



Division of Oneg HaKarmel Ltd.



January 20, 2020



Attention: HemaClear sellers



Reference: Your selling agreement with OHK Medical Devices, Inc.



Dear Seller,

I am sending this letter to introduce you to what you can expect from OHK Medical Devices this year. I will be sharing more ways that we can help you grow your OHK business through revising selling agreements, our new clinical application support program, the OHK exhibit schedule, a new product launch, and sales promotions are discussed.

OHK has used a variety of heads of agreement and contracts over the past several years with our Independent Sales Representatives (ISR) and ISR groups. And unless you received a Heads of Agreement from OHK in the fourth quarter of 2019, it is likely that your agreement or contract has not been formally renewed for a few years. I am taking this opportunity to alert you that I will be sending you a new heads of agreement document in the next few weeks, for your review. But first, please read this letter and respond to the **highlighted** request.

New from OHK in 2020.

1. The regional Clinical Application Manager (CAM) program that we started in Florida in December of 2018, was a great success. In one year, Florida sales significantly improved by sales of 150% (year over year).
2. The success of the CAM program is the result of two changes in how we manage and define sales territories.
 - a. First we engaged Ana Puig, a surgical technician with years of experience and familiarity with the HemaClear product line. Ana's focus was to locally manage the ISR(s) and provide product and application training. She identified new ISR's to engage, conducted interviews and helped us increase our sellers from 5 to 14 in the state. Ana worked with the ISR's, and assisted them with product introductions and trials.
 - b. Second, sales territories in Florida were redefined. We moved away from assigning large geographical territories, to assigning accounts that were already call points for the new ISR's as their exclusive territory. That relieved the ISR's from a responsibility of covering accounts over a large area where he or she had no other business. We also identified a geographical 'hunting' area for each ISR, so they could continue to add new accounts.

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- c. The combination of the exclusive accounts and hunting territory allowed the Florida ISRs to maximize existing relationships to grow their HemaClear business.



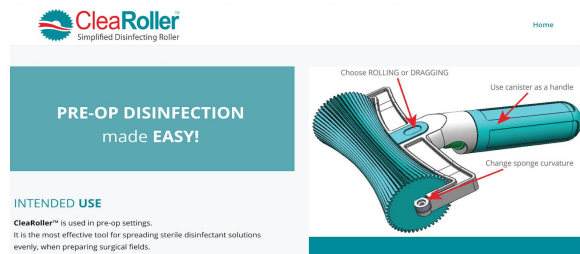
In the second half of 2019 we engaged two more CAM's. Eric Cooper accepted the upper midwest, Sheandelle Johnson accepted New England & mid-Atlantic. Both Eric and Shean have years of successful selling of surgical products. Now we are in the process of adding a CAM for the western states, and we intend to add more CAM talent in in the areas circled in on the map to the left, as business needs warrant that.

- 3. OHK will be represented in more annual congresses and meetings this year. Exhibits generate leads for prospective customers and we want to send you as many as possible.

| Date | Focus | Conference | Estimated Attendance | Location |
|---------------|---|--|----------------------|-----------------|
| March 25 - 27 | Ortho, HemaClear & CleaRoller | AAOS - American Academy of Orthopaedic Surgeons, annual meeting | 28,000 - 5,000 limb | Orlando, FL |
| May 13 - 16 | Peds, HemaClear & CleaRoller | POSNA - Pediatric Orthopedic Society of North America | 1,000 | San Diego, CA |
| July 9-12 | Sports Medicine, HemaClear & CleaRoller | AOSSM - American Orthopedic Society for Sports Medicine | 6,000 | Seattle, WA |
| Sept 9 - 12 | Foot & Ankle, HemaClear & CleaRoller | AOFAS - American Orthopaedic Foot & Ankle Society Annual Meeting | 14,000 | San Antonio, Tx |
| Oct 1 - 3 | Hand, HemaClear & CleaRoller | ASSH - American Society for Surgery of the Hand | 2,000 | San Antonio, Tx |
| Oct 26 - 29 | EMS, HemaShock | ACEP - American College of Emergency Physicians | 12,000 | Dallas, Tx |
| Nov 5 - 8 | Knee, HemaClear & CleaRoller | AAHKS - American Association of Hip & Knee Surgeons | 2,000 | Dallas, Tx |



4. At the AAOS in March, we plan to release a new product that is synergistic to HemaClear. Check out www.CleaRoller.com for details. You will be invited to represent this exciting product, and I will send you our standard pricing and introductory promotions.



5. The HemaClear product trial promotion that we started last February, will continue until December 31, 2020. Remember that if you request trial HemaClear stock using the Trial Request Form, and you complete the response section of that report after your trial, we will send you an honorarium of \$100. Some rules apply so be sure to review the February 24th sales bulletin.
6. Other promotional help Our HealthTrust Partners Group (HPG) purchasing contract (HPG-7540) continues until year 2022.
 - a. We just recently blanket approval for all Tenet hospitals - most of them are also HPG members.
 - b. And our Systems for Award Management (SAM) number has been renewed for sales into government facilities including the VA and DOD.



A few notes about our new agreements.

1. We will use a Heads of Agreement document (HoA) document format to update your relationship with OHK Medical Devices, Inc. A heads of agreement outlines the basic terms (heads), roles and relationships of the parties who may enter a formal contract at a later date. We use the HoA to get our relationship moving forward and later we can formalize a contract from the 'heads'.
2. Exclusive territories will consist of exclusive accounts and non-exclusive territory. When you or your ISR team introduce HemaClear into a new account in the non-exclusive territory, just let us know and we will make that account exclusive to you for three months or until you receive the first order.
3. New for 2020, we have replaced the marketing plan requirements term with a minimum performance term. The minimum performance metric is a \$760.00 increase in sales each quarter. We apply this term to every 3 independent representatives that are selling for you or your company. If your ISR or ISR group does not meet the minimum performance, we plan to reach out to you with additional training opportunities. You will see the details in the HoA.



4. The promotional Incentive Commission changes with the new heads of agreement to 40% of the first HemaClear sale into a new account, and 60% for the second order if within 12 weeks of the first. Will not apply to CleaRoller sales.
5. We expect to transition the territory assignments over time and require some flexibility to implement. So feel free to share your thoughts with us.

Next steps.

1. Please send me your list of accounts that are actively purchasing HemaClear. We will use those as your starting exclusive accounts. If you have a few accounts targeted to introduce HemaClear into, add them to your list.
2. After I receive you list, I will have a new heads of agreement written for your review. If you sell in an area where we have a clinical application manager, they will be your direct OHK interface.
 - a. Florida: Ana Puig.
 - b. West VA, Ohio, Indiana, Illinois & Wisconsin: Eric Cooper.
 - c. New England, Pennsylvania, New Jersey, Maryland, DC, and Virginia: Sheandelle Johnson.
3. We will connect with you for product training needs and working with you in the field. In 2020, Dr. Gavriely, our CEO, Alon Gavriely, our Senior Clinical Application Manager, our regional clinical application managers, and I will be spending more time with you in the field - don't be hesitant to ask for assistance.

After you read this letter, please don't hesitate to reach out to me or your clinical applications manager with any questions or comments.

Best regards.

Larry Murdock
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