

**IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE**

SAM TOPAZ and S.A. TOPAZ )  
MANAGEMENT AND )  
INVESTMENT LTD., )

Plaintiffs, )

v. )

C.A. No. 2020-0290-MTZ

URI GEIGER, MELKER NILSSON, )  
MICHAEL BOURQUE, ERIN )  
ENRIGHT, LIOR SHAV, HOWARD )  
ZAUBERMAN, EREZ COHEN, )  
ACCELMED GROWTH PARTNERS )  
(GP), L.P., ACCELMED GROWTH )  
PARTNERS MANAGEMENT LTD., )  
and AGP SPV I, L.P., )

Defendants, )

and )

KEYSTONE DENTAL HOLDINGS, )  
INC., a Delaware corporation, and )  
KEYSTONE DENTAL, INC., a )  
Delaware corporation, )

Nominal Defendants. )

**ORDER FURTHER MAINTAINING STATUS QUO**

WHEREAS, on May 4, 2020, this Court issued a status quo order (the “First Status Quo Order”) in aid of arbitration in the above-captioned action directing that

“[m]anagement of Holdings and Keystone shall be as they were on April 12, 2020, prior to any of the challenged actions”;

WHEREAS, the First Status Quo Order further directed that “Holdings and Keystone, their respective directors and officers... and management, shall operate in the ordinary course”; and

WHEREAS, the First Status Quo Order directed the parties to “submit a stipulation and proposed order or competing orders, if a stipulation cannot be agreed upon, within five business days detailing the terms that shall govern the ordinary course of business at Holdings and at Keystone”; and

WHEREAS, the definitions and terms of the First Status Quo Order are incorporated by reference herein;

**IT IS HEREBY ORDERED**, this 13th day of May, 2020, that:

1. As explained in the First Status Quo Order, this Court’s role in this dispute is to aid arbitration by fully enforcing the parties’ agreed-upon arbitration provisions, leaving substantive arbitrability for the arbitrator.

2. This Order shall control the governance and management of Holdings and Keystone until (i) an arbitrator is appointed pursuant to the terms of the Stockholders Agreement, Stock Exchange Agreement, and the DRAA, or (ii) the

Court enters a superseding order in Delaware or in Israel (collectively, the “Expiration Date”).<sup>1</sup>

3. Until the Expiration Date, no Plaintiff or Defendant, no director, officer, employee or agent of Holdings or Keystone, no person or entity purporting to have authority over Holdings or Keystone, and no person or entity acting in concert with any of the foregoing (each a “Representative”), shall authorize, agree to, permit, or take any action on the basis of, or under color of authority granted under, the Challenged Keystone Inc. Resolutions, which shall be inoperative until the Expiration Date.

4. Until the Expiration Date, no Representative shall authorize, agree to, permit, or take any action on the basis of, or under color of authority granted under, the bylaw amendments referenced in the written consent delivered by Defendant AGP SVP I, L.P. on April 13, 2020 (the “Challenged Bylaw Amendments”), which shall be inoperative until the Expiration Date.

5. Because Defendant Melker Nilsson was chief executive officer of Keystone on April 12, 2020, Nilsson shall be the chief executive officer of Keystone, until lawfully removed or he resigns.

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<sup>1</sup> See 10 *Del. C.* § 5804(b)(5) (conferring jurisdiction on this Court “only to . . . [i]ssue, *only before an arbitrator accepts appointment as such*, an injunction in aid of an arbitration”) (emphasis added).

6. While this Order is effective, Holdings and Keystone (each a “Company” and collectively the “Companies”) shall operate in the ordinary course of business.

7. Until the Expiration Date, no Representative shall authorize, agree to, permit, or take any action that is outside the routine, day-to-day operations of Holdings or Keystone (each a “Restricted Activity”), except upon further order of the Court. “Restricted Activities” shall include any action to:

- a. authorize, establish, create, issue, sell, purchase, repurchase, accelerate, exchange, commit or agree to issue, sell, purchase or change any securities (including shares of stock, bonds, warrants, and options) of Holdings or Keystone;
- b. create, form, or organize any subsidiary company;
- c. enter into a partnership or joint venture with any other person;
- d. make a capital contribution to any other person or entity with a value in excess of \$50,000 (or series of related transactions that, in aggregate, have a value in excess of \$50,000);
- e. declare, authorize, or implement (i) any spin-off, split-off, or other similar disposition, by distribution of capital stock, exchange of securities, recapitalization, or otherwise of Holdings or Keystone, or of any line of business of Holdings or Keystone, or (ii) any stock split, stock dividend, reverse split or other distribution of or affecting securities or assets of Holdings or Keystone;
- f. engage in, or agree to commit to engage in, enter into, agree to, perform, or complete any material undertaking, guaranty, surety, or other transaction or any series of related undertakings, guaranties, sureties, or other transactions that involve more than \$50,000 in the aggregate, in connection with Holdings or Keystone;

- g. engage in, or agree or commit to engage in, any transaction involving the acquisition, transfer, encumbrance, pledge, loan, or other disposition, directly or indirectly, of any assets of Holdings or Keystone (including cash) or any interest in the Company with a value in excess of \$50,000 (or series of related transactions that, in aggregate, have a value in excess of \$50,000);
- h. sell, contribute, pay, withdraw, transfer, encumber, pledge, loan, borrow, or otherwise dispose of, or pledge, materially encumber, or otherwise materially restrict or limit the ownership of, directly or indirectly, of any assets or liabilities of Holdings or Keystone, including, without limitation, cash, accounts receivable or debts, whether in one transaction or a series of transactions, has a value of more than \$50,000, alone or in the aggregate;
- i. enter into any agreement or arrangement which provides for, or is reasonably likely to result in, the incurrence of any liability or the payment of an amount which may reasonably be in excess of \$50,000 by Holdings or Keystone (whether through breach of representation, warranty or covenant, liquidated or unliquidated damages, termination right, break-up fee or other provisions);
- j. enter into, amend, modify, intentionally interfere with, or intentionally breach any contract, agreement, or other arrangement (written or oral) of Holdings or Keystone that, whether in one act or a series of related acts, has a value of more than \$50,000, alone or in the aggregate;
- k. take any action to appoint or remove any director from the Holdings Board or the Keystone Board;
- l. take any action to create or disband any committee of the Holdings Board or the Keystone Board or to add or remove any director to or from any such committee,
- m. dissolve or liquidate Holdings or Keystone;
- n. approve or enter into any agreement of merger, tender offer, restructuring, or recapitalization with respect to Holdings or Keystone;
- o. amend, modify, or repeal the certificate of incorporation, bylaws, stockholders agreement or other organizational documents of Holdings or Keystone, or take any action resulting in the same;

- p. increase or decrease the compensation or benefits payable to, or change the job descriptions or responsibilities of, any current officer or employee of Holdings or Keystone, or to hire or engage any new or additional officer or employee of Holdings or Keystone in each case where such officer or employee has (or would have) an annual salary in excess of \$100,000, or enter into, terminate (other than for cause) or amend any employment agreement, severance or other similar agreement or arrangement providing for compensation or any other benefit to any such officer or employee of Holdings or Keystone except (i) as required by law, or (ii) pursuant to existing agreements;
  - q. institute, settle, or enter into any agreement to settle, any legal proceedings on behalf of Holdings or Keystone, including, but not limited to, any bankruptcy proceedings;
  - r. make any claim, disclaimer, surrender, election, or consent for tax purposes with respect to Holdings or Keystone;
  - s. alter, delete, destroy, or remove from the premises of Holdings or Keystone any corporate property, documents, assets, books or records, or proprietary information;
  - t. alter, delete, destroy, or remove any electronic records of Holdings or Keystone, including deletion or alteration of records; and
  - u. enter any legally binding commitment or grant any power of attorney with respect to, or agree to do, any of the foregoing.
8. Notwithstanding the foregoing, the parties agree that Holdings shall

retain the \$2.1 million loan it received under the Paycheck Protection Program Forgivable Loan program (the “PPP Loan”). The actions Holdings and Keystone have taken to date in accordance with the PPL Loan will not be unwound. The remaining proceeds of the PPP Loan shall be deployed in a manner authorized by the Holdings Board by written resolution.

9. The restrictions imposed by this Order shall not apply to any action authorized by written resolution at a duly noticed meeting of the Holdings Board by six or more directors of Holdings.

10. As stated in the First Status Quo Order, Paltop, which is an Israeli company and not a Delaware entity, is not a party to this litigation, and the Court lacks jurisdiction over it. Furthermore, Paltop is not before this Court under Section 225. For the avoidance of doubt, this Order does not govern or limit any actions or remedies of Keystone or its Representative in Keystone's role as Paltop's sole shareholder and sole director, which actions are governed by Israeli law and subject to Israeli court jurisdiction and do not arise out of the Agreements or involve claims Defendants elected to arbitrate.

11. The restrictions imposed by this Order may be waived on a case-by-case basis by the written agreement of the parties, without further order of the Court. The parties shall notify the Court of any waiver(s) to the application of this Order by providing the Court with the written waiver(s) of the restriction(s).

12. The Court may modify the restrictions of this Order upon the request of any party for good cause shown.

13. Nothing in this Order or the Status Quo Order should be construed or deemed to restrict the right of any person to pursue any claim or seek any remedy in arbitration.

*/s/ Morgan T. Zurn*  
Vice Chancellor Morgan T. Zurn