

AMENDMENT NO. 2
TO
RIGHTS AGREEMENT

AMENDMENT NO. 2 to RIGHTS AGREEMENT (this “Amendment”), by and between ProPhotonix Limited, a Delaware corporation (the “Company”), and Computershare Trust Company, N.A., as rights agent (the “Rights Agent”), is effective prior to the close of business on this 21st day of August, 2020.

WHEREAS, the Company and the Rights Agent are parties to that certain Rights Agreement (as amended, the “Plan”), dated as of August 28, 2014 and amended by Amendment No. 1 dated July 24, 2017 (“Amendment No. 1”);

WHEREAS, the Board of Directors of the Company deems it is advisable and in the best interests of the Company and its stockholders to amend certain provisions of the Plan;

WHEREAS, no Person (as defined in the Plan) has become an Acquiring Person (as defined in the Plan); and

WHEREAS, pursuant to and in accordance with Section 27 of the Plan, the Company desires to amend the Plan as set forth below.

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Amendments.

(a) Clause (i) of Section 7(a) of the Plan is amended in its entirety to read as follows:

“(i) the Close of Business on August 28, 2023 (the “*Final Expiration Date*”),”.

(b) Each of the legend and paragraph one of the Form of Right Certificate, attached as Exhibit A to the Plan, is amended so that the references to “August 28, 2020” (which was amended from “August 28, 2017” by Amendment No. 1) are replaced with “August 28, 2023”.

(c) The fourth paragraph of the Summary of Rights to Purchase Shares of Common Stock, attached as Exhibit B to the Plan, is amended so that the reference to “August 28, 2020” (which was amended from “August 28, 2017” by Amendment No. 1) is replaced with “August 28, 2023”.

2. Effect of this Amendment. It is the intent of the parties hereto that this Amendment constitutes an amendment of the Plan as contemplated by Section 27 thereof. This Amendment shall be deemed effective as of the date hereof as if executed by both parties hereto on such date.

Except as expressly provided in this Amendment, the terms of the Plan remain in full force and effect. The term “Agreement” as used in the Plan shall be deemed to refer to the Plan as amended hereby.

3. Counterparts. This Amendment may be executed in any number of counterparts and each of such counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument. A signature to this Amendment executed and/or transmitted electronically shall have the same authority, effect, and enforceability as an original signature.

4. Governing Law. This Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State, except that all provisions regarding the rights, duties and obligations of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

5. Severability. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, illegal or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

6. Descriptive Headings. The captions herein are included for convenience of reference only, do not constitute a part of this Amendment and shall be ignored in the construction and interpretation hereof.

7. Notice. The Rights Agent and the Company hereby waive any notice requirement with respect to each other under the Plan, if any, pertaining to the matters covered by this Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date set forth above.

PROPHOTONIX LIMITED



By: _____

Name: Tim Losik

Title: President and Chief Executive Officer

COMPUTERSHARE TRUST COMPANY,
N.A.



By: _____

Name: Kathy Heagerty

Title: Vice President and Manager