarding its customers and suppliers, methods of marketing and sales, financial information, training methods of the Company's employees, information pertaining to transactions entered into or negotiated by the Company, security matters, and any technical, commercial or other information related to the Company which I learned of and/or came into my possession during or due to my employment (hereinafter: the "**Confidential Information**"). The Confidential Information will not include: information that is public knowledge through no wrongful act on my behalf; information that has or will become part of my professional skills. I acknowledge that the Company has received and may receive from time to time from third parties, information that is confidential or proprietary to such third party, as long as I received it as a result of my employment.
- 2.2. I acknowledge that the Confidential Information is a valuable and unique asset of the Company's business and that its use or disclosure would cause the Company substantial loss and damages.
- 2.3. Accordingly, I hereby declare and undertake that, for the duration of my employment and for an unlimited period of time after termination of my employment, I shall maintain in absolute confidence and shall make no use and shall not deliver, disclose or publish in any manner whatsoever the Confidential Information.
- 2.4. I undertake not to make any self-use or other of the Confidential Information in any manner whatsoever, whether for consideration or not, without the prior written consent of the Company.
- 2.5. Upon the termination of my employment at the Company, for any reason whatsoever, I undertake to return to the Company, without delay, any information and/or software program that has come into my possession, including information and/or software programs prepared by me. Likewise, I undertake to not keep any photocopy and/or other form of copy of the information and the software in my possession.
- 2.6. Upon the termination of the employer-employee relations, for any reason, I hereby undertake to destroy any material, information, reports, forms or anything else that I received from the Company or that I created for the Company, including materials that I created for the Company's customers and which were saved or stored by me on my home computer and/or anywhere else that is not the Company's server and/or the Company's computers.

### 3. Non-Competition

- 3.1. I undertake that during a period of twelve (12) months from the date of the termination of employer-employee relations for any reason whatsoever, I will not compete with the business of the Company and/or I will not work and/or I will not be associated, whether for remuneration or nor for remuneration, whether as an employee or whether as a self-employed, whether as a partner or whether as a shareholder, whether as a consultant or whether in any other manner, in an Israeli or foreign organization, that competes with the Company and that engagement will reasonably give rise to the exposure of the Confidential Information of the Company, and this will in all probability cause damage to the Company. This limitation will apply throughout Israel and outside thereof, as long as such organization competes with the Company and is interested in its Confidential Information at the relevant time.
- 3.2. I take this undertaking upon myself out of the recognition of my rights to work in my profession after the termination of employer-employee relations with the Company, and also with the recognition of the right of the Company to protect its vital business interests. The limitation period and the scope thereof have been agreed upon between me and the Company, after I had taken into account the totality of concurrences between me and the Company, the terms of my Salary, and after I decided that my undertaking will not constitute an unreasonable limitation to my capability to continue being employed in my profession also outside of the Company's field of operations.

### 4. Intellectual Property

- 4.1. It is hereby agreed that any patents, models, names or commercial marks, copyright, as well as inventions, developments, enhancements or improvements, or other intellectual property of any kind whatsoever, that were made, invented or implemented by me, on my own and/or in conjunction with others, during the course of my work at the Company, and due to my employment at the Company (the "**Intellectual Property**"), will be the sole property and possession of the Company.
- 4.2. I undertake to promptly disclose to the Company, any Intellectual Property and to assist the Company, to the best of my ability, to materialize its rights regarding the Intellectual Property and to sign any application or other document that will be required by the Company in order to materialize its rights and in order to register the Company as the owner of the above stated rights, as long as I will not be obligated to bear any expenses whatsoever in this regard.
- 4.3. I am aware of the fact that I will not be eligible to a *Service Invention*, as its meaning in the Patents Law, 1967 (the "**Patents Law**"), and such will not be my property and the provisions of Article 132 (b) of the Patents Law will not apply to me and to the Company, in such a manner that even if I dispatch a notification to the Company regarding the Service Invention and even if the Company does not respond to me within six (6) months – the Company will not be considered, under any circumstances, as having waived the rights to such invention.
- 4.4. I agree that I will not be entitled to any additional compensation and/or royalties and/or payment of any kind whatsoever for any Intellectual Property whatsoever, as defined above, over than the amounts paid by the Company, including Salary and all the rest of the terms of my employment.

4.5. Without derogating from the generality of the above stated, I hereby explicitly waive any right, claim, or demand related to the eligibility for any payment, compensation or royalties related to any Intellectual Property, including with respect of any claim for consideration regarding *Service Invention*, under Article 134 of the Patents Law. I hereby declare that my Salary and all the rest of the accompanying terms of my employment paid and/or granted to me by the Company, constitute the full and final consideration for any intellectual property that I am likely to develop and/or compose and/or achieve by any other means as stated above in this letter of undertaking.

4.6. In addition, I hereby waive the right to assert any claim or demand regarding the eligibility to receive royalties, compensation or rewards related to intellectual property before the Compensation and Royalties Committee set up at the Office of the Patents Registrar.

**5. Miscellaneous**

5.1. For purposes herein the term “Company” shall include the Parent and any affiliates or subsidiaries of the Company.

5.2. I am aware of the fact that this letter of undertaking is an appendix to the employment Agreement between me and the Company and it constitutes an inseparable part thereof, to all intents and purposes.

5.3. My undertakings in accordance with the this letter of undertaking will also apply in the case of the termination of employer-employee relations between the Parties and also in the case of the termination and/or annulment of the employment Agreement, to which this letter of undertaking constitutes an appendix.

5.4. Despite the fact that the limitations detailed in this appendix are acceptable to me and I find them to be reasonable under the circumstances, if, in the event of, and for any reason whatsoever, a judicial instance will rule that the limitations are unreasonable, but they would have been reasonable should the terms and conditions have been altered, such as a change in the wording, a shortening of the time period, a reduction in the scope of the fields, and such other changes, then such changes will obligate me and the Company as if such were agreed between us from the outset, in such a manner that the validity of this document will be upheld.

5.5. I acknowledge that this appendix constitutes my independent undertakings with regard to that stated in the appendix. Without derogating from the aforementioned, I acknowledge that any claim and/or demand and/or argument which I have and/or may have against the Company shall not constitute protection against the fulfilment of my obligations under this appendix.

5.6. Nothing in this document shall be deemed to derogate from any remedy and/or right available to the Company as prescribed by law.

<u>Ronen Luzon</u>	<u>November 18, 2018</u>	<u>/s/ Ronen Luzon</u>
Name of the Employee	Date	Signature

PERSONAL EMPLOYMENT AGREEMENT

Signed and entered on the 18<sup>th</sup> day of the month of November 2018

By and Between:

My Size Israel 2014 Ltd.,  
I.D. No. 515036895  
Of 3 Arava St., Airport City  
(the "Employer" and / or the "Company")

**of the one part;**

And

Or Kles I.D. No. 039846936  
Of 9 Hamashot St., Yavne  
(the "Employee")

**of the second part;**

- Whereas** the Company is a subsidiary of My Size Inc., a Delaware corporation, (the "Parent"), and is engaged in developing unique measurement technologies based on algorithms with applications in a variety of areas for smartphone and tablet apps market; and
- Whereas** the Employee is a Chief financial officer of the Parent; and
- Whereas** as of May 23, 2016, (the "Commencement Date"), under the prior existing terms, the Employee has been employed by the Company as a CFO (the "Position"); and
- Whereas** the Company is interested in continuing to employ the Employee in the Position and the Employee is interested to continue to be employed by the Company in the Position; and
- Whereas** the Position is a management position, which requires a special degree of personal trust as provided in clause 30(a)(5) of the Work and Rest Hours Law, 1951 (the "Hours Law"); and
- Whereas** The Employer and the Employee (the "Parties") desire to enter in writing the terms and conditions of the Employee's employment, as set forth in this agreement (the "Agreement").

THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS:

**1. Recitals**

- 1.1. The preamble to this Agreement, including the declarations constitute an integral part hereof, and are considered as the conditions of the Agreement.
- 1.2. The headings in this Agreement are for convenience only and are not to be used to interpret or construe its provisions.
- 1.3. All words used in this Agreement and its appendixes in masculine include feminine, unless the specific context of the Agreement requires otherwise.

## **The Position**

- 1.4. The Employee shall be employed by the Employer in the duties of the Position, as described above. In carrying out his Position, the Employee shall be responsible for the financial department and shall perform the duties and authorities of the Position, as shall from time to time be delegated or assigned to him by the Company CEO. The Employee shall report, as and when requested, to the CEO.
- 1.5. The Employee's employment and employment terms are subject to any legally required approvals, including, but not limited to, the Board, the sub-committee and the shareholders, as the case may be.

## **2. Employee's Undertakings and Declarations**

- 2.1. The Employee undertakes that, in order to duly fulfill the duties of the Position, he shall devote his time, and his desire, know-how, efforts, expertise and talents required for the proper performance thereof and he shall act with loyalty and dedication in order to maintain the property and rights of the Company.
- 2.2. The Employee warrants that in performing his duties he will act in accordance with the policies of the Company and/or in accordance with specific instructions and approvals of the Board.
- 2.3. The Employee hereby undertakes to act in accordance with the Employer's safety regulations in effect from time to time, including the Employer's anti sexual-harassment regulations.
- 2.4. The Employee is aware and he hereby declares that his Position is a management position, that requires a special degree of personal trust, as well as requires him to perform activities at irregular hours and that, as provided in clause 30(a)(5) of the Hours Law.
- 2.5. The Employee confirms and declares that he has been informed that the use of the computer and/or the electronic mailbox he was provided by the Employer is solely for purposes of his work and he may not use them for private purposes. The Employee confirms and declares that he has been advised that he may make limited and reasonable use of the internet network also for private purposes. The Employee further declares that he has been advised that, in order to maintain a safe working environment, for the purposes of data security and in order to protect the Employer's interests, data and information, the Employer conducts, from time to time, monitoring, maintenance and backup activities with respect to the use of the internet network, as well as the data stored on the Employer's servers and email boxes, and as those means are provided to the Employee for the purpose of fulfilling his Position; the Employee declares that such actions by the Employer shall not be considered an infringement of his privacy. In the event of the occurrence of an irregular incident, in which a reasonable suspicion arises that the Employer has been compromised, in respect of an unauthorized act carried out by one of the Employer's employees or an act that exposes the Employer to a law suit filed by any entity whatsoever, the Employer will conduct an investigation of the incident and, as required, will be entitled to carry out examinations and monitoring of the Employee's personal computers and/or emails.

- 2.6. The Employee confirms and declares that during or as a result of his employment he has provided and/or shall provide to the Employer, personal and private information about him, such as CV, employment terms and conditions, personal data, medical data, bank account information, biometric data as well as possible additional information (the “**Private Information**”). The Employee further confirms that he has been informed that such Private Information is collected, held and processed by the Employer and/or someone on its behalf during his employment, for the purposes of the ordinary course of business, including managing human resources and payroll by the Employer and the Employee confirms that the abovementioned shall not be considered an infringement of his privacy. In addition, the Employee confirms and declares that he has been informed and hereby expressly agrees that the Employer will be entitled to transfer the Private Information (in whole or in part) as part of the Employer’s needs as mentioned above, to the following: (a) Public Entities as defined in the Privacy Protection Act - 1981; (b) Entities related to the Employer, in Israel and abroad, including, but not limited to, any parent Employer, subsidiary, or affiliate of the Employer; (c) Legal advisors and tax consultants of the Employer, as well as external entities that provide services of managing human resources and payroll to the Company; (d) Third parties in the framework of any legal or economic due diligence; (e) Other entities that are not mentioned in sections (a) to (d) above, subject to a prior written notice of the Company addressed to the Employee concerning its intention to disclose any information about the Employee provided that the Employee does not oppose such delivery of information within seven (7) days after receiving such notice from the Employer. Such notice shall include the specific name of the entity and the purpose for which the Employer is willing to deliver such information.
- 2.7. The Employee hereby undertakes that, during the term of his employment, he shall not engage, or be involved with, any additional and/or other work without the prior written consent of the Company.
- 2.8. The Employee hereby warrants and represents that he is in a condition of good health and fit for working and that he does not suffer from any disability that might limit his ability to act in the Position and that the Employee will inform the Employer regarding any change that may occur regarding his state of health.
- 2.9. The Employee hereby undertakes that upon termination of the employment of the Employee by the Employer for any reason whatsoever, whether at the initiative of the Employee or of the Employer, the Employer shall relinquish his Position in an orderly manner according to a procedure to be determined, and will turn over all matters under his care to whomever the Employer shall determine, in a manner which shall enable such person to continue with the performance of the Position in an orderly manner.
- 2.10. The Employee undertakes, that upon the termination of his employment with the Employer, for any reason whatsoever, the Employee will return any asset, equipment, Employer’s documents, that may be in the Employee’s possession, and that the Employee will not have any right of lien in respect of any asset or property belonging to the Employer.

### **3. Salary and Employment Benefits**

#### **3.1. Working days and hours**

- 3.1.1. The Employee shall work on a full time basis, at least forty-two (42) hours per week; the weekly day of rest of the Employee shall be Saturday.

- 3.1.2. The working hours shall be as may be required in accordance with his Position and tasks and the Employee acknowledges that he will be required to work overtime.
- 3.1.3. As the terms of the Employee's employment do not allow the Company to supervise his work and rest hours, at least a substantial part of the working hours, the Company cannot manage and record his work and rest hours in the attendance recording system. The pay slip of the Employee will contain an appropriate comment on the subject in accordance with the applicable law. Notwithstanding, the Employee shall report his attendance whenever possible.

3.2. Salary

- 3.2.1. In consideration for work carried out during a full month, the Employee shall receive a monthly salary in the amount of NIS 30,000 (gross) (the "Salary").
- 3.2.2. According at Section 2.4 the Employee acknowledges that the provisions of the Hours Law will not apply to the Employee and the Employee shall not be entitled to compensation for the necessity to work on irregular hours, overtime, and on weekly rest days, other than his Salary. The Employee confirms and declares that his Salary and his term of employment were determined based on the aforesaid.
- 3.2.3. The Company shall pay the Employee the Salary by the ninth (9th) day of each month for the previous month.
- 3.2.4. The Employee shall bear all governmental taxes and other payments which every employee is required to pay according to law.
- 3.2.5. The Employee hereby approves that the Company shall be entitled to set off from the Employee's Salary any debt the Employee owes and/or may owe to the Company (the "Debt"), subject to the Company informing the Employee in writing of the Debt, and the Employee has not explicitly in writing objected to the Debt within three (3) days of the Company's notice.

3.3. Bonuses

The Employee may be eligible to bonuses, all subject to Company's policy on this matter.

3.4. Annual Leave

- 3.4.1. The Employee shall be entitled to twenty (20) working days as paid annual leave.
- 3.4.2. The timing of the Employee's leave will be coordinated with the Company.
- 3.4.3. The Employee can accumulate his annual leave days up to forty (40) days.
- 3.4.4. The redemption of annual leave days shall be in accordance with the Annual Leave Law, 5711-1951, and only upon termination of Employee's employment with the Company.

3.5. Sick Leave

- 3.5.1. The Employee shall be entitled to sick leave, according to the provisions of the Sick Pay Law, 1976, as long as he provides the Company an appropriate medical confirmation and is not paid for the sick leave money from the National Insurance Institute and/or pension insurance and/or from any other party. On an ex-gratia basis, the Employee shall be entitled to his full Salary as of the first (1st) day of illness.

3.5.2. The Employee may accrue up to ninety (90) days of sick leave. Accrued sick leave days are not redeemable, and the Employee will not be entitled to any kind of payment for unused sick days.

3.6. Convalescence

The Employee shall be entitled to convalescence payment according to the applicable law.

3.7. Pension Scheme and Severance pay

3.7.1. On the Effective Date, the Employee is insured and will continue to be insured by the Company, as of his choice (“**Pension Scheme**”), as follows:

NIS 10,000 (gross) of the Salary is covered by managers' insurance policy in the "Harel" Insurance Company", and 20,000 NIS (gross) of the Salary is covered by pension fund in the "Altshuler Shacham".

3.7.2. The payments for the Pension Scheme will continue to be based on the Employee's Salary as set forth in Section 3.2.1 above and shall not include any other benefits and/or additional compensation, such as incentives of any kind. In the event that the Employee shall choose to insure his Salary in more than one pension program, in any event, the insured salary in all such programs shall not exceed the Employee's Salary as set forth in Section 3.2.1 above.

3.7.3. Should the Employee choose to continue to insure his Salary, fully or partially, in a managers' insurance policy, the Company will pay to such policy an amount equal to 14.83% of the part of the Salary insured in the managers' insurance policy: 8.33% for severance payments and 6.5% for both pension component and disability insurance to cover 75% of the Salary insured in the managers' insurance policy, subject to the pension component being no less than 5%. In the event that the cost of the disability insurance will be higher than 1.5%, the Company shall bear such costs, subject to the pension component together with a disability component being of a maximum cost of 7.5%

3.7.4. Should the Employee choose to insure his Salary, fully or partially, in a pension fund, the Company will pay to such fund an amount equal to 14.83% of the part of the Salary insured in the pension fund: 8.33% for severance payments and 6.5% for pension component.

3.7.5. In addition, the Company will continue to deduct from the Employee's Salary an amount equal to 6% for the Employee's part of the Pension Scheme to be forwarded to the Pension Scheme, and the Employee hereby approve such deduction.

3.7.6. The Company's contributions to the Pension Scheme for severance component of 8.33% shall be in lieu of 100% of the severance compensation according to clause 14 of the Severance Pay Law, 1963.

3.7.7. The Parties hereby declare that they wish to continue to adopt all the of the terms and conditions detailed in the general approval of the Minister of Labor regarding payments by employers to a pension fund and insurance fund in lieu of severance pay (the “**General Permit**”), in accordance with section 14 of the Severance Pay Law, 1963, attached as Appendix A to this Agreement, as will be updated from time to time. These terms and conditions oblige the Parties to this agreement. For the avoidance of doubt, it is hereby clarified that the above conditions do not derogate from the rights and/or benefits granted to the Employee in accordance with this Agreement.

- 3.7.8. The Company waives all rights for return of the sums paid by it to the Pension Scheme for severance, unless the Employee's right for severance was denied by court ruling under clauses 16-17 to the Severance Pay Law, 1963 or in the event that the Employee withdrew monies from the Pension Scheme without "Entitling Event", as defined by the General Permit.
- 3.7.9. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Pension Scheme exceeding the maximum amount exempt from income tax for such payments
- 3.7.10. The Employee hereby warrants and represents that he fully approves the aforesaid conditions detailed in this Section 3.7.

3.8. Education Fund

- 3.8.1. The Employee will continue to be entitled to an education fund of his choice in "Altshuler Shacham" (the "**Education Fund**").
- 3.8.2. The contribution towards the Education Fund will be based on the Salary set forth in Section 3.2.1 above.
- 3.8.3. The Employer's monthly contributions shall be 7.5% and the Employee's monthly contributions shall be 2.5% (by way of withholding from the Salary).
- 3.8.4. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Education Fund exceeding the maximum amount exempt from income tax for such payments

3.9. Additional Benefits

The Employee shall be entitled to a Company's car, Company's cell phone and reimbursement for lunch expenses, all in accordance with the Company's policy.

3.10. Expenses

The Employee shall be entitled to reimbursement from the Company for all reasonable expenses and disbursements incurred by him in carrying out his duties under this Agreement subject to Company's policy, including any reasonable expenses associated with traveling overseas (flights, accommodation and travel insurance).

**4. Term and Termination**

- 4.1. The terms and conditions of this Agreement shall be in effect as of September 1, 2018 (the "**Effective Date**").
- 4.2. Without derogating from the aforementioned, the Employee's seniority shall be calculated as of the Commencement Date.
- 4.3. The employment is for an unlimited period and shall continue until the termination of the Agreement as described below.
- 4.4. Each of the Parties will be allowed to terminate this Agreement, for any reason, by giving the other party seventy-five (75) days prior written notice (the "**Notice Period**").
- 4.5. The Company has the right to determine whether, during the prior Notice Period, the Employee shall continue to actually work for the Company or whether the Company shall waive the actual work of the Employee during such period, all without derogating from the Employee's right to receive a payment in lieu of notice period, according to law.

- 4.6. In the event that the Employee terminates his employment without providing prior notice, the Company may deduct the amount equal to the Salary to which the Employee would have been entitled had he continued to work during the Notice Period from his Salary or from any other sum due to the Employee.
- 4.7. Notwithstanding anything to the contrary herein, and without derogating from the causes of action available under the law, the Company may terminate this Agreement at any time during the term of this Agreement, without prior notice (or payment in lieu of such), in any of the following events (each cause for such termination, pursuant to the following and/or any applicable law shall be referred herein as: "Cause"):
- 4.7.1. The Employee has been convicted of a criminal offence involving moral turpitude;
  - 4.7.2. The Employee has acted in bad faith and/or acted dishonestly and/or disloyally and/or has provided a false report and/or caused the Company malicious damage and/or broke the discipline code;
  - 4.7.3. The Employee has breached Chapter 5 and/or Appendix B of this Agreement.

**5. Loyalty, Confidentiality, Proprietary Information and Non-Competition**

Concurrently with the execution of this Agreement, the Employee shall sign the Loyalty, Confidentiality, Intellectual Property and Non-Compete undertaking attached hereto as Appendix B to this Agreement, such letter of undertaking shall form an integral part of this Agreement.

**6. Miscellaneous**

- 6.1. This Agreement constitutes the entire understanding between the Parties, both oral and written, in relation to the employment of the Employee by the Company and this Agreement supersedes any previous agreements and understandings, whether explicit or implied, existing between the Parties prior to their signature hereof. As of signature hereunder, Parties shall only be subject to this Agreement. Any change and/or addition to this Agreement, in writing or in conduct, will not be valid unless drafted in writing and signed by the Parties.
- 6.2. The Employer is not a member of any employers union and provisions of any agreement and/or collective agreement shall not apply to the relations between the Parties, and such relations shall be governed solely by the provisions of this Agreement.
- 6.3. The payments according to the Agreement constitute the full consideration for all of Employee's undertakings towards the Company and that he does not have, nor will have, any right to any additional payment of any kind whatsoever, whether monetary or its equivalent.
- 6.4. The Company shall be entitled to transfer its rights under this Agreement to another company and/or person, provided that such transfer shall not prejudice the rights of the Employee as detailed in this Agreement and such transfer shall not give rise to a cause for resignation which will award him severance.
- 6.5. Upon termination of employment relations, the Company shall be entitled to offset from any amount due to the Employee the total amount of monetary Debts owed by the Employee to the Company. By signing this Agreement the Employee gives an irrevocable instruction to the Company to deduct and/or offset from any amount due to him from the Company upon termination of the employment relations, all his Debts to the Company and he also undertakes to sign any document required on the date of termination of the employment for the purpose of allowing the Company to collect the all of the Employee's Debts.

- 6.6. Shall the Company waive its right to any of its rights as described in this Agreement such waiver will not be used as precedent to that right or any other right. It will not be referred to in the future either for cases that are alike or similar.
- 6.7. This Agreement and the Employee's employment shall be governed solely by the laws of State of Israel and the competent Israeli labor courts shall have the exclusive jurisdiction on all matters regarding the Employee's employment.
- 6.8. The addresses of the Parties for the purposes of this Agreement shall be as first written above. Any notice shall be delivered via certified mail and shall be considered delivered to the other party at the earlier of receipt or seventy-two (72) hours following the date of the post office authorization regarding receipt.
- 6.9. The Employee confirms and declares that he had thoroughly read and understood this Agreement and he had thus signed this Agreement with full understanding of its content and significance.

**IN WITNESS THEREOF THE PARTIES HAVE SIGNED:**

My Size Israel 2014 Ltd

/s/ Or Kles

**Employer**

**Employee**

**Appendix A**

**GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY**

By virtue of my power under section 14 of the Severance Pay Law, 1963 (hereinafter: the “**Law**”), I certify that payments made by an employer commencing from the date of the publication of this approval publication for its employee to a comprehensive pension benefit fund that is not an insurance fund within the meaning thereof in the Income Tax (Rules for the Approval and Conduct of Benefit Funds) Regulations, 1964 (hereinafter: the “**Pension Fund**”) or to managers insurance including the possibility of an insurance pension fund or a combination of payments to an annuity fund and to a non-annuity fund (hereinafter: the “**Insurance Fund**”), including payments made by him by a combination of payments to a Pension Fund and an Insurance Fund, whether or not the Insurance Fund has an annuity fund (hereinafter: the “**Employer’s Payments**”), shall be made in lieu of the severance pay due to the said employee in respect of the salary from which the said payments were made and for the period they were paid (hereinafter: the “**Exempt Salary**”), provided that all the following conditions are fulfilled:

(1) The Employer’s Payments -

(a) To the Pension Fund are not less than  $14\frac{1}{3}\%$  of the Exempt Salary or 12% of the Exempt Salary if the employer pays for its employee in addition thereto also payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee’s name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary. In the event the employer has not paid an addition to the said 12%, its payments shall be only in lieu of 72% of the employee’s severance pay;

(b) To the Insurance Fund are not less than one of the following:

(i)  $13\frac{1}{3}\%$  of the Exempt Salary, if the employer pays for its employee in addition thereto also payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount required to secure at least 75% of the Exempt Salary or in an amount of  $2\frac{1}{2}\%$  of the Exempt Salary, the lower of the two (hereinafter: “**Disability Insurance**”);

(ii) 11% of the Exempt Salary, if the employer paid, in addition, a payment to the Disability Insurance, and in such case the Employer’s Payments shall only replace 72% of the Employee’s severance pay; In the event the employer has paid in addition to the foregoing payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee’s name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary, the Employer’s Payments shall replace 100% of the employee’s severance pay.

(2) No later than three months from the commencement of the Employer’s Payments, a written agreement is executed between the employer and the employee in which -

(i) The employee has agreed to the arrangement pursuant to this approval in a text specifying the Employer’s Payments, the Pension Fund and Insurance Fund, as the case may be; the said agreement shall also include the text of this approval;

(ii) The employer waives in advance any right, which it may have to a refund of monies from its payments, unless the employee’s right to severance pay has been revoked by a judgment by virtue of Section 16 or 17 of the Law, and to the extent so revoked and/or the employee has withdrawn monies from the Pension Fund or Insurance Fund other than by reason of an entitling event; in such regard “Entitling Event” means death, disability or retirement at or after the age of 60.

(3) This approval is not such as to derogate from the employee’s right to severance pay pursuant to any law, collective agreement, extension order or employment agreement, in respect of salary over and above the Exempt Salary.

My Size Israel 2014 Ltd

**Employer**

/s/ Or Kles

**Employee**

## Appendix B

### Loyalty, Confidentiality, Non-Competition and Intellectual Property Undertakings

To:  
**My Size Israel 2014 Ltd**  
(the "Company")

I, the undersigned, Ronen Luzon, I. D. No. 027837020, hereby declare, authorize and undertake towards the Company, as follows:

#### **1. Loyalty**

- 1.1. I undertake to act in good faith and in a skilled and professional manner in order to achieve the objectives of my employment and for the benefit of the Company, and I undertake to divulge to the Company, any item of news and to hand over any document related to its business, that will come into my possession as a result of my position in the Company.
- 1.2. I undertake to exercise practical and business consideration in the fulfillment of my duties, aimed exclusively to benefit the interests of the Company and I undertake to not be in a situation of a conflict between my personal interests and the interests of the Company and I am aware of the fact that the obligation of full disclosure applies to in respect of a personal conflict that I may have in any matter related to the Company.
- 1.3. I undertake to not receive any hidden proceeds, including commissions, rights and benefits of any kind whatsoever, as a result of my status in the Company or arising therefrom, and even should I receive such proceeds, in a way that I believe I am acting in good faith, that there is nothing improper in any way of receiving such, and the Company will be entitled to receive the proceeds or benefits or rights created or produced under these circumstances, in addition to any other remedy or relief permitted under the law.
- 1.4. I undertake to refrain from transferring to myself and/or to anyone acting on my behalf, directly and/or indirectly, business activities and/or business opportunities that the Company is interested in within the ambit of the business of the Company and/or its affiliated corporations, and this during the duration of my period of employment and also for a period of twelve (12) months from the date of the termination of my employment at the Company, unless I have received prior written approval from the Company.
- 1.5. I undertake that during the period of my employment at the Company and also for a period of twelve (12) months after the termination of my employment, I will not approach, in any manner whatsoever, the Company's customers and/or the Company's employees and/or the Company's service providers and/or the Company's affiliated corporations (the "**Entities Affiliated to the Company**") and neither to anyone who was an Entity Affiliated with the Company during the last year of my employment, in order to solicit them and/or encourage them to carry out any work and/or to provide any service in the field of developing unique measurement technologies for smartphone and tablet apps market and/or in order to solicit them to terminate their engagement with the Company and/or with its affiliated corporations. The above mentioned in this paragraph will not apply in the case that the Company authorized such an engagement and/or approach as stated, in advance and in writing.

2. **Confidentiality**

- 2.1. I recognize that as part of my employment with the Company, I may be exposed to, have access to and be engaged in the development of any information or knowledge directly or indirectly related to the Company's business and/or activity and/or products, including, without limitation, all data pertaining to the Company's technical, professional data, technological developments, commercial/trade secrets, lists of customers and suppliers, price lists, method of determining prices, the Company's policy regarding its customers and suppliers, methods of marketing and sales, financial information, training methods of the Company's employees, information pertaining to transactions entered into or negotiated by the Company, security matters, and any technical, commercial or other information related to the Company which I learned of and/or came into my possession during or due to my employment (hereinafter: the "**Confidential Information**"). The Confidential Information will not include: information that is public knowledge through no wrongful act on my behalf; information that has or will become part of my professional skills. I acknowledge that the Company has received and may receive from time to time from third parties, information that is confidential or proprietary to such third party, as long as I received it as a result of my employment.
- 2.2. I acknowledge that the Confidential Information is a valuable and unique asset of the Company's business and that its use or disclosure would cause the Company substantial loss and damages.
- 2.3. Accordingly, I hereby declare and undertake that, for the duration of my employment and for an unlimited period of time after termination of my employment, I shall maintain in absolute confidence and shall make no use and shall not deliver, disclose or publish in any manner whatsoever the Confidential Information.
- 2.4. I undertake not to make any self-use or other of the Confidential Information in any manner whatsoever, whether for consideration or not, without the prior written consent of the Company.
- 2.5. Upon the termination of my employment at the Company, for any reason whatsoever, I undertake to return to the Company, without delay, any information and/or software program that has come into my possession, including information and/or software programs prepared by me. Likewise, I undertake to not keep any photocopy and/or other form of copy of the information and the software in my possession.
- 2.6. Upon the termination of the employer-employee relations, for any reason, I hereby undertake to destroy any material, information, reports, forms or anything else that I received from the Company or that I created for the Company, including materials that I created for the Company's customers and which were saved or stored by me on my home computer and/or anywhere else that is not the Company's server and/or the Company's computers.

### 3. Non-Competition

- 3.1. I undertake that during a period of twelve (12) months from the date of the termination of employer-employee relations for any reason whatsoever, I will not compete with the business of the Company and/or I will not work and/or I will not be associated, whether for remuneration or nor for remuneration, whether as an employee or whether as a self-employed, whether as a partner or whether as a shareholder, whether as a consultant or whether in any other manner, in an Israeli or foreign organization, that competes with the Company and that engagement will reasonably give rise to the exposure of the Confidential Information of the Company, and this will in all probability cause damage to the Company. This limitation will apply throughout Israel and outside thereof, as long as such organization competes with the Company and is interested in its Confidential Information at the relevant time.
- 3.2. I take this undertaking upon myself out of the recognition of my rights to work in my profession after the termination of employer-employee relations with the Company, and also with the recognition of the right of the Company to protect its vital business interests. The limitation period and the scope thereof have been agreed upon between me and the Company, after I had taken into account the totality of concurrences between me and the Company, the terms of my Salary, and after I decided that my undertaking will not constitute an unreasonable limitation to my capability to continue being employed in my profession also outside of the Company's field of operations.

### 4. Intellectual Property

- 4.1. It is hereby agreed that any patents, models, names or commercial marks, copyright, as well as inventions, developments, enhancements or improvements, or other intellectual property of any kind whatsoever, that were made, invented or implemented by me, on my own and/or in conjunction with others, during the course of my work at the Company, and due to my employment at the Company (the "**Intellectual Property**"), will be the sole property and possession of the Company.
- 4.2. I undertake to promptly disclose to the Company, any Intellectual Property and to assist the Company, to the best of my ability, to materialize its rights regarding the Intellectual Property and to sign any application or other document that will be required by the Company in order to materialize its rights and in order to register the Company as the owner of the above stated rights, as long as I will not be obligated to bear any expenses whatsoever in this regard.
- 4.3. I am aware of the fact that I will not be eligible to a *Service Invention*, as its meaning in the Patents Law, 1967 (the "**Patents Law**"), and such will not be my property and the provisions of Article 132 (b) of the Patents Law will not apply to me and to the Company, in such a manner that even if I dispatch a notification to the Company regarding the Service Invention and even if the Company does not respond to me within six (6) months – the Company will not be considered, under any circumstances, as having waived the rights to such invention.
- 4.4. I agree that I will not be entitled to any additional compensation and/or royalties and/or payment of any kind whatsoever for any Intellectual Property whatsoever, as defined above, over than the amounts paid by the Company, including Salary and all the rest of the terms of my employment.

4.5. Without derogating from the generality of the above stated, I hereby explicitly waive any right, claim, or demand related to the eligibility for any payment, compensation or royalties related to any Intellectual Property, including with respect of any claim for consideration regarding *Service Invention*, under Article 134 of the Patents Law. I hereby declare that my Salary and all the rest of the accompanying terms of my employment paid and/or granted to me by the Company, constitute the full and final consideration for any intellectual property that I am likely to develop and/or compose and/or achieve by any other means as stated above in this letter of undertaking.

4.6. In addition, I hereby waive the right to assert any claim or demand regarding the eligibility to receive royalties, compensation or rewards related to intellectual property before the Compensation and Royalties Committee set up at the Office of the Patents Registrar.

**5. Miscellaneous**

5.1. For purposes herein the term “Company” shall include the Parent and any affiliates or subsidiaries of the Company.

5.2. I am aware of the fact that this letter of undertaking is an appendix to the employment Agreement between me and the Company and it constitutes an inseparable part thereof, to all intents and purposes.

5.3. My undertakings in accordance with the this letter of undertaking will also apply in the case of the termination of employer-employee relations between the Parties and also in the case of the termination and/or annulment of the employment Agreement, to which this letter of undertaking constitutes an appendix.

5.4. Despite the fact that the limitations detailed in this appendix are acceptable to me and I find them to be reasonable under the circumstances, if, in the event of, and for any reason whatsoever, a judicial instance will rule that the limitations are unreasonable, but they would have been reasonable should the terms and conditions have been altered, such as a change in the wording, a shortening of the time period, a reduction in the scope of the fields, and such other changes, then such changes will obligate me and the Company as if such were agreed between us from the outset, in such a manner that the validity of this document will be upheld.

5.5. I acknowledge that this appendix constitutes my independent undertakings with regard to that stated in the appendix. Without derogating from the aforementioned, I acknowledge that any claim and/or demand and/or argument which I have and/or may have against the Company shall not constitute protection against the fulfilment of my obligations under this appendix.

5.6. Nothing in this document shall be deemed to derogate from any remedy and/or right available to the Company as prescribed by law.

Or Kles	November 18, 2018	/s/ Or Kles
_____ Name of the Employee	_____ Date	_____ Signature

PERSONAL EMPLOYMENT AGREEMENT

Signed and entered on the 18<sup>th</sup> day of the month of November 2018

By and Between:

My Size Israel 2014 Ltd.,  
I.D. No. 515036895  
Of 3 Arava St., Airport City  
(the "Employer" and / or the "Company")

**of the one part;**

And

Billy Pardo I.D. No. 032022501  
Of 17 HamitzpeSt., Shoam  
(the "Employee")

**of the second part;**

- Whereas** the Company is a subsidiary of My Size Inc., a Delaware corporation, (the "Parent"), and is engaged in developing unique measurement technologies based on algorithms with applications in a variety of areas for smartphone and tablet apps market; and
- Whereas** as of May 28, 2014 (the "Commencement Date"), under the prior existing terms, the Employee has been employed by the Company as a Chief Product Officer (the "Position") in; and
- Whereas** the Company is interested in continuing to employ the Employee in the Position and the Employee is interested to continue to be employed by the Company in the Position; and
- Whereas** the Position is a management position, which requires a special degree of personal trust as provided in clause 30(a)(5) of the Work and Rest Hours Law, 1951 (the "Hours Law"); and
- Whereas** The Employer and the Employee (the "Parties") desire to enter in writing the terms and conditions of the Employee's employment, as set forth in this agreement (the "Agreement").

THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Recitals**

- 1.1. The preamble to this Agreement, including the declarations constitute an integral part hereof, and are considered as the conditions of the Agreement.
  - 1.2. The headings in this Agreement are for convenience only and are not to be used to interpret or construe its provisions.
  - 1.3. All words used in this Agreement and its appendixes in masculine include feminine, unless the specific context of the Agreement requires otherwise.
-

## **2. The Position**

- 2.1. The Employee shall be employed by the Employer in the duties of the Position, as described above. In carrying out his Position, the Employee shall be responsible for the Product including the R&D department and shall perform the duties and authorities of the Position, as shall from time to time be delegated or assigned to him by the Company CEO. The Employee shall report, as and when requested, to the CEO.
- 2.2. The Employee's employment and employment terms are subject to any legally required approvals, including, but not limited to, the Board, the sub-committee and the shareholders, as the case may be.

## **3. Employee's Undertakings and Declarations**

- 3.1. The Employee undertakes that, in order to duly fulfill the duties of the Position, he shall devote his time, and his desire, know-how, efforts, expertise and talents required for the proper performance thereof and he shall act with loyalty and dedication in order to maintain the property and rights of the Company.
- 3.2. The Employee warrants that in performing his duties he will act in accordance with the policies of the Company and/or in accordance with specific instructions and approvals of the Board.
- 3.3. The Employee hereby undertakes to act in accordance with the Employer's safety regulations in effect from time to time, including the Employer's anti sexual-harassment regulations.
- 3.4. The Employee is aware and he hereby declares that his Position is a management position, that requires a special degree of personal trust, as well as requires him to perform activities at irregular hours and that, as provided in clause 30(a)(5) of the Hours Law.
- 3.5. The Employee confirms and declares that he has been informed that the use of the computer and/or the electronic mailbox he was provided by the Employer is solely for purposes of his work and he may not use them for private purposes. The Employee confirms and declares that he has been advised that he may make limited and reasonable use of the internet network also for private purposes. The Employee further declares that he has been advised that, in order to maintain a safe working environment, for the purposes of data security and in order to protect the Employer's interests, data and information, the Employer conducts, from time to time, monitoring, maintenance and backup activities with respect to the use of the internet network, as well as the data stored on the Employer's servers and email boxes, and as those means are provided to the Employee for the purpose of fulfilling his Position; the Employee declares that such actions by the Employer shall not be considered an infringement of his privacy. In the event of the occurrence of an irregular incident, in which a reasonable suspicion arises that the Employer has been compromised, in respect of an unauthorized act carried out by one of the Employer's employees or an act that exposes the Employer to a law suit filed by any entity whatsoever, the Employer will conduct an investigation of the incident and, as required, will be entitled to carry out examinations and monitoring of the Employee's personal computers and/or emails.

- 3.6. The Employee confirms and declares that during or as a result of his employment he has provided and/or shall provide to the Employer, personal and private information about him, such as CV, employment terms and conditions, personal data, medical data, bank account information, biometric data as well as possible additional information (the “**Private Information**”). The Employee further confirms that he has been informed that such Private Information is collected, held and processed by the Employer and/or someone on its behalf during his employment, for the purposes of the ordinary course of business, including managing human resources and payroll by the Employer and the Employee confirms that the abovementioned shall not be considered an infringement of his privacy. In addition, the Employee confirms and declares that he has been informed and hereby expressly agrees that the Employer will be entitled to transfer the Private Information (in whole or in part) as part of the Employer’s needs as mentioned above, to the following: (a) Public Entities as defined in the Privacy Protection Act - 1981; (b) Entities related to the Employer, in Israel and abroad, including, but not limited to, any parent Employer, subsidiary, or affiliate of the Employer; (c) Legal advisors and tax consultants of the Employer, as well as external entities that provide services of managing human resources and payroll to the Company; (d) Third parties in the framework of any legal or economic due diligence; (e) Other entities that are not mentioned in sections (a) to (d) above, subject to a prior written notice of the Company addressed to the Employee concerning its intention to disclose any information about the Employee provided that the Employee does not oppose such delivery of information within seven (7) days after receiving such notice from the Employer. Such notice shall include the specific name of the entity and the purpose for which the Employer is willing to deliver such information.
- 3.7. The Employee hereby undertakes that, during the term of his employment, he shall not engage, or be involved with, any additional and/or other work without the prior written consent of the Company.
- 3.8. The Employee hereby warrants and represents that he is in a condition of good health and fit for working and that he does not suffer from any disability that might limit his ability to act in the Position and that the Employee will inform the Employer regarding any change that may occur regarding his state of health.
- 3.9. The Employee hereby undertakes that upon termination of the employment of the Employee by the Employer for any reason whatsoever, whether at the initiative of the Employee or of the Employer, the Employer shall relinquish his Position in an orderly manner according to a procedure to be determined, and will turn over all matters under his care to whomever the Employer shall determine, in a manner which shall enable such person to continue with the performance of the Position in an orderly manner.
- 3.10. The Employee undertakes, that upon the termination of his employment with the Employer, for any reason whatsoever, the Employee will return any asset, equipment, Employer’s documents, that may be in the Employee’s possession, and that the Employee will not have any right of lien in respect of any asset or property belonging to the Employer.

#### **4. Salary and Employment Benefits**

##### **4.1. Working days and hours**

- 4.1.1. The Employee shall work on a full time basis, at least forty-two (42) hours per week; the weekly day of rest of the Employee shall be Saturday.

- 4.1.2. The working hours shall be as may be required in accordance with his Position and tasks and the Employee acknowledges that he will be required to work overtime.
- 4.1.3. As the terms of the Employee's employment do not allow the Company to supervise his work and rest hours, at least a substantial part of the working hours, the Company cannot manage and record his work and rest hours in the attendance recording system. The pay slip of the Employee will contain an appropriate comment on the subject in accordance with the applicable law. Notwithstanding, the Employee shall report his attendance whenever possible.

4.2. Salary

- 4.2.1. In consideration for work carried out during a full month, the Employee shall receive a monthly salary in the amount of NIS 40,000 (gross) (the "**Salary**").
- 4.2.2. According at Section 3.4 the Employee acknowledges that the provisions of the Hours Law will not apply to the Employee and the Employee shall not be entitled to compensation for the necessity to work on irregular hours, overtime, and on weekly rest days, other than his Salary. The Employee confirms and declares that his Salary and his term of employment were determined based on the aforesaid.
- 4.2.3. The Company shall pay the Employee the Salary by the ninth (9th) day of each month for the previous month.
- 4.2.4. The Employee shall bear all governmental taxes and other payments which every employee is required to pay according to law.
- 4.2.5. The Employee hereby approves that the Company shall be entitled to set off from the Employee's Salary any debt the Employee owes and/or may owe to the Company (the "**Debt**"), subject to the Company informing the Employee in writing of the Debt, and the Employee has not explicitly in writing objected to the Debt within three (3) days of the Company's notice.

4.3. Bonuses

The Employee may be eligible to bonuses, all subject to Company's policy on this matter.

4.4. Annual Leave

- 4.4.1. The Employee shall be entitled to twenty (20) working days as paid annual leave.
- 4.4.2. The timing of the Employee's leave will be coordinated with the Company.
- 4.4.3. The Employee can accumulate his annual leave days up to forty (40) days.
- 4.4.4. The redemption of annual leave days shall be in accordance with the Annual Leave Law, 5711-1951, and only upon termination of Employee's employment with the Company.

4.5. Sick Leave

- 4.5.1. The Employee shall be entitled to sick leave, according to the provisions of the Sick Pay Law, 1976, as long as he provides the Company an appropriate medical confirmation and is not paid for the sick leave money from the National Insurance Institute and/or pension insurance and/or from any other party. On an ex-gratia basis, the Employee shall be entitled to his full Salary as of the first (1st) day of illness.
- 4.5.2. The Employee may accrue up to ninety (90) days of sick leave. Accrued sick leave days are not redeemable, and the Employee will not be entitled to any kind of payment for unused sick days.

4.6. Convalescence

The Employee shall be entitled to convalescence payment according to the applicable law.

4.7. Pension Scheme and Severance pay

- 4.7.1. On the Effective Date, the Employee is insured and will continue to be insured by the Company, as of his choice (“**Pension Scheme**”), as follows:
- NIS 32,500 (gross) of the Salary is covered by managers’ insurance policy in the “Migdal” Insurance Company”, and 7,500 NIS (gross) of the Salary is covered by pension fund in the “Migdal”.
- 4.7.2. The payments for the Pension Scheme will continue to be based on the Employee’s Salary as set forth in Section 4.2.1 above and shall not include any other benefits and/or additional compensation, such as incentives of any kind. In the event that the Employee shall choose to insure his Salary in more than one pension program, in any event, the insured salary in all such programs shall not exceed the Employee’s Salary as set forth in Section 4.2.1 above.
- 4.7.3. Should the Employee choose to continue to insure his Salary, fully or partially, in a managers’ insurance policy, the Company will pay to such policy an amount equal to 14.83% of the part of the Salary insured in the managers’ insurance policy: 8.33% for severance payments and 6.5% for both pension component and disability insurance to cover 75% of the Salary insured in the managers’ insurance policy, subject to the pension component being no less than 5%. In the event that the cost of the disability insurance will be higher than 1.5%, the Company shall bear such costs, subject to the pension component together with a disability component being of a maximum cost of 7.5%
- 4.7.4. Should the Employee choose to insure his Salary, fully or partially, in a pension fund, the Company will pay to such fund an amount equal to 14.83% of the part of the Salary insured in the pension fund: 8.33% for severance payments and 6.5% for pension component.
- 4.7.5. In addition, the Company will continue to deduct from the Employee’s Salary an amount equal to 6% for the Employee’s part of the Pension Scheme to be forwarded to the Pension Scheme, and the Employee hereby approve such deduction.
- 4.7.6. The Company’s contributions to the Pension Scheme for severance component of 8.33% shall be in lieu of 100% of the severance compensation according to clause 14 of the Severance Pay Law, 1963.
- 4.7.7. The Parties hereby declare that they wish to continue to adopt all the of the terms and conditions detailed in the general approval of the Minister of Labor regarding payments by employers to a pension fund and insurance fund in lieu of severance pay (the “**General Permit**”), in accordance with section 14 of the Severance Pay Law, 1963, attached as Appendix A to this Agreement, as will be updated from time to time. These terms and conditions oblige the Parties to this agreement. For the avoidance of doubt, it is hereby clarified that the above conditions do not derogate from the rights and/or benefits granted to the Employee in accordance with this Agreement.

- 4.7.8. The Company waives all rights for return of the sums paid by it to the Pension Scheme for severance, unless the Employee's right for severance was denied by court ruling under clauses 16-17 to the Severance Pay Law, 1963 or in the event that the Employee withdrew monies from the Pension Scheme without "Entitling Event", as defined by the General Permit.
- 4.7.9. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Pension Scheme exceeding the maximum amount exempt from income tax for such payments
- 4.7.10. The Employee hereby warrants and represents that he fully approves the aforesaid conditions detailed in this Section 4.7.

4.8. Education Fund

- 4.8.1. The Employee will continue to be entitled to an education fund of his choice in "Migdal" (the "Education Fund").
- 4.8.2. The contribution towards the Education Fund will be based on the Salary set forth in Section 4.2.1 above.
- 4.8.3. The Employer's monthly contributions shall be 7.5% and the Employee's monthly contributions shall be 2.5% (by way of withholding from the Salary).
- 4.8.4. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Education Fund exceeding the maximum amount exempt from income tax for such payments

4.9. Additional Benefits

The Employee shall be entitled to a Company's car, Company's cell phone and reimbursement for lunch expenses, all in accordance with the Company's policy.

4.10. Expenses

The Employee shall be entitled to reimbursement from the Company for all reasonable expenses and disbursements incurred by him in carrying out his duties under this Agreement subject to Company's policy, including any reasonable expenses associated with traveling overseas (flights, accommodation and travel insurance).

**5. Term and Termination**

- 5.1. The terms and conditions of this Agreement shall be in effect as of September 1, 2018 (the "Effective Date").
- 5.2. Without derogating from the aforementioned, the Employee's seniority shall be calculated as of the Commencement Date.
- 5.3. The employment is for an unlimited period, and shall continue until the termination of the Agreement as described below.
- 5.4. Each of the Parties will be allowed to terminate this Agreement, for any reason, by giving the other party seventy-five (75) days prior written notice (the "Notice Period").

- 5.5. The Company has the right to determine whether, during the prior Notice Period, the Employee shall continue to actually work for the Company or whether the Company shall waive the actual work of the Employee during such period, all without derogating from the Employee's right to receive a payment in lieu of notice period, according to law.
- 5.6. In the event that the Employee terminates his employment without providing prior notice, the Company may deduct the amount equal to the Salary to which the Employee would have been entitled had he continued to work during the Notice Period from his Salary or from any other sum due to the Employee.
- 5.7. Notwithstanding anything to the contrary herein, and without derogating from the causes of action available under the law, the Company may terminate this Agreement at any time during the term of this Agreement, without prior notice (or payment in lieu of such), in any of the following events (each cause for such termination, pursuant to the following and/or any applicable law shall be referred herein as: "Cause"):
  - 5.7.1. The Employee has been convicted of a criminal offence involving moral turpitude;
  - 5.7.2. The Employee has acted in bad faith and/or acted dishonestly and/or disloyally and/or has provided a false report and/or caused the Company malicious damage and/or broke the discipline code;
  - 5.7.3. The Employee has breached Chapter 6 and/or Appendix B of this Agreement.

**6. Loyalty, Confidentiality, Proprietary Information and Non-Competition**

Concurrently with the execution of this Agreement, the Employee shall sign the Loyalty, Confidentiality, Intellectual Property and Non-Compete undertaking attached hereto as **Appendix B** to this Agreement, such letter of undertaking shall form an integral part of this Agreement.

**7. Miscellaneous**

- 7.1. This Agreement constitutes the entire understanding between the Parties, both oral and written, in relation to the employment of the Employee by the Company and this Agreement supersedes any previous agreements and understandings, whether explicit or implied, existing between the Parties prior to their signature hereof. As of signature hereunder, Parties shall only be subject to this Agreement. Any change and/or addition to this Agreement, in writing or in conduct, will not be valid unless drafted in writing and signed by the Parties.
- 7.2. The Employer is not a member of any employers union and provisions of any agreement and/or collective agreement shall not apply to the relations between the Parties, and such relations shall be governed solely by the provisions of this Agreement.
- 7.3. The payments according to the Agreement constitute the full consideration for all of Employee's undertakings towards the Company and that he does not have, nor will have, any right to any additional payment of any kind whatsoever, whether monetary or its equivalent.
- 7.4. The Company shall be entitled to transfer its rights under this Agreement to another company and/or person, provided that such transfer shall not prejudice the rights of the Employee as detailed in this Agreement and such transfer shall not give rise to a cause for resignation which will award him severance.
- 7.5. Upon termination of employment relations, the Company shall be entitled to offset from any amount due to the Employee the total amount of monetary Debts owed by the Employee to the Company. By signing this Agreement the Employee gives an irrevocable instruction to the Company to deduct and/or offset from any amount due to him from the Company upon termination of the employment relations, all his Debts to the Company and he also undertakes to sign any document required on the date of termination of the employment for the purpose of allowing the Company to collect the all of the Employee's Debts.

- 7.6. Shall the Company waive its right to any of its rights as described in this Agreement such waiver will not be used as precedent to that right or any other right. It will not be referred to in the future either for cases that are alike or similar.
- 7.7. This Agreement and the Employee's employment shall be governed solely by the laws of State of Israel and the competent Israeli labor courts shall have the exclusive jurisdiction on all matters regarding the Employee's employment.
- 7.8. The addresses of the Parties for the purposes of this Agreement shall be as first written above. Any notice shall be delivered via certified mail and shall be considered delivered to the other party at the earlier of receipt or seventy-two (72) hours following the date of the post office authorization regarding receipt.
- 7.9. The Employee confirms and declares that he had thoroughly read and understood this Agreement and he had thus signed this Agreement with full understanding of its content and significance.

**IN WITNESS THEREOF THE PARTIES HAVE SIGNED:**

My Size Israel 2014 Ltd

/s/ Billy Pardo

**Employer**

**Employee**

**Appendix A**

**GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY**

By virtue of my power under section 14 of the Severance Pay Law, 1963 (hereinafter: the “**Law**”), I certify that payments made by an employer commencing from the date of the publication of this approval publication for its employee to a comprehensive pension benefit fund that is not an insurance fund within the meaning thereof in the Income Tax (Rules for the Approval and Conduct of Benefit Funds) Regulations, 1964 (hereinafter: the “**Pension Fund**”) or to managers insurance including the possibility of an insurance pension fund or a combination of payments to an annuity fund and to a non-annuity fund (hereinafter: the “**Insurance Fund**”), including payments made by him by a combination of payments to a Pension Fund and an Insurance Fund, whether or not the Insurance Fund has an annuity fund (hereinafter: the “**Employer’s Payments**”), shall be made in lieu of the severance pay due to the said employee in respect of the salary from which the said payments were made and for the period they were paid (hereinafter: the “**Exempt Salary**”), provided that all the following conditions are fulfilled:

- (1) The Employer’s Payments -
  - (a) To the Pension Fund are not less than  $14\frac{1}{3}\%$  of the Exempt Salary or 12% of the Exempt Salary if the employer pays for its employee in addition thereto also payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee’s name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary. In the event the employer has not paid an addition to the said 12%, its payments shall be only in lieu of 72% of the employee’s severance pay;
  - (b) To the Insurance Fund are not less than one of the following:
    - (i)  $13\frac{1}{3}\%$  of the Exempt Salary, if the employer pays for its employee in addition thereto also payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount required to secure at least 75% of the Exempt Salary or in an amount of  $2\frac{1}{2}\%$  of the Exempt Salary, the lower of the two (hereinafter: “**Disability Insurance**”);
    - (ii) 11% of the Exempt Salary, if the employer paid, in addition, a payment to the Disability Insurance, and in such case the Employer’s Payments shall only replace 72% of the Employee’s severance pay; In the event the employer has paid in addition to the foregoing payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee’s name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary, the Employer’s Payments shall replace 100% of the employee’s severance pay.
- (2) No later than three months from the commencement of the Employer’s Payments, a written agreement is executed between the employer and the employee in which -
  - (i) The employee has agreed to the arrangement pursuant to this approval in a text specifying the Employer’s Payments, the Pension Fund and Insurance Fund, as the case may be; the said agreement shall also include the text of this approval;
  - (ii) The employer waives in advance any right, which it may have to a refund of monies from its payments, unless the employee’s right to severance pay has been revoked by a judgment by virtue of Section 16 or 17 of the Law, and to the extent so revoked and/or the employee has withdrawn monies from the Pension Fund or Insurance Fund other than by reason of an entitling event; in such regard “Entitling Event” means death, disability or retirement at or after the age of 60.
- (3) This approval is not such as to derogate from the employee’s right to severance pay pursuant to any law, collective agreement, extension order or employment agreement, in respect of salary over and above the Exempt Salary.

My Size Israel 2014 Ltd

Employer

/s/ Billy Pardo

Employee

**Appendix B**

**Loyalty, Confidentiality, Non-Competition and Intellectual Property Undertakings**

To:  
**My Size Israel 2014 Ltd**  
(the “**Company**”)

I, the undersigned, Billy Pardo, I. D. No. **032022501**, hereby declare, authorize and undertake towards the Company, as follows:

**1. Loyalty**

- 1.1. I undertake to act in good faith and in a skilled and professional manner in order to achieve the objectives of my employment and for the benefit of the Company, and I undertake to divulge to the Company, any item of news and to hand over any document related to its business, that will come into my possession as a result of my position in the Company.
- 1.2. I undertake to exercise practical and business consideration in the fulfillment of my duties, aimed exclusively to benefit the interests of the Company and I undertake to not be in a situation of a conflict between my personal interests and the interests of the Company and I am aware of the fact that the obligation of full disclosure applies to in respect of a personal conflict that I may have in any matter related to the Company.
- 1.3. I undertake to not receive any hidden proceeds, including commissions, rights and benefits of any kind whatsoever, as a result of my status in the Company or arising therefrom, and even should I receive such proceeds, in a way that I believe I am acting in good faith, that there is nothing improper in any way of receiving such, and the Company will be entitled to receive the proceeds or benefits or rights created or produced under these circumstances, in addition to any other remedy or relief permitted under the law.
- 1.4. I undertake to refrain from transferring to myself and/or to anyone acting on my behalf, directly and/or indirectly, business activities and/or business opportunities that the Company is interested in within the ambit of the business of the Company and/or its affiliated corporations, and this during the duration of my period of employment and also for a period of twelve (12) months from the date of the termination of my employment at the Company, unless I have received prior written approval from the Company.
- 1.5. I undertake that during the period of my employment at the Company and also for a period of twelve (12) months after the termination of my employment, I will not approach, in any manner whatsoever, the Company’s customers and/or the Company’s employees and/or the Company’s service providers and/or the Company’s affiliated corporations (the “**Entities Affiliated to the Company**”) and neither to anyone who was an Entity Affiliated with the Company during the last year of my employment, in order to solicit them and/or encourage them to carry out any work and/or to provide any service in the field of developing unique measurement technologies for smartphone and tablet apps market and/or in order to solicit them to terminate their engagement with the Company and/or with its affiliated corporations. The above mentioned in this paragraph will not apply in the case that the Company authorized such an engagement and/or approach as stated, in advance and in writing.

2. **Confidentiality**

- 2.1. I recognize that as part of my employment with the Company, I may be exposed to, have access to and be engaged in the development of any information or knowledge directly or indirectly related to the Company's business and/or activity and/or products, including, without limitation, all data pertaining to the Company's technical, professional data, technological developments, commercial/trade secrets, lists of customers and suppliers, price lists, method of determining prices, the Company's policy regarding its customers and suppliers, methods of marketing and sales, financial information, training methods of the Company's employees, information pertaining to transactions entered into or negotiated by the Company, security matters, and any technical, commercial or other information related to the Company which I learned of and/or came into my possession during or due to my employment (hereinafter: the "**Confidential Information**"). The Confidential Information will not include: information that is public knowledge through no wrongful act on my behalf; information that has or will become part of my professional skills. I acknowledge that the Company has received and may receive from time to time from third parties, information that is confidential or proprietary to such third party, as long as I received it as a result of my employment.
- 2.2. I acknowledge that the Confidential Information is a valuable and unique asset of the Company's business and that its use or disclosure would cause the Company substantial loss and damages.
- 2.3. Accordingly, I hereby declare and undertake that, for the duration of my employment and for an unlimited period of time after termination of my employment, I shall maintain in absolute confidence and shall make no use and shall not deliver, disclose or publish in any manner whatsoever the Confidential Information.
- 2.4. I undertake not to make any self-use or other of the Confidential Information in any manner whatsoever, whether for consideration or not, without the prior written consent of the Company.
- 2.5. Upon the termination of my employment at the Company, for any reason whatsoever, I undertake to return to the Company, without delay, any information and/or software program that has come into my possession, including information and/or software programs prepared by me. Likewise, I undertake to not keep any photocopy and/or other form of copy of the information and the software in my possession.
- 2.6. Upon the termination of the employer-employee relations, for any reason, I hereby undertake to destroy any material, information, reports, forms or anything else that I received from the Company or that I created for the Company, including materials that I created for the Company's customers and which were saved or stored by me on my home computer and/or anywhere else that is not the Company's server and/or the Company's computers.

3. **Non-Competition**

- 3.1. I undertake that during a period of twelve (12) months from the date of the termination of employer-employee relations for any reason whatsoever, I will not compete with the business of the Company and/or I will not work and/or I will not be associated, whether for remuneration or nor for remuneration, whether as an employee or whether as a self-employed, whether as a partner or whether as a shareholder, whether as a consultant or whether in any other manner, in an Israeli or foreign organization, that competes with the Company and that engagement will reasonably give rise to the exposure of the Confidential Information of the Company, and this will in all probability cause damage to the Company. This limitation will apply throughout Israel and outside thereof, as long as such organization competes with the Company and is interested in its Confidential Information at the relevant time.
- 3.2. I take this undertaking upon myself out of the recognition of my rights to work in my profession after the termination of employer-employee relations with the Company, and also with the recognition of the right of the Company to protect its vital business interests. The limitation period and the scope thereof have been agreed upon between me and the Company, after I had taken into account the totality of concurrences between me and the Company, the terms of my Salary, and after I decided that my undertaking will not constitute an unreasonable limitation to my capability to continue being employed in my profession also outside of the Company's field of operations.

4. **Intellectual Property**

- 4.1. It is hereby agreed that any patents, models, names or commercial marks, copyright, as well as inventions, developments, enhancements or improvements, or other intellectual property of any kind whatsoever, that were made, invented or implemented by me, on my own and/or in conjunction with others, during the course of my work at the Company, and due to my employment at the Company (the "**Intellectual Property**"), will be the sole property and possession of the Company.
- 4.2. I undertake to promptly disclose to the Company, any Intellectual Property and to assist the Company, to the best of my ability, to materialize its rights regarding the Intellectual Property and to sign any application or other document that will be required by the Company in order to materialize its rights and in order to register the Company as the owner of the above stated rights, as long as I will not be obligated to bear any expenses whatsoever in this regard.
- 4.3. I am aware of the fact that I will not be eligible to a *Service Invention*, as its meaning in the Patents Law, 1967 (the "**Patents Law**"), and such will not be my property and the provisions of Article 132 (b) of the Patents Law will not apply to me and to the Company, in such a manner that even if I dispatch a notification to the Company regarding the Service Invention and even if the Company does not respond to me within six (6) months – the Company will not be considered, under any circumstances, as having waived the rights to such invention.
- 4.4. I agree that I will not be entitled to any additional compensation and/or royalties and/or payment of any kind whatsoever for any Intellectual Property whatsoever, as defined above, over than the amounts paid by the Company, including Salary and all the rest of the terms of my employment.

4.5. Without derogating from the generality of the above stated, I hereby explicitly waive any right, claim, or demand related to the eligibility for any payment, compensation or royalties related to any Intellectual Property, including with respect of any claim for consideration regarding *Service Invention*, under Article 134 of the Patents Law. I hereby declare that my Salary and all the rest of the accompanying terms of my employment paid and/or granted to me by the Company, constitute the full and final consideration for any intellectual property that I am likely to develop and/or compose and/or achieve by any other means as stated above in this letter of undertaking.

4.6. In addition, I hereby waive the right to assert any claim or demand regarding the eligibility to receive royalties, compensation or rewards related to intellectual property before the Compensation and Royalties Committee set up at the Office of the Patents Registrar.

**5. Miscellaneous**

5.1. For purposes herein the term “Company” shall include the Parent and any affiliates or subsidiaries of the Company.

5.2. I am aware of the fact that this letter of undertaking is an appendix to the employment Agreement between me and the Company and it constitutes an inseparable part thereof, to all intents and purposes.

5.3. My undertakings in accordance with the this letter of undertaking will also apply in the case of the termination of employer-employee relations between the Parties and also in the case of the termination and/or annulment of the employment Agreement, to which this letter of undertaking constitutes an appendix.

5.4. Despite the fact that the limitations detailed in this appendix are acceptable to me and I find them to be reasonable under the circumstances, if, in the event of, and for any reason whatsoever, a judicial instance will rule that the limitations are unreasonable, but they would have been reasonable should the terms and conditions have been altered, such as a change in the wording, a shortening of the time period, a reduction in the scope of the fields, and such other changes, then such changes will obligate me and the Company as if such were agreed between us from the outset, in such a manner that the validity of this document will be upheld.

5.5. I acknowledge that this appendix constitutes my independent undertakings with regard to that stated in the appendix. Without derogating from the aforementioned, I acknowledge that any claim and/or demand and/or argument which I have and/or may have against the Company shall not constitute protection against the fulfilment of my obligations under this appendix.

5.6. Nothing in this document shall be deemed to derogate from any remedy and/or right available to the Company as prescribed by law.

Billy Pardo	November 18, 2018	/s/ Billy Pardo
_____ Name of the Employee	_____ Date	_____ Signature

PERSONAL EMPLOYMENT AGREEMENT

Signed and entered on the 18<sup>th</sup> day of the month of November 2018

By and Between:

My Size Israel 2014 Ltd.,  
I.D. No. 515036895  
Of 3 Arava St., Airport City  
(the "Employer" and / or the "Company")

**of the one part;**

And

Eliyahu Wales I.D. No. 040914368  
Of 9 Menachem St., Bnei Brak  
(the "Employee")

**of the second part;**

- Whereas** the Company is a subsidiary of My Size Inc., a Delaware corporation (the "Parent"), and is engaged in developing unique measurement technologies based on algorithms with applications in a variety of areas for smartphone and tablet apps market; and
- Whereas** as of September 10, 2013 (the "Commencement Date"), under the prior existing terms, the Employee has been employed by the Company as a Chairman of the Company's Board of Directors (the "Position" and the "Board"); and
- Whereas** the Company is interested in continuing to employ the Employee in the Position and the Employee is interested to continue to be employed by the Company in the Position; and
- Whereas** the Position is a management position, which requires a special degree of personal trust as provided in clause 30(a)(5) of the Work and Rest Hours Law, 1951 (the "Hours Law"); and
- Whereas** The Employer and the Employee (the "Parties") desire to enter in writing the terms and conditions of the Employee's employment, as set forth in this agreement (the "Agreement").

THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS:

- 1. **Recitals**
    - 1.1. The preamble to this Agreement, including the declarations constitute an integral part hereof, and are considered as the conditions of the Agreement.
    - 1.2. The headings in this Agreement are for convenience only and are not to be used to interpret or construe its provisions.
    - 1.3. All words used in this Agreement and its appendixes in masculine include feminine, unless the specific context of the Agreement requires otherwise.
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**2. The Position**

- 2.1. As the Chairman of the Company's Board the Employee shall be responsible for oversight of the performance of the CEO of the Company, to be recruited by the Company's Board.
- 2.2. The Employee's employment and employment terms are subject to any legally required approvals, including, but not limited to, the Board, the sub-committee and the shareholders, as the case may be.

**3. Employee's Undertakings and Declarations**

- 3.1. The Employee undertakes that, in order to duly fulfill the duties of the Position, he shall devote his time, and his desire, know-how, efforts, expertise and talents required for the proper performance thereof and he shall act with loyalty and dedication in order to maintain the property and rights of the Company.
- 3.2. The Employee warrants that in performing his duties he will act in accordance with the policies of the Company and/or in accordance with specific instructions and approvals of the Company.
- 3.3. The Employee hereby undertakes to act in accordance with the Employer's safety regulations in effect from time to time, including the Employer's anti sexual-harassment regulations.
- 3.4. The Employee is aware and he hereby declares that his Position is a management position that requires a special degree of personal trust as well as requires him to perform activities at irregular hours and that, as provided in clause 30(a)(5) of the Hours Law.
- 3.5. The Employee confirms and declares that he has been informed that the use of the computer and/or the electronic mailbox he was provided by the Employer is solely for purposes of his work and he may not use them for private purposes. The Employee confirms and declares that he been advised that he may make limited and reasonable use of the internet network also for private purposes. The Employee further declares that he has been advised that, in order to maintain a safe working environment, for the purposes of data security and in order to protect the Employer's interests, data and information, the Employer conducts, from time to time, monitoring, maintenance and backup activities with respect to the use of the internet network, as well as the data stored on the Employer's servers and email boxes, and as those means are provided to the Employee for the purpose of fulfilling his Position; the Employee declares that such actions by the Employer shall not be considered an infringement of his privacy. In the event of the occurrence of an irregular incident, in which a reasonable suspicion arises that the Employer has been compromised, in respect of an unauthorized act carried out by one of the Employer's employees or an act that exposes the Employer to a law suit filed by any entity whatsoever, the Employer will conduct an investigation of the incident and, as required, will be entitled to carry out examinations and monitoring of the Employee's personal computers and/or emails.

- 3.6. The Employee confirms and declares that during or as a result of his employment he has provided and/or shall provide to the Employer, personal and private information about him, such as CV, employment terms and conditions, personal data, medical data, bank account information, biometric data as well as possible additional information (the “**Private Information**”). The Employee further confirms that he has been informed that such Private Information is collected, held and processed by the Employer and/or someone on its behalf during his employment, for the purposes of the ordinary course of business, including managing human resources and payroll by the Employer and the Employee confirms that the abovementioned shall not be considered an infringement of his privacy. In addition, the Employee confirms and declares that he has been informed and hereby expressly agrees that the Employer will be entitled to transfer the Private Information (in whole or in part) as part of the Employer’s needs as mentioned above, to the following: (a) Public Entities as defined in the Privacy Protection Act - 1981; (b) Entities related to the Employer, in Israel and abroad, including, but not limited to, any parent Employer, subsidiary, or affiliate of the Employer; (c) Legal advisors and tax consultants of the Employer, as well as external entities that provide services of managing human resources and payroll to the Company; (d) Third parties in the framework of any legal or economic due diligence; (e) Other entities that are not mentioned in sections (a) to (d) above, subject to a prior written notice of the Company addressed to the Employee concerning its intention to disclose any information about the Employee provided that the Employee does not oppose such delivery of information within seven (7) days after receiving such notice from the Employer. Such notice shall include the specific name of the entity and the purpose for which the Employer is willing to deliver such information.
- 3.7. The Employee hereby undertakes that, during the term of his employment, he shall not engage, or be involved with, any additional and/or other work without the prior written consent of the Company.
- 3.8. The Employee hereby warrants and represents that he is in a condition of good health and fit for working and that he does not suffer from any disability that might limit his ability to act in the Position and that the Employee will inform the Employer regarding any change that may occur regarding his state of health.
- 3.9. The Employee hereby undertakes that upon termination of the employment of the Employee by the Employer for any reason whatsoever, whether at the initiative of the Employee or of the Employer, the Employer shall relinquish the Position in an orderly manner according to a procedure to be determined, and will turn over all matters under his care to whomever the Employer shall determine, in a manner which shall enable such person to continue with the performance of the Position in an orderly manner.
- 3.10. The Employee undertakes, that upon the termination of his employment with the Employer, for any reason whatsoever, the Employee will return any asset, equipment, Employer’s documents, that may be in the Employee’s possession, and that the Employee will not have any right of lien in respect of any asset or property belonging to the Employer.

**4. Salary and Employment Benefits**

**4.1. Working days and hours**

- 4.1.1. The Employee shall work on a full time basis, at least forty-two (42) hours per week; the weekly day of rest of the Employee shall be Saturday.

- 4.1.2. The working hours shall be as may be required in accordance with his Position and tasks and the Employee acknowledges that he will be required to work overtime.
- 4.1.3. As the terms of the Employee's employment do not allow the Company to supervise his work and rest hours, at least a substantial part of the working hours, the Company cannot manage and record his work and rest hours in the attendance recording system. The pay slip of the Employee will contain an appropriate comment on the subject in accordance with the applicable law. Notwithstanding, the Employee shall report his attendance whenever possible.

4.2. Salary

- 4.2.1. In consideration for work carried out during a full month, the Employee shall receive a monthly salary in the amount of NIS 35,000 (gross) (the "Salary").
- 4.2.2. According at Section 3.4 the Employee acknowledges that the provisions of the Hours Law will not apply to the Employee and the Employee shall not be entitled to compensation for the necessity to work on irregular hours, overtime, and on weekly rest days, other than his Salary. The Employee confirms and declares that his Salary and his term of employment were determined based on the aforesaid.
- 4.2.3. The Company shall pay the Employee the Salary by the ninth (9th) day of each month for the previous month.
- 4.2.4. The Employee shall bear all governmental taxes and other payments which every employee is required to pay according to law.
- 4.2.5. The Employee hereby approves that the Company shall be entitled to set off from the Employee's Salary any debt the Employee owes and/or may owe to the Company (the "Debt"), subject to the Company informing the Employee in writing of the Debt, and the Employee has not explicitly in writing objected to the Debt within three (3) days of the Company's notice.

4.3. Bonuses

The Employee may be eligible to bonuses, all subject to Company's policy on this matter.

4.4. Annual Leave

- 4.4.1. The Employee shall be entitled to twenty (20) working days as paid annual leave.
- 4.4.2. The timing of the Employee's leave will be coordinated with the Company.
- 4.4.3. The Employee can accumulate his annual leave days up to forty (40) days.
- 4.4.4. The redemption of annual leave days shall be in accordance with the Annual Leave Law, 5711-1951, and only upon termination of Employee's employment with the Company.

4.5. Sick Leave

- 4.5.1. The Employee shall be entitled to sick leave, according to the provisions of the Sick Pay Law, 1976, as long as he provides the Company an appropriate medical confirmation and is not paid for the sick leave money from the National Insurance Institute and/or pension insurance and/or from any other party. On an ex-gratia basis, the Employee shall be entitled to his full Salary as of the first (1st) day of illness.
- 4.5.2. The Employee may accrue up to ninety (90) days of sick leave. Accrued sick leave days are not redeemable, and the Employee will not be entitled to any kind of payment for unused sick days.

4.6. Convalescence

The Employee shall be entitled to convalescence payment according to the applicable law.

4.7. Pension Scheme and Severance pay

- 4.7.1. On the Effective Date, the Employee is insured and will continue to be insured by the Company, as of his choice (“**Pension Scheme**”), as follows:
- NIS 25,000 (gross) of the Salary is covered by managers’ insurance policy in the “Migdal” Insurance Company”, and 10,000 NIS (gross) of the Salary is covered by pension fund in the “Migdal”.
- 4.7.2. The payments for the Pension Scheme will continue to be based on the Employee’s Salary as set forth in Section 4.2.1 above and shall not include any other benefits and/or additional compensation, such as incentives of any kind. In the event that the Employee shall choose to insure his Salary in more pension programs, in any event, the insured salary in all such programs shall not exceed the Employee’s Salary as set forth in Section 4.2.1 above.
- 4.7.3. The Company’s contributions to the managers’ insurance policy will be 14.83% of the part of the Salary insured in the managers’ insurance policy: 8.33% for severance payments and 6.5% for both pension component and disability insurance to cover 75% of the Salary insured in the managers’ insurance policy, subject to the pension component being no less than 5%. In the event that the cost of the disability insurance will be higher than 1.5%, the Company shall bear such costs, subject to the pension component together with a disability component being of a maximum cost of 7.5%
- 4.7.4. The Company’s contributions to the pension fund will be 14.83% of the part of the Salary insured in the pension fund: 8.33% for severance payments and 6.5% for pension component.
- 4.7.5. In addition, the Company will continue to deduct from the Employee’s Salary an amount equal to 6% for the Employee’s part of the Pension Scheme to be forwarded to the Pension Scheme, and the Employee hereby approve such deduction.
- 4.7.6. The Company’s contributions to the Pension Scheme for severance component of 8.33% shall be in lieu of 100% of the severance compensation according to clause 14 of the Severance Pay Law, 1963.
- 4.7.7. The Parties hereby declare that they wish to continue to adopt all the of the terms and conditions detailed in the general approval of the Minister of Labor regarding payments by employers to a pension fund and insurance fund in lieu of severance pay (the “**General Permit**”), in accordance with section 14 of the Severance Pay Law, 1963, attached as Appendix A to this Agreement, as will be updated from time to time. These terms and conditions oblige the Parties to this agreement. For the avoidance of doubt, it is hereby clarified that the above conditions do not derogate from the rights and/or benefits granted to the Employee in accordance with this Agreement.

- 4.7.8. The Company waives all rights for return of the sums paid by it to the Pension Scheme for severance, unless the Employee's right for severance was denied by court ruling under clauses 16-17 to the Severance Pay Law, 1963 or in the event that the Employee withdrew monies from the Pension Scheme without "Entitling Event", as defined by the General Permit.
- 4.7.9. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Pension Scheme exceeding the maximum amount exempt from income tax for such payments
- 4.7.10. The Employee hereby warrants and represents that he fully approves the aforesaid conditions detailed in this Section 4.7.

4.8. Education Fund

- 4.8.1. The Employee will continue to be entitled to an education fund of his choice in "Migdal" (the "Education Fund").
- 4.8.2. The contribution towards the Education Fund will be based on the Salary set forth in Section 4.2.1. **שגיאה! מקור ההפניה לא נמצא.** above.
- 4.8.3. The Employer's monthly contributions shall be 7.5% and the Employee's monthly contributions shall be 2.5% (by way of withholding from the Salary).
- 4.8.4. The Employee shall bear all applicable taxes for any of the Employer's and the Employee's contributions to the Education Fund exceeding the maximum amount exempt from income tax for such payments

4.9. Additional Benefits

The Employee shall be entitled to a Company's car, Company's cell phone and reimbursement for lunch expenses, all in accordance with the Company's policy.

4.10. Expenses

The Employee shall be entitled to reimbursement from the Company for all reasonable expenses and disbursements incurred by him in carrying out his duties under this Agreement subject to Company's policy, including any reasonable expenses associated with traveling overseas (flights, accommodation and travel insurance).

5. Term and Termination

- 5.1. The terms and conditions of this Agreement shall be in effect as of September 1, 2018 (the "Effective Date").
- 5.2. Without derogating from the aforementioned, the Employee's seniority shall be calculated as of the Commencement Date.
- 5.3. The employment is for an unlimited period and shall continue until the termination of the Agreement as described below.
- 5.4. Each of the Parties will be allowed to terminate this Agreement, for any reason, by giving the other party seventy-five (75) days prior written notice (the "Notice Period").
- 5.5. The Company has the right to determine whether, during the prior Notice Period, the Employee shall continue to actually work for the Company or whether the Company shall waive the actual work of the Employee during such period, all without derogating from the Employee's right to receive a payment in lieu of notice period, according to law.

- 5.6. In the event that the Employee terminates his employment without providing prior notice, the Company may deduct the amount equal to the Salary to which the Employee would have been entitled had he continued to work during the Notice Period from his Salary or from any other sum due to the Employee.
- 5.7. Notwithstanding anything to the contrary herein, and without derogating from the causes of action available under the law, the Company may terminate this Agreement at any time during the term of this Agreement, without prior notice (or payment in lieu of such), in any of the following events (each cause for such termination, pursuant to the following and/or any applicable law shall be referred herein as: "Cause"):
- 5.7.1. The Employee has been convicted of a criminal offence involving moral turpitude;
- 5.7.2. The Employee has acted in bad faith and/or acted dishonestly and/or disloyally and/or has provided a false report and/or caused the Company malicious damage and/or broke the discipline code;
- 5.7.3. The Employee has breached Chapter 6 and/or Appendix B of this Agreement.

**6. Loyalty, Confidentiality, Proprietary Information and Non-Competition**

Concurrently with the execution of this Agreement, the Employee shall sign the Loyalty, Confidentiality, Intellectual Property and Non-Compete undertaking attached hereto as **Appendix B** to this Agreement, such letter of undertaking shall form an integral part of this Agreement.

**7. Miscellaneous**

- 7.1. This Agreement constitutes the entire understanding between the Parties, both oral and written, in relation to the employment of the Employee by the Company and this Agreement supersedes any previous agreements and understandings, whether explicit or implied, existing between the parties prior to their signature hereof. As of signature hereunder, Parties shall only be subject to this Agreement. Any change and/or addition to this Agreement, in writing or in conduct, will not be valid unless drafted in writing and signed by the Parties.
- 7.2. The Employer is not a member of any employers union and provisions of any agreement and/or collective agreement shall not apply to the relations between the Parties, and such relations shall be governed solely by the provisions of this Agreement.
- 7.3. The payments according to the Agreement constitute the full consideration for all of Employee's undertakings towards the Company and that he does not have, nor will have, any right to any additional payment of any kind whatsoever, whether monetary or its equivalent.
- 7.4. The Company shall be entitled to transfer its rights under this Agreement to another company and/or person, provided that such transfer shall not prejudice the rights of the Employee as detailed in this Agreement and such transfer shall not give rise to a cause for resignation which will award him severance.
- 7.5. Upon termination of employment relations, the Company shall be entitled to offset from any amount due to the Employee the total amount of monetary Debts owed by the Employee to the Company. By signing this Agreement the Employee gives an irrevocable instruction to the Company to deduct and/or offset from any amount due to him from the Company upon termination of the employment relations, all his Debts to the Company and he also undertakes to sign any document required on the date of termination of the employment for the purpose of allowing the Company to collect the all of the Employee's Debts.

- 7.6. Shall the Company waive its right to any of its rights as described in this Agreement such waiver will not be used as precedent to that right or any other right. It will not be referred to in the future either for cases that are alike or similar.
- 7.7. This Agreement and the Employee's employment shall be governed solely by the laws of State of Israel and the competent Israeli labor courts shall have the exclusive jurisdiction on all matters regarding the Employee's employment.
- 7.8. The addresses of the Parties for the purposes of this Agreement shall be as first written above. Any notice shall be delivered via certified mail and shall be considered delivered to the other party at the earlier of receipt or seventy-two (72) hours following the date of the post office authorization regarding receipt.
- 7.9. The Employee confirms and declares that he had thoroughly read and understood this Agreement and he had thus signed this Agreement with full understanding of its content and significance.

**IN WITNESS THEREOF THE PARTIES HAVE SIGNED:**

My Size Israel 2014 Ltd

/s/ Eliyahu Wales

**Employer**

**Employee**

Appendix A

GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY

By virtue of my power under section 14 of the Severance Pay Law, 1963 (hereinafter: the "**Law**"), I certify that payments made by an employer commencing from the date of the publication of this approval publication for its employee to a comprehensive pension benefit fund that is not an insurance fund within the meaning thereof in the Income Tax (Rules for the Approval and Conduct of Benefit Funds) Regulations, 1964 (hereinafter: the "**Pension Fund**") or to managers insurance including the possibility of an insurance pension fund or a combination of payments to an annuity fund and to a non-annuity fund (hereinafter: the "**Insurance Fund**"), including payments made by him by a combination of payments to a Pension Fund and an Insurance Fund, whether or not the Insurance Fund has an annuity fund (hereinafter: the "**Employer's Payments**"), shall be made in lieu of the severance pay due to the said employee in respect of the salary from which the said payments were made and for the period they were paid (hereinafter: the "**Exempt Salary**"), provided that all the following conditions are fulfilled:

- (1) The Employer's Payments -
  - (a) To the Pension Fund are not less than  $14\frac{1}{3}\%$  of the Exempt Salary or 12% of the Exempt Salary if the employer pays for its employee in addition thereto also payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee's name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary. In the event the employer has not paid an addition to the said 12%, its payments shall be only in lieu of 72% of the employee's severance pay;
  - (b) To the Insurance Fund are not less than one of the following:
    - (i)  $13\frac{1}{3}\%$  of the Exempt Salary, if the employer pays for its employee in addition thereto also payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount required to secure at least 75% of the Exempt Salary or in an amount of  $2\frac{1}{2}\%$  of the Exempt Salary, the lower of the two (hereinafter: "**Disability Insurance**");
    - (ii) 11% of the Exempt Salary, if the employer paid, in addition, a payment to the Disability Insurance, and in such case the Employer's Payments shall only replace 72% of the Employee's severance pay; In the event the employer has paid in addition to the foregoing payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee's name in an amount of  $2\frac{1}{3}\%$  of the Exempt Salary, the Employer's Payments shall replace 100% of the employee's severance pay.
- (2) No later than three months from the commencement of the Employer's Payments, a written agreement is executed between the employer and the employee in which -
  - (i) The employee has agreed to the arrangement pursuant to this approval in a text specifying the Employer's Payments, the Pension Fund and Insurance Fund, as the case may be; the said agreement shall also include the text of this approval;
  - (ii) The employer waives in advance any right, which it may have to a refund of monies from its payments, unless the employee's right to severance pay has been revoked by a judgment by virtue of Section 16 or 17 of the Law, and to the extent so revoked and/or the employee has withdrawn monies from the Pension Fund or Insurance Fund other than by reason of an entitling event; in such regard "Entitling Event" means death, disability or retirement at or after the age of 60.
- (3) This approval is not such as to derogate from the employee's right to severance pay pursuant to any law, collective agreement, extension order or employment agreement, in respect of salary over and above the Exempt Salary.

My Size Israel 2014 Ltd

**Employer**

/s/ Eliyahu Wales

**Employee**

## Appendix B

### Loyalty, Confidentiality, Non-Competition and Intellectual Property Undertakings

To:  
**My Size Israel 2014 Ltd**  
(the "Company")

I, the undersigned, Eliyahu Wales, I. D. No. 040914368, hereby declare, authorize and undertake towards the Company, as follows:

#### **1. Loyalty**

- 1.1. I undertake to act in good faith and in a skilled and professional manner in order to achieve the objectives of my employment and for the benefit of the Company, and I undertake to divulge to the Company, any item of news and to hand over any document related to its business, that will come into my possession as a result of my position in the Company.
- 1.2. I undertake to exercise practical and business consideration in the fulfillment of my duties, aimed exclusively to benefit the interests of the Company and I undertake to not be in a situation of a conflict between my personal interests and the interests of the Company and I am aware of the fact that the obligation of full disclosure applies to in respect of a personal conflict that I may have in any matter related to the Company.
- 1.3. I undertake to not receive any hidden proceeds, including commissions, rights and benefits of any kind whatsoever, as a result of my status in the Company or arising therefrom, and even should I receive such proceeds, in a way that I believe I am acting in good faith, that there is nothing improper in any way of receiving such, and the Company will be entitled to receive the proceeds or benefits or rights created or produced under these circumstances, in addition to any other remedy or relief permitted under the law.
- 1.4. I undertake to refrain from transferring to myself and/or to anyone acting on my behalf, directly and/or indirectly, business activities and/or business opportunities that the Company is interested in within the ambit of the business of the Company and/or its affiliated corporations, and this during the duration of my period of employment and also for a period of twelve (12) months from the date of the termination of my employment at the Company, unless I have received prior written approval from the Company.
- 1.5. I undertake that during the period of my employment at the Company and also for a period of twelve (12) months after the termination of my employment, I will not approach, in any manner whatsoever, the Company's customers and/or the Company's employees and/or the Company's service providers and/or the Company's affiliated corporations (the "**Entities Affiliated to the Company**") and neither to anyone who was an Entity Affiliated with the Company during the last year of my employment, in order to solicit them and/or encourage them to carry out any work and/or to provide any service in the field of developing unique measurement technologies for smartphone and tablet apps market and/or in order to solicit them to terminate their engagement with the Company and/or with its affiliated corporations. The above mentioned in this paragraph will not apply in the case that the Company authorized such an engagement and/or approach as stated, in advance and in writing.

2. **Confidentiality**

- 2.1. I recognize that as part of my employment with the Company, I may be exposed to, have access to and be engaged in the development of any information or knowledge directly or indirectly related to the Company's business and/or activity and/or products, including, without limitation, all data pertaining to the Company's technical, professional data, technological developments, commercial/trade secrets, lists of customers and suppliers, price lists, method of determining prices, the Company's policy regarding its customers and suppliers, methods of marketing and sales, financial information, training methods of the Company's employees, information pertaining to transactions entered into or negotiated by the Company, security matters, and any technical, commercial or other information related to the Company which I learned of and/or came into my possession during or due to my employment (hereinafter: the "**Confidential Information**"). The Confidential Information will not include: information that is public knowledge through no wrongful act on my behalf; information that has or will become part of my professional skills. I acknowledge that the Company has received and may receive from time to time from third parties, information that is confidential or proprietary to such third party, as long as I received it as a result of my employment.
- 2.2. I acknowledge that the Confidential Information is a valuable and unique asset of the Company's business and that its use or disclosure would cause the Company substantial loss and damages.
- 2.3. Accordingly, I hereby declare and undertake that, for the duration of my employment and for an unlimited period of time after termination of my employment, I shall maintain in absolute confidence and shall make no use and shall not deliver, disclose or publish in any manner whatsoever the Confidential Information.
- 2.4. I undertake not to make any self-use or other of the Confidential Information in any manner whatsoever, whether for consideration or not, without the prior written consent of the Company.
- 2.5. Upon the termination of my employment at the Company, for any reason whatsoever, I undertake to return to the Company, without delay, any information and/or software program that has come into my possession, including information and/or software programs prepared by me. Likewise, I undertake to not keep any photocopy and/or other form of copy of the information and the software in my possession.
- 2.6. Upon the termination of the employer-employee relations, for any reason, I hereby undertake to destroy any material, information, reports, forms or anything else that I received from the Company or that I created for the Company, including materials that I created for the Company's customers and which were saved or stored by me on my home computer and/or anywhere else that is not the Company's server and/or the Company's computers.

3. **Non-Competition**

- 3.1. I undertake that during a period of twelve (12) months from the date of the termination of employer-employee relations for any reason whatsoever, I will not compete with the business of the Company and/or I will not work and/or I will not be associated, whether for remuneration or nor for remuneration, whether as an employee or whether as a self-employed, whether as a partner or whether as a shareholder, whether as a consultant or whether in any other manner, in an Israeli or foreign organization, that competes with the Company and that engagement will reasonably give rise to the exposure of the Confidential Information of the Company, and this will in all probability cause damage to the Company. This limitation will apply throughout Israel and outside thereof, as long as such organization competes with the Company and is interested in its Confidential Information at the relevant time.
- 3.2. I take this undertaking upon myself out of the recognition of my rights to work in my profession after the termination of employer-employee relations with the Company, and also with the recognition of the right of the Company to protect its vital business interests. The limitation period and the scope thereof have been agreed upon between me and the Company, after I had taken into account the totality of concurrences between me and the Company, the terms of my Salary, and after I decided that my undertaking will not constitute an unreasonable limitation to my capability to continue being employed in my profession also outside of the Company's field of operations.

4. **Intellectual Property**

- 4.1. It is hereby agreed that any patents, models, names or commercial marks, copyright, as well as inventions, developments, enhancements or improvements, or other intellectual property of any kind whatsoever, that were made, invented or implemented by me, on my own and/or in conjunction with others, during the course of my work at the Company, and due to my employment at the Company (the "**Intellectual Property**"), will be the sole property and possession of the Company.
- 4.2. I undertake to promptly disclose to the Company, any Intellectual Property and to assist the Company, to the best of my ability, to materialize its rights regarding the Intellectual Property and to sign any application or other document that will be required by the Company in order to materialize its rights and in order to register the Company as the owner of the above stated rights, as long as I will not be obligated to bear any expenses whatsoever in this regard.
- 4.3. I am aware of the fact that I will not be eligible to a *Service Invention*, as its meaning in the Patents Law, 1967 (the "**Patents Law**"), and such will not be my property and the provisions of Article 132 (b) of the Patents Law will not apply to me and to the Company, in such a manner that even if I dispatch a notification to the Company regarding the *Service Invention* and even if the Company does not respond to me within six (6) months – the Company will not be considered, under any circumstances, as having waived the rights to such invention.

- 4.4. I agree that I will not be entitled to any additional compensation and/or royalties and/or payment of any kind whatsoever for any Intellectual Property whatsoever, as defined above, over than the amounts paid by the Company, including Salary and all the rest of the terms of my employment.
- 4.5. Without derogating from the generality of the above stated, I hereby explicitly waive any right, claim, or demand related to the eligibility for any payment, compensation or royalties related to any Intellectual Property, including with respect of any claim for consideration regarding *Service Invention*, under Article 134 of the Patents Law. I hereby declare that my Salary and all the rest of the accompanying terms of my employment paid and/or granted to me by the Company, constitute the full and final consideration for any intellectual property that I am likely to develop and/or compose and/or achieve by any other means as stated above in this letter of undertaking.
- 4.6. In addition, I hereby waive the right to assert any claim or demand regarding the eligibility to receive royalties, compensation or rewards related to intellectual property before the Compensation and Royalties Committee set up at the Office of the Patents Registrar.

**5. Miscellaneous**

- 5.1. For purposes herein the term "Company" shall include the Parent and any affiliates or subsidiaries of the Company.
- 5.2. I am aware of the fact that this letter of undertaking is an appendix to the employment Agreement between me and the Company and it constitutes an inseparable part thereof, to all intents and purposes.
- 5.3. My undertakings in accordance with the this letter of undertaking will also apply in the case of the termination of employer-employee relations between the Parties and also in the case of the termination and/or annulment of the employment Agreement, to which this letter of undertaking constitutes an appendix.
- 5.4. Despite the fact that the limitations detailed in this appendix are acceptable to me and I find them to be reasonable under the circumstances, if, in the event of, and for any reason whatsoever, a judicial instance will rule that the limitations are unreasonable, but they would have been reasonable should the terms and conditions have been altered, such as a change in the wording, a shortening of the time period, a reduction in the scope of the fields, and such other changes, then such changes will obligate me and the Company as if such were agreed between us from the outset, in such a manner that the validity of this document will be upheld.
- 5.5. I acknowledge that this appendix constitutes my independent undertakings with regard to that stated in the appendix. Without derogating from the aforementioned, I acknowledge that any claim and/or demand and/or argument which I have and/or may have against the Company shall not constitute protection against the fulfilment of my obligations under this appendix.
- 5.6. Nothing in this document shall be deemed to derogate from any remedy and/or right available to the Company as prescribed by law.

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Eliyahu Wales  
Name of the Employee

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November 18, 2018  
Date

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/s/ Eliyahu Wales  
Signature

**Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934**

I, Ronen Luzon certify that:

1. I have reviewed this Quarterly report on Form 10-Q of My Size, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 19, 2018

By: /s/ Ronen Luzon  
Ronen Luzon  
Chief Executive Officer  
(Principal Executive Officer)

**Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and pursuant to Rule 13a-14(a) and Rule 15d-14 under the Securities Exchange Act of 1934**

I, Or Kles, certify that:

- 1 I have reviewed this Quarterly report on Form 10-Q of My Size, Inc.;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 19, 2018

By: /s/ Or Kles

Or Kles  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**  
**(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of My Size, Inc. (the “Company”) on Form 10-Q for the period ending September 30, 2018 as filed with the U.S. Securities and Exchange Commission on the date hereof (the “Report”), I, Ronen Luzon, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 19, 2018

By: /s/ Ronen Luzon

Ronen Luzon  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**  
**(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of My Size, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2018 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), I, Or Kles, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 19, 2018

By: /s/ Or Kles

Or Kles  
Chief Financial Officer  
(Principal Financial and Accounting Officer)