

# Letter of Intent to Grant Stock Options

Date: \_\_\_\_\_

To: Peleg Yiftachel

Dear Mr. Yiftachel,

On behalf of Carthy.ai, I am pleased to formally express our intent to grant you stock options as recognition for your valuable services and contributions to our company. Your expertise and dedication have been instrumental in advancing our vision, and we are excited to offer you an opportunity to share in the success and growth of Carthy.ai.

## Key Terms of the Stock Option Grant

1. **Stock Options:** You will be granted options to purchase **20,000 shares** of Carthy.ai's common stock, subject to the terms of the company's stock option plan and necessary approvals by the Board of Directors.
2. **Exercise Price:** The exercise price per share will be determined at the fair market value of Carthy.ai's common stock on the date of grant, in accordance with applicable laws and company policies.
3. **Vesting Schedule:**
  - 25% (5,000 shares) after one year of continuous service.
  - The remaining 75% (15,000 shares) will vest in equal monthly installments over the subsequent three years of continuous service (36 months).
4. **Acceleration of Vesting on Change of Ownership:** In the event of a change of ownership of Carthy.ai—defined as the acquisition of more than 50% of the company's equity, a merger, or a sale of all or substantially all of the company's assets—any unvested stock options will immediately vest in full. This ensures that you will hold the right to exercise all 20,000 options upon such an event, regardless of the original vesting schedule.
5. **Expiration:** The stock options will have a term of [X years] from the date of grant, subject to the terms and conditions of the company's stock option plan.
6. **Tag-Along Rights:** If any major shareholder or group of shareholders sells their shares to a third party, you will have the right to sell your shares on the same terms and conditions (proportionate to your holdings), ensuring you are not disadvantaged in such a transaction.
7. **Bring-Along Rights:** In the event the majority shareholders decide to sell their shares to a third party, you agree to sell your shares to the same third party on the same terms and conditions, ensuring consistency in the transaction for all parties involved.
8. **Service Requirements:** The vesting of stock options will be contingent upon your continued service with Carthy.ai during the vesting period, except as outlined in the change of ownership clause.

This letter of intent is non-binding and subject to the execution of a formal stock option agreement and all necessary approvals. Upon your acceptance of this letter, we will proceed with the necessary steps to finalize the grant, including preparation of the formal agreement and ensuring compliance with all applicable laws and regulations.

We are honored to have your expertise and contributions driving the success of Carthy.ai. If you have any questions or require further clarification, please do not hesitate to contact me directly.

### **Acknowledgment and Acceptance**

I, Peleg Yiftachel, acknowledge receipt of this Letter of Intent and accept the terms outlined herein, subject to the execution of a formal stock option agreement.

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_