Filed with the Securties and Exchange Commission on September 28, 2018.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Gamida Cell Ltd.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

State of Israel	**2834**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

5 Nahum Heftsadie Street
Givaat Shaul, Jerusalem 91340 Israel
Tel: +972 (2) 659-5666
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Gamida Cell Inc.
673 Boylston Street
Boston, MA 02116
Telephone:
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Divakar Gupta **Daniel I. Goldberg** **Joshua A. Kaufman** **Cooley LLP** **1114 Avenue of the Americas** **New York, NY 10036** **Telephone: (212) 479-6000** **Facsimile: (212) 479-6275**	**Haim Gueta** **Shachar Hadar** **Meitar Liquornik Geva Leshem Tal** **16 Abba Hillel Road** **Ramat Gan 5250608, Israel** **Telephone: +972 (3) 610-3100** **Facsimile: +972 (3) 610-3111**	**Michael Kaplan** **Derek Dostal** **Davis Polk & Wardwell LLP** **450 Lexington Avenue** **New York, NY 10017** **Telephone: (212) 450-4000** **Facsimile: (212) 701-5800**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, 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 7(a)(2)(B) of the Securities Act. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	**Proposed Maximum Aggregate Offering Price[1]**	**Amount of Registration Fee[2]**
Ordinary Shares, par value NIS 0.10 per share	$ 69,000,000	$ 8,590.50

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes the ordinary shares that the underwriters have the option to purchase.

(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Preliminary Prospectus *Subject to Completion. Dated September 28, 2018*

Ordinary Shares

Gamida Cell Ltd.

$ Per Share

This is an initial public offering of the ordinary shares of Gamida Cell Ltd. All of the ordinary shares in this offering are being sold by the company. We anticipate that the initial public offering price of our ordinary shares will be between $ and $ per share.

Prior to this offering, there has been no public market for our ordinary shares. We have applied to list our ordinary shares on The Nasdaq Global Market under the symbol "GMDA."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in our ordinary shares involves a high degree of risk. See "Risk Factors" on page 11 to read about factors you should consider before buying our ordinary shares.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount(1)	$	$
Proceeds to Gamida Cell Ltd., before expenses	$	$

(1) See "Underwriting" beginning on page 159 for additional information regarding underwriting compensation.

To the extent that the underwriters sell more than ordinary shares, the underwriters have the option to purchase up to an additional ordinary shares from us at the initial public offering price less the underwriting discount.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares against payment in New York, New York on or about , 2018.

Joint Book-Running Managers

BMO Capital Markets **RBC Capital Markets**

Co-Lead Managers

Needham & Company **Oppenheimer & Co.**

Prospectus dated , 2018

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Neither we nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus, any amendment or supplement to this prospectus, or in any free writing prospectus we may authorize to be delivered or made available to you. Neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are offering to sell ordinary shares and seeking offers to purchase ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of ordinary shares. Our business, financial condition, results of operations and prospects may have changed since the date on the front cover of this prospectus.

Neither we nor any of the underwriters have taken any action to permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

Gamida Cell, NiCord and CordIn are trademarks of ours that we use in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this prospectus appear without the ® or ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to our trademark and tradenames. We do not intend to use or display other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

The audited consolidated financial statements as of and for the years ended December 31, 2017 and 2016 included elsewhere in this prospectus have been prepared in accordance with the international financial reporting standards, or IFRS, as issued by the international accounting standards board, or the IASB. None of the financial information in this prospectus has been prepared in accordance with accounting principles generally accepted in the United States, or GAAP.

Unless the context otherwise requires, references in this prospectus to the "Company," "Gamida Cell," "we," "us," "our" and other similar designations refer to Gamida Cell Ltd. The terms "shekel," "Israeli shekel" and "NIS" refer to New Israeli Shekels, the lawful currency of the State of Israel, and the terms "dollar," "U.S. dollar" or "$" refer to United States dollars, the lawful currency of the United States of America. All references to "shares" in this prospectus refer to ordinary shares of Gamida Cell Ltd., par value NIS 0.01 per share.

MARKET, INDUSTRY AND OTHER DATA

This prospectus contains estimates, projections and other information concerning our industry, our business, and the markets for our product candidates. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from our own internal estimates and research as well as from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources.

In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates. See "Special Note Regarding Forward-Looking Statements."

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before deciding to invest in our ordinary shares, you should read this entire prospectus carefully, including the sections of this prospectus entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

Goal

To deliver curative cell therapies to patients with serious and life-threatening medical conditions.

Overview

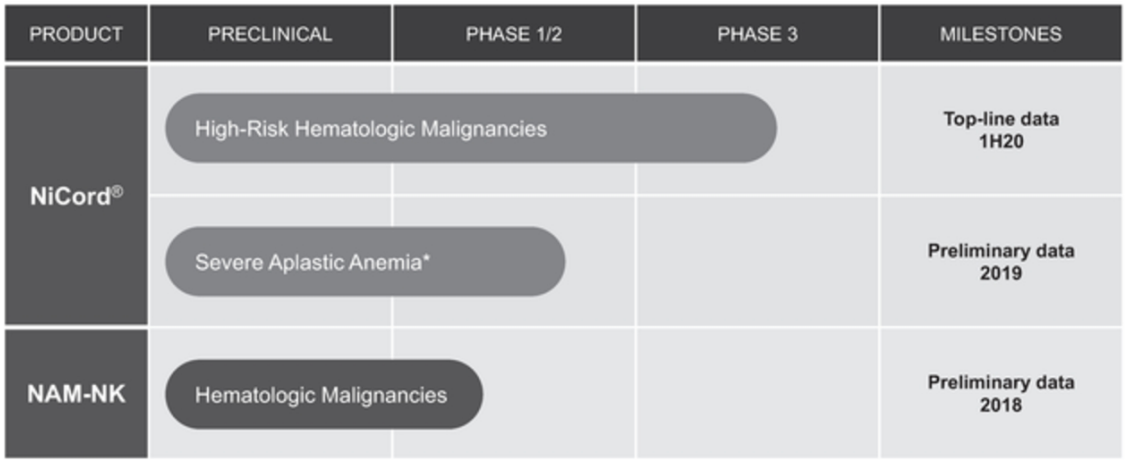
We are a clinical stage biopharmaceutical company leveraging our proprietary technology to develop cell therapies that are designed to cure cancer and rare, serious hematologic diseases. While cell therapies have the potential to address a variety of diseases, they are limited by availability of donor cells, matching a donor to the patient, and the decline in donor cell functionality when expanding the cells to achieve a therapeutic dose. We have leveraged our nicotinamide-, or NAM-, based cell expansion technology to develop a pipeline of products designed to address the limitations of cell therapies. Our proprietary technology is designed to allow for the proliferation of donor cells while maintaining the cells' functional therapeutic characteristics, which, if approved, will provide a treatment alternative for patients.

Our most advanced product candidate, NiCord, is a NAM-expanded cord blood cell therapy which has the potential to serve as a universal curative stem cell graft for patients who need a hematopoietic stem cell transplant, or HSCT. The Company is currently enrolling patients in a pivotal Phase 3 clinical trial in 120 patients with various hematologic malignancies, including high risk leukemias such as acute myeloid leukemia, or AML, acute lymphocytic leukemia, or ALL, chronic myeloid leukemia, or CML, myelodysplastic syndrome, or MDS and lymphomas. We anticipate reporting top-line data from this trial in the first half of 2020. In our Phase 1/2 clinical trials, patients who were transplanted with NiCord achieved rapid engraftment and immune reconstitution, which are key indicators of clinical benefits. Based on the results of our Phase 1/2 clinical trials, we received Breakthrough Therapy Designation for NiCord in the United States from the U.S. Food and Drug Administration, or the FDA. Furthermore, we received orphan drug designation from both the FDA and the European Medicines Agency.

In addition to hematologic malignancies, we are pursuing the development of NiCord for the treatment of bone marrow failure disorders. NiCord is currently being evaluated in a Phase 1/2 clinical trial sponsored by the National Institutes of Health in patients with severe aplastic anemia, a rare, life-threatening hematological disorder. This study is designed to evaluate the safety and effectiveness of transplantation with NiCord to overcome the high incidence of graft rejection associated with conventional cord blood for severe aplastic anemia. We expect to report preliminary data from our Phase 1/2 clinical trial in 2019.

Beyond NiCord, we have leveraged our NAM technology to develop another product candidate, NAM-NK, for innate immunotherapy of expanded natural killer, or NK, cells, to be used in combination with standard-of-care therapeutic antibodies. NK cells have potent anti-tumor properties and have the advantage over other oncology cell therapies of not requiring genetic matching, potentially enabling NK cells to serve as a universal donor-based therapy when combined with certain antibodies. NAM-NK addresses a key limitation in the therapeutic potential of NK cells by increasing the cytotoxicity and *in vivo* retention and proliferation of NK cells expanded in culture conditions. NAM-NK is currently in an investigator-sponsored Phase 1 trial for the treatment of refractory non-Hodgkin lymphoma and multiple myeloma, or MM.

The figure below summarizes key information about our current pipeline of product candidates:



* The Aplastic Anemia Investigational New Drug (IND) application is currently filed with the FDA under the brand name CordIn, which is the same investigational development candidate as NiCord..

NiCord for the Treatment of Hematologic Malignancies

Limitations of Allogeneic HSCT

Cell therapies involve the delivery of human cells to replace or repair damaged tissue or cells in order to treat a variety of cancers and other diseases. HSCT, commonly known as bone marrow transplantation, is the most frequently used cell therapy and is used to treat a variety of hematologic malignanicies and other serious conditions. A person's entire blood and bone marrow can be reconstituted from a seed population of stem cells obtained from an allogeneic, or non-self, donor whose blood-forming and immune-system-forming cells are both free of cancer and effective at carrying out their functions. Approximately 90% of HSCT procedures performed in the United States are for patients with hematologic malignancies. There are approximately 30,000 patients per year receiving allogeneic HSCT in the United States, Europe and Japan, of which 8,500 are in the United States. The number of these procedures increased by 5% per year in the United States from 2006 to 2016. By 2021, the Company expects that approximately 11,000 individuals with a hematologic malignancy will be a candidate for HSCT, and the Company further projects that NiCord, if approved, will be used to treat approximately 30% of these patients.

Despite the curative potential of HSCT, it is estimated that up to 40% of eligible patients do not receive one for various reasons, including finding a matched donor. The best source for donor cells is a sibling who is a matched related donor, or MRD, but the chances of having a sibling match in the United States are only 25% to 30%. The majority of patients rely on alternate sources of donor cells, including matched unrelated donor, or MUD, haploidentical, or "half-matched" donors, and umbilical cord blood. Notwithstanding the various potential sources of donor cells, HSCT is subject to a number of significant limitations, including: (i) delays in finding a suitable match, during which disease progression may make patients ineligible for transplant; (ii) an insufficient number or delayed engraftment of donor cells, leaving patients without a functioning immune system and leading to potentially life-threatening immune deficiency following transplant; and (iii) a lack of long-term compatibility between the donor cells and the patient's own cells, resulting in potentially fatal graft versus host disease, or GvHD.

Umbilical cord blood offers promise as a readily available source of stem cells for patients who need HSCT and do not have a MRD source. It is easier to find a match when using stem cells derived from cord blood, since a full match is not required for a successful transplant using cord blood. This broadens the pool of potential donors and shortens the process of finding a suitable match. However, on average, a typical cord blood graft contains approximately one-tenth the number of stem and progenitor cells

compared to stem cell grafts from adult bone marrow or peripheral blood donors. This lower number of cells may delay engraftment of the donor cells and reconstitution of the immune system. This, in turn, increases both time in the hospital and the likelihood that a patient might contract a life-threatening infection.

NiCord as a Universal Stem Cell Graft for Allogeneic HSCT

NiCord, our lead product candidate, is designed to address the limitations of HSCT and cord blood as a source of donor cells. NiCord is composed of cord blood that has been manufactured using our proprietary NAM-based cell expansion technology, which is designed to increase engraftment efficiency in HSCT and enable rapid engraftment and immune system reconstitution. This reduces the risk of infections and other complications after transplant. In addition, the donor T cells in cord blood are naïve, meaning that they have not matured and may more readily adapt to the recipient. This results in greater immunologic compatibility, or the matching of the donor cells with the recipient's cells, reducing the frequency and severity of GvHD. In light of these advantages, NiCord, if approved, may serve as a universal, readily-available, reliable and effective alternative to existing sources of donor cells for HSCT.

We are currently enrolling patients in an international, multicenter, randomized, pivotal Phase 3 clinical trial in 120 patients with hematologic malignancies, AML, ALL, CML, MDS and lymphomas. We anticipate reporting top-line data from this trial in the first half of 2020. In our Phase 1/2 clinical trial, sponsored by us, we enrolled 36 patients with hematologic malignancies who did not have a suitable matched donor. For comparison, we identified 146 patients as historic controls from data collected by the Center for International Blood and Marrow Transplant Research, or CIBMTR. The primary endpoint of neutrophil engraftment was met based on recovery of neutrophils, which are infection-fighting white blood cells. Neutrophil engraftment is defined as achieving a minimum neutrophil count of at least 0.5×10^9 per liter on three consecutive measurements on different days. There was a median recovery time of 11.5 days after transplantation in NiCord treated patients, compared to 21 days observed in the historic controls. A key secondary endpoint, platelet engraftment, was also met with a median recovery time of 34 days in NiCord treated patients, compared to 46 days in historic controls. Platelets are required for normal blood clotting and low platelet counts are associated with life-threatening hemorrhage. Platelet engraftment is defined as achieving a platelet count of at least 20×10^9 per liter on three consecutive measurements on different days, with no platelet transfusion in the preceding seven days. Efficient engraftment and robust immune reconstitution likely contributed to an observed reduction of 20 days in the number of days, post-transplant, that patients were hospitalized as compared to similar patients treated with standard cord blood. Based on the results of this Phase 1/2 trial, we received Breakthrough Therapy Designation from the FDA.

Our Strategy

Our goal is to deliver curative cell therapies to patients with serious and life-threatening medical conditions. The key strategies to achieve our goal are the following:

- **Complete Phase 3 clinical development and obtain regulatory approval for NiCord in hematologic malignancies.** Assuming positive results from the Phase 3 clinical trial, we plan to seek regulatory approval for NiCord in the United States, the European Union and other geographies.
- **Advance NiCord for the treatment of severe aplastic anemia in an ongoing Phase 1/2 clinical trial.** We expect to report preliminary data from our Phase 1/2 clinical trial in 2019.
- **Investigate the potential of NAM-NK in conjunction with therapeutic antibodies in additional cancer indications.** We reported preliminary data from our Phase 1 trial in 2018.
- **Maximize commercial value of our product candidates.** If NiCord is approved for stem cell transplantation, we intend to independently pursue the commercialization of NiCord in the United States. Outside of the United States, we may pursue the approval and commercialization of NiCord in collaboration with a partner.

- **Centralize manufacturing capabilities to deliver a pharmaceutical grade product to meet commercial demand.** We currently have limited in-house GMP manufacturing capabilities. We are building additional manufacturing infrastructure at an identified site as we prepare for commercialization.
- **Demonstrate NiCord's value through Health Economics Outcomes Research.** We believe that a favorable outcome of our ongoing Health Economics Outcomes Research analysis will inform price, reimbursement and adoption. Additionally, we are developing a reimbursement strategy modeled upon recently approved cell therapies in oncology through the New Technology Add-on Payment program.
- **Expand our pipeline of cell therapy product candidates by leveraging our cell expansion technology.** We are utilizing our platform technology to develop NAM-NK. Additionally, we plan to leverage our NAM-based expansion technology for the discovery of additional product candidates.

Management Team, Board and Investor Base

We are led by an experienced management team with extensive expertise in developing oncology therapies and manufacturing cell therapies and other complex biologics. Our director and chief executive officer, Julian Adams, played a central role in the discovery and development of bortezomib, or Velcade, a widely used therapy for MM and other blood cancers approved by the FDA in 2003. We are also backed by a stong board of directors and an investor base that includes Novartis, Clal Biotechnology Industries and Israel Biotech Fund.

Risks Associated With Our Business

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks are discussed more fully in the "Risk Factors" section of this prospectus immediately following this prospectus summary. These risks include, among others, the following:

- We have incurred significant losses since our inception. We anticipate that we will continue to incur significant losses for the foreseeable future, and we may never achieve or maintain profitability.
- We have never generated any revenue from product sales and may never be profitable.
- We are heavily dependent on the success of our product candidates, including obtaining regulatory approval to market our product candidates in the United States, the European Union and other geographies.
- Our product candidates are based on novel technologies, which makes it difficult to predict the time and cost of development and of subsequently obtaining regulatory approval.
- Our product candidates and the administration process may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label or result in significant negative consequences following marketing approval, if any.
- Our recurring losses from operations have raised substantial doubt regarding our ability to continue as a going concern absent access to sources of liquidity.
- We rely on third parties to conduct certain elements of our preclinical studies and clinical trials and perform other tasks for us. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for or commercialize our product candidates.
- We rely on a limited number of third parties or, in some cases, a sole third party, for some of our raw materials or certain equipment that we use to create our product candidates, and may not be able to find replacements in the event our supplier no longer provides sufficient quantities or fails to do so at acceptable quality levels or prices.

- We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our technologies and product candidates, and we may not be able to compete effectively in our markets if we are unable to maintain sufficient intellectual property protection for our product candidates.
- We currently have no marketing and sales organization. If we are unable to establish sales and marketing capabilities, or enter into agreements with third parties to market and sell our product candidates, if approved, we may be unable to generate any product revenue.
- We do not anticipate that we will be classified as a passive foreign investment company for the current taxable year; however, if we are so classified, our U.S. shareholders could suffer adverse tax consequences.

Corporate Information

We are an Israeli corporation based in Jerusalem, Israel, and were incorporated in 1998. Our principal executive offices are located at 5 Nahum Heftsadie St., Givaat Shaul, Jerusalem 91340, Israel and our U.S. subsidiary's executive headquarters are in Boston, Massachusetts. Our telephone number is +972 (2) 659-5666. Our website address is *www.gamida-cell.com*. The information contained on our website and available through our website is an inactive textual reference only.

Implications of Being an "Emerging Growth Company" and a Foreign Private Issuer

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- a requirement to include only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure in our initial registration statement;
- reduced executive compensation disclosure;
- exemptions from the requirement to hold a non-binding advisory vote on executive compensation, including golden parachute compensation; and
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act of 2002.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earlier to occur of: (1) the last day of the fiscal year in which we have total annual gross revenue of $1.07 billion or more; (2) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (3) the date on which we are deemed to be a large accelerated filer under the rules of the Securities and Exchange Commission, or the SEC. We may choose to take advantage of some but not all of these reduced burdens, and therefore the information that we provide holders of our ordinary shares may be different than the information you might receive from other public companies in which you hold equity. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards applicable to public companies. However, given that we currently report and expect to continue to report under IFRS as issued by the IASB, the extended transition period available to emerging growth companies that report under GAAP is inapplicable to us.

Upon consummation of this offering, we will report under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as a non-U.S. company with foreign private issuer status. Even after we no longer qualify as an emerging growth company, as long as we continue to qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations with respect to a security registered under the Exchange Act;

- the sections of the Exchange Act requiring insiders to file public reports of their share ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial statements and other specified information, and current reports on Form 8-K upon the occurrence of specified significant events (although we intend to report our results of operations voluntarily on a quarterly basis).

Both foreign private issuers and emerging growth companies are also exempt from certain more stringent executive compensation disclosure rules. Thus, even if we no longer qualify as an emerging growth company, but remain a foreign private issuer, we will continue to be exempt from the more stringent compensation disclosures required of companies that are neither an emerging growth company nor a foreign private issuer.

We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is administered principally in the United States.

In this prospectus, we have taken advantage of certain of the reduced reporting requirements as a result of being an emerging growth company and a foreign private issuer. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

THE OFFERING

Ordinary shares offered by us	ordinary shares
Ordinary shares to be outstanding immediately after this offering	ordinary shares (or ordinary shares if the underwriters exercise their option to purchase an additional ordinary shares in full)
Option to purchase additional ordinary shares	We have granted the underwriters an option for a period of 30 days after the date of this prospectus to purchase up to additional ordinary shares.
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional ordinary shares in full, after deducting the estimated underwriting discount and estimated offering expenses payable by us, based on an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus. We intend to use the net proceeds from this offering, together with our existing cash and cash equivalents and short-term deposits: (i) to fund clinical development of our product candidates, including NiCord, (ii) to fund the buildout of our manufacturing plant, and (iii) for general corporate purposes and working capital. See “Use of Proceeds” for more information about the intended use of proceeds from this offering.
Passive foreign investment company considerations	Based upon the value of our assets, including any goodwill, and the nature and composition of our income and assets, we do not believe that we will be classified as a passive foreign investment company, or a PFIC, for the taxable year ended December 31, 2017, and we do not believe that we will be a PFIC for the taxable year ending December 31, 2018 or in the immediately foreseeable future.
Proposed Nasdaq Global Market symbol	We have applied to have our ordinary shares listed on The Nasdaq Global Market under the symbol “GMDA.”

Unless otherwise stated, the number of ordinary shares to be outstanding after this offering is based on ordinary shares outstanding as of June 30, 2018, and assumes the following as of such date:

- the issuance by us of ordinary shares in this offering; and
- the issuance of ordinary shares upon the conversion of all Series A preferred shares, Series B preferred shares, Series C preferred shares, Series D preferred shares, Series E-1 preferred shares, Series E-2 preferred shares and Series F-1 preferred shares, which will occur automatically upon the closing of this offering;

but excludes:

- ordinary shares reserved for issuance upon the exercise of outstanding options as of June 30, 2018, at a weighted average exercise price of $ per share;
- ordinary shares reserved for issuance under our 2017 Share Incentive Plan, as of the date of this prospectus; and
- ordinary shares issuable upon the exercise of outstanding warrants to purchase Series F-2 preferred shares, at a weighted average exercise price of $ per share, which warrants will automatically convert into warrants to purchase ordinary shares upon the closing of this offering and are expected to remain outstanding at the consummation of this offering.

Unless otherwise indicated, all information in this prospectus assumes or gives effect to:

- no exercise of the underwriters' option to purchase up to an additional ordinary shares;
- a -for- reverse share split to be effected on , 2018, by means of distribution of a share dividend of ordinary shares for each ordinary share then outstanding; and
- the adoption of our amended and restated articles of association upon the closing of this offering, which will replace our amended and restated articles of association as currently in effect.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our consolidated financial data. We have derived the following statements of operations data for the years ended December 31, 2017 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary statements of operations data for the six months ended June 30, 2018 and 2017 and the summary balance sheet data as of June 30, 2018 from our unaudited consolidated financial statements and related notes appearing elsewhere in this prospectus. Our unaudited consolidated financial statements have been prepared on the same basis as our audited financial statements, and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly our financial position as of June 30, 2018 and the results of operations for the six months ended June 30, 2018 and 2017. Our historical results are not necessarily indicative of the results that may be expected in the future, and our results for any interim period are not necessarily indicative of results that may be expected for any full year. The following consolidated summary financial data should be read in conjunction with "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2017	2016	2018	2017
	(in thousands, except share and per share amounts)			
			(unaudited)	
Statements of Operations Data:				
Research and development expenses, net	$ 15,018	$ 19,095	$ 12,037	$ 7,341
General and administrative expenses	4,472	4,614	4,570	1,773
Operating loss	19,490	23,709	16,607	9,114
Financial expenses	718	155	4,204	775
Financial income	(1,197)	(1,193)	(330)	(565)
Net loss	19,011	22,671	20,481	9,324
Basic and diluted net loss per ordinary share	$ 27.56	$ 32.86	$ 29.69	$ 13.52
Weighted average number of ordinary shares, basic and diluted	689,898	689,898	689,898	689,898
As adjusted basic and diluted net loss per ordinary share[1]	$			
As adjusted weighted average number of ordinary shares, basic and diluted[1]				

	As of June 30, 2018		
	Actual	As Adjusted[2]	As Further Adjusted[3]
		(unaudited) (in thousands)	
Balance Sheet Data:			
Cash and cash equivalents, available-for-sale financial assets and short term deposits	$ 28,636	$	$
Working capital[4]	24,946		
Total assets	32,848		
Total shareholders' equity	3,963		

(1) As adjusted basic and diluted net loss per ordinary share and as adjusted weighted average number of ordinary shares, basic and diluted assumes the conversion of all of our outstanding preferred shares into ordinary shares, which will occur upon the closing of this offering, but does not give effect to the issuance of ordinary shares in connection with this offering.

(2) As adjusted balance sheet data give effect to the automatic conversion of all outstanding preferred shares into ordinary shares upon the closing of the offering.

(3) As further adjusted balance sheet data give additional effect to the sale of ordinary shares in the offering at the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses payable by us.

(4) Working capital is defined as total current assets minus total current liabilities.

The as adjusted and as further adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing. Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the as further adjusted amount of each of cash and cash equivalents, available-for-sale financial assets and short-term deposits, working capital, total assets and total shareholders' equity by $ million, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of ordinary shares offered by us at the assumed initial public offering price would increase (decrease) each of cash and cash equivalents, available-for-sale financial assets and short-term deposits, working capital, total assets and total shareholders' equity by $ million.

RISK FACTORS

Investing in our ordinary shares involves a high degree of risk. You should carefully consider the risks and uncertainties described below, in addition to the other information set forth in this prospectus, including the consolidated financial statements and the related notes included elsewhere in this prospectus, before purchasing our ordinary shares. If any of the following risks actually occurs, our business, financial condition, cash flows and results of operations could be negatively impacted. In that case, the trading price of our ordinary shares would likely decline and you might lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

Risks Related to Our Financial Condition and Capital Requirements

We have incurred significant losses since our inception. We anticipate that we will continue to incur significant losses for the foreseeable future, and we may never achieve or maintain profitability.

We are a clinical stage biopharmaceutical company. We have incurred net losses each year since our inception in 1998, including net losses of $20.5 million and $9.3 million for the six months ended June 30, 2018 and 2017, respectively, and $19.0 million and $22.7 million for the years ended December 31, 2017, and 2016, respectively. As of June 30, 2018 and December 31, 2017, we had an accumulated deficit of $136.8 million and $116.3 million, respectively.

We have devoted substantially all of our financial resources to designing and developing our product candidates, including conducting preclinical studies and clinical trials and providing general and administrative support for these operations. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. Our ability to ultimately achieve recurring revenue and profitability, which we do not expect to occur for at least several years, is dependent upon our ability to successfully complete the development of our product candidates, obtain necessary regulatory approvals for and successfully manufacture, market and commercialize our products.

We anticipate that our expenses will increase substantially based on a number of factors, including to the extent that we:

- continue our clinical development of NiCord for the treatment of hematologic malignancies and other rare, serious hematologic diseases;
- seek regulatory and marketing approvals for our product candidates that successfully complete clinical studies;
- identify, assess, acquire, license and/or develop other product candidates;
- establish and validate our commercial-scale current good manufacturing practices, or cGMP, manufacturing facilities, including at our planned Kiryat Gat, Israel facility;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- hire personnel and invest in additional infrastructure to support our operations as a public company and expand our product development;
- enter into agreements to license intellectual property from, or to, third parties;
- develop, maintain, protect and expand our intellectual property portfolio; and
- experience any delays or encounter issues with respect to any of the above, including but not limited to, failed studies, complex results, safety issues or other regulatory challenges that require longer follow-up of existing studies, additional major studies or additional supportive studies in order to pursue marketing approval.

To date, we have financed our operations primarily through private placements of equity securities and royalty-bearing grants that we received from the Israeli Innovation Authority, or the IIA, formerly known as the Office of the Chief Scientist of the Ministry of Economy and Industry. The amount of our future net losses will depend, in part, on the rate of our future expenditures and our ability to obtain

funding through equity or debt financings, strategic collaborations, or grants. Even if we obtain regulatory approval to market one or more product candidates, our future revenue will depend upon the size of any markets in which such product candidates receive approval, and our ability to achieve sufficient market acceptance, pricing, reimbursement from third-party payors for such product candidates. Further, the net losses that we incur may fluctuate significantly from quarter to quarter and year to year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. We may also incur other unanticipated costs from our operations.

Even if this offering is successful, we will need to raise substantial additional funding, which may not be available on acceptable terms, or at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product development efforts or other operations.

Our audited consolidated financial statements for the year ended December 31, 2017 and unaudited interim consolidated financial statements for the period ended June 30, 2018, included elsewhere in this prospectus, note that there is substantial doubt about our ability to continue as a going concern, absent sources of additional liquidity. In order to fund further operations, we will need to raise capital in addition to the net proceeds of this offering. We may seek these funds through a combination of private and public equity offerings, debt financings, government grants, strategic collaborations and licensing arrangements. Additional financing may not be available when we need it or may not be available on terms that are favorable to us. These conditions raise substantial doubt about our ability to continue as a going concern, and we will be required to raise additional funds, seek alternative means of financial support, or both, in order to continue operations. The accompanying audited consolidated financial statements have been prepared assuming that we will continue as a going concern and do not include adjustments that might result from the outcome of this uncertainty. If we are unable to raise the requisite funds, we will need to curtail or cease operations.

Developing our product candidates is expensive, and we expect our research and development expenses to increase substantially in connection with our ongoing activities, particularly as we advance our product candidates through preclinical studies and clinical development in an effort to obtain regulatory approval. We recently commenced a Phase 3 clinical trial of our lead product candidate, NiCord, for the treatment of hematologic malignancies. We expect to report top-line data in the first half of 2020. Assuming positive results from the Phase 3 clinical trial, we plan to seek regulatory approval for NiCord in the United States and the European Union, and we may seek such approvals in other geographies. We also plan to continue our Phase 1/2 investigator-sponsored clinical trial of NiCord for the treatment of severe aplastic anemia and our Phase 1 investigator-sponsored clinical trial of our NAM-NK product candidate for the treatment of refractory non-Hodgkin lymphoma, or NHL, and multiple myeloma, or MM. We will also need funding to build out our planned commercial-scale cGMP manufacturing facility in Kiryat Gat, Israel. Furthermore, upon the closing of this offering, we expect to incur additional ongoing costs associated with operating as a public company.

As of June 30, 2018, we had cash and cash equivalents, available-for-sale financial assets, and short-term deposits of $28.6 million. We currently believe that our existing capital resources, not including the proceeds we receive from this offering, will be sufficient to meet our projected operating requirements through . We will require significant additional financing in the future to fund our operations. Our future funding requirements will depend on many factors, including, but not limited to:

- the progress, results and costs of our current and planned clinical trials of NiCord and our other future product candidates;
- the cost, timing and outcomes of regulatory review of NiCord and our other future product candidates;
- the costs of establishing and maintaining one or more of our planned commercial-scale cGMP manufacturing facilities, including in Kiryat Gat, Israel, and/or engaging third-party manufacturers;
- the scope, progress, results and costs of product development, laboratory testing, manufacturing, preclinical development and clinical trials for any other product candidates that we may develop or otherwise obtain in the future;

- the cost of our future activities, including establishing sales, marketing and distribution capabilities for any product candidates in any particular geography where we receive marketing approval for such product candidates;
- the terms and timing of any collaborative, licensing and other arrangements that we may establish;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims; and
- the level of revenue, if any, received from commercial sales of any product candidates for which we receive marketing approval.

Identifying potential product candidates and conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval and achieve product sales. In addition, our product candidates, if approved, may not achieve commercial success. Our product revenue, if any, will be derived from or based on sales of product candidates that may not be commercially available for many years, if at all. Accordingly, we will need to continue to rely on additional financing to achieve our business objectives. Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates.

We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all, and the terms of any financing may adversely affect the interests or rights of our shareholders. Even if we believe that we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations. The issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our shares to decline.

Raising additional capital may cause dilution to our shareholders, including purchasers of ordinary shares in this offering, restrict our operations or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenue, we expect to obtain additional capital through a combination of equity offerings, debt financings and collaborations and strategic and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of such securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish certain rights to our technologies or our product candidates, or to grant licenses on terms that are not favorable to us.

If we are unable to obtain funding on acceptable terms and on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research, development or manufacturing programs or the commercialization of any approved product, or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could materially affect our business, financial condition and results of operations.

We have never generated any revenue from product sales and may never be profitable.

We have no products approved for marketing in any jurisdiction, and we have never generated any revenue from product sales. Our ability to generate revenue and achieve profitability depends on our ability, alone or with strategic collaboration partners, to successfully complete the development of, and obtain the regulatory and marketing approvals necessary to commercialize one or more of our product candidates. We do not anticipate generating revenue from product sales for at least the next several years. Our ability to generate future revenue from product sales will depend heavily on our ability to:

- complete research and preclinical and clinical development of our product candidates in a timely and successful manner;

- obtain regulatory and marketing approval for those of our product candidates for which we complete clinical studies;
- develop and obtain regulatory approval for a sustainable and scalable in-house and/or third-party manufacturing process that meets all applicable regulatory standards for our approved product candidates;
- establish and maintain supply and, if applicable, manufacturing relationships with third parties that can provide adequate, in both amount and quality, products to support clinical development and the market demand for our product candidates, if and when approved;
- launch and commercialize our product candidates for which we obtain regulatory and marketing approval, either directly by establishing a sales force, marketing and distribution infrastructure, and/or with collaborators or distributors;
- expose, educate and train physicians and other medical professionals to use our products;
- obtain market acceptance, if and when approved, of our product candidates from the medical community and third-party payors;
- ensure procedures utilizing our product candidates are approved for coverage and adequate reimbursement from governmental agencies, private insurance plans, managed care organizations, and other third-party payors in jurisdictions where they have been approved for marketing;
- address any competing technological and market developments that impact our product candidates or their prospective usage by medical professionals;
- identify, assess, acquire and/or develop new product candidates;
- negotiate favorable terms in any collaboration, licensing or other arrangements into which we may enter and perform our obligations under such collaborations;
- maintain, protect and expand our portfolio of intellectual property rights, including patents, patent applications, trade secrets and know-how;
- avoid and defend against third-party interference, infringement or other intellectual property related claims;
- attract, hire and retain qualified personnel; and
- locate and lease or acquire suitable facilities to support our clinical development, manufacturing facilities and commercial expansion.

Even if one or more of our product candidates is approved for marketing and sale, we anticipate incurring significant incremental costs associated with commercializing such product candidates. Our expenses could increase beyond expectations if we are required by the U.S. Food and Drug Administration, or the FDA, the European Medicines Agency, or the EMA, or other regulatory agencies or ethical committees in medical centers, to change our manufacturing processes or assays or to perform clinical, nonclinical, or other types of studies in addition to those that we currently anticipate. Even if we are successful in obtaining regulatory approvals to market one or more of our product candidates, our revenue earned from such product candidates will be dependent in part upon the size of the markets in the territories for which we gain regulatory approval for such products, the accepted price for such products, our ability to obtain reimbursement for such products at any price, whether we own the commercial rights for that territory in which such products have been approved and the expenses associated with manufacturing and marketing such products for such markets. Therefore, we may not generate significant revenue from the sale of such products, even if approved. Further, if we are not able to generate significant revenue from the sale of our approved products, we may be forced to curtail or cease our operations. Due to the numerous risks and uncertainties involved in product development, it is difficult to predict the timing or amount of increased expenses, or when, or if, we will be able to achieve or maintain profitability.

Risks Related to the Discovery, Development and Clinical Testing of Our Product Candidates

We are heavily dependent on the success of our product candidates, including obtaining regulatory approval to market our product candidates in the United States, the European Union and other geographies.

To date, we have deployed all of our efforts and financial resources to: (i) research and develop our nicotinamide-, or NAM-, based cell expansion technology, our lead product candidate, NiCord, for the treatment of hematologic malignancies, and our other product candidates, including conducting preclinical and clinical studies and providing general and administrative support for these operations; and (ii) develop and secure our intellectual property portfolio for our product candidates. Our future success is dependent on our ability to successfully develop, obtain regulatory approval for and commercialize one or more of our current and future product candidates. Our product candidates' marketability is subject to significant risks associated with successfully completing current and future clinical trials and commercializing our product candidates that receive regulatory approval, including:

- completion of our ongoing international, multicenter, randomized, pivotal Phase 3 clinical trial of NiCord for the treatment of hematologic malignancies and the clinical trials of our other product candidates, and for any other product candidates for which we may file an Investigational New Drug, or IND, application, without which we would be unable to commence such clinical trials;
- acceptance by the FDA, EMA or other regulatory agencies of our parameters for regulatory approval relating to NiCord and our other product candidates, including our proposed indications, primary and secondary endpoint assessments and measurements, safety evaluations and regulatory pathways;
- the acceptance by the FDA, EMA or other regulatory agencies of the number, design, size, conduct and implementation of our clinical trials, our trial protocols and the interpretation of data from preclinical studies or clinical trials;
- our ability to successfully complete the clinical trials of our product candidates, including timely patient enrollment and acceptable safety and efficacy data and our ability to demonstrate the safety and efficacy of the product candidates undergoing such clinical trials;
- our ability to complete our Phase 3 clinical trial of NiCord for the treatment of hematologic malignancies in the United States in a timely fashion, and that such single pivotal Phase 3 clinical trial, even if successfully completed, will be sufficient to support approval of a Biologics License Application, or BLA;
- the FDA's acceptance of the sufficiency of the data we collect from our preclinical studies and our investigator-sponsored Phase 1/2 clinical trial of NiCord for the treatment of severe aplastic anemia and of NAM-NK for the treatment of MM and NHL;
- the willingness of the FDA, EMA or other regulatory agencies to schedule an advisory committee meeting in a timely manner to evaluate and decide on the approval of our regulatory filings, if such advisory committee meetings are required;
- the recommendation of the FDA's advisory committee to approve our applications to market NiCord and our other product candidates in the United States, and the EMA in the European Union, if such advisory committee reviews are scheduled, without limiting the approved labeling, specifications, distribution or use of the products, or imposing other restrictions;
- the satisfaction of the FDA, EMA or other regulatory agencies with the safety and efficacy of our product candidates;
- the prevalence and severity of adverse events associated with our product candidates;
- the timely and satisfactory performance by third-party contractors, trial sites and principal investigators of their obligations in relation to our clinical trials;
- our success in educating medical professionals and patients about the benefits, administration and use of our product candidates, if approved;

- the availability, perceived advantages, relative cost, safety and efficacy of alternative and competing treatments for the indications addressed by our product candidates;
- the effectiveness of our marketing, sales and distribution strategy, and operations, as well as that of any current and future licensees;
- the extent to which third-party payors provide coverage and adequate reimbursement for procedures utilizing our products;
- our ability to develop, validate and maintain a commercially viable manufacturing process that is compliant with cGMP;
- our ability to obtain, maintain, protect and enforce our intellectual property rights with respect to our product candidates; and
- changes to regulatory guidelines.

Many of these clinical, regulatory and commercial risks are beyond our control. Accordingly, we cannot assure you that we will be able to advance any of our product candidates through clinical development, or to obtain regulatory approval of or commercialize any of our product candidates. If we fail to achieve these objectives or overcome the challenges presented above, we could experience significant delays or an inability to successfully commercialize our product candidates. Accordingly, we may not be able to generate sufficient revenue through the sale of our product candidates to enable us to continue our business.

We may be unable to obtain regulatory approval for our product candidates.

The research, development, testing, manufacturing, labeling, packaging, approval, promotion, advertising, storage, recordkeeping, marketing, distribution, post-approval monitoring and reporting and export and import of drug products are subject to extensive regulation by the FDA, the EMA and by regulatory authorities in other countries. These regulations differ from country to country. To gain approval to market our product candidates, we must provide data from well-controlled clinical trials that adequately demonstrate the safety and efficacy of the product for the intended indication to the satisfaction of the FDA, EMA or other regulatory authority. We have not yet obtained regulatory approval to market any of our product candidates in the United States or any other country. The FDA, EMA or other regulatory agencies can delay, limit or deny approval of our product candidates for many reasons, including:

- regulatory requests for additional analyses, reports, data, non-clinical and preclinical studies and clinical trials;
- our inability to demonstrate that the product candidates are safe and effective for the target indication to the satisfaction of the FDA, EMA or other regulatory agencies;
- the FDA's, EMA's, or other regulatory agencies' disagreement with our clinical trial protocol, the interpretation of data from preclinical studies or clinical trials, or adequacy of the conduct and control of clinical trials;
- clinical holds, other regulatory objections to commencing or continuing a clinical trial or the inability to obtain regulatory approval to commence a clinical trial in countries that require such approvals;
- the population studied in the clinical trial may not be sufficiently broad or representative to assess safety in the patient population for which we seek approval;
- unfavorable or inconclusive results of clinical trials and supportive non-clinical studies, including unfavorable results regarding safety or efficacy of our product candidates observed in clinical trials;
- our inability to demonstrate that clinical or other benefits of our product candidates outweigh any safety or other perceived risks;
- any determination that a clinical trial presents unacceptable health risks to subjects;

- our inability to obtain approval from institutional review boards, or IRBs, to conduct clinical trials at their respective sites;
- the non-approval of the formulation, labeling or the specifications of our product candidates;
- the failure to accept the manufacturing processes or facilities at our manufacturing site or those of third-party manufacturers with which we contract;
- the potential for approval policies or regulations of the FDA, EMA or other regulatory agencies to significantly change in a manner rendering our clinical data insufficient for approval; or
- resistance to approval from the advisory committees of the FDA, EMA or other regulatory agencies for any reason including safety or efficacy concerns.

In the United States, we will be required to submit a BLA, to obtain FDA approval before marketing any of our product candidates. A BLA must include extensive preclinical and clinical data and supporting information to establish the product candidate's safety, purity and potency, or efficacy, for each desired indication. The BLA must also include significant information regarding the chemistry, manufacturing and controls for the product. The FDA may further inspect our manufacturing facilities to ensure that they can manufacture our product candidates and our products, if and when approved, in compliance with the applicable regulatory requirements, as well as inspect our clinical trial sites to ensure that our studies are properly conducted. Obtaining approval of a BLA is a lengthy, expensive and uncertain process, and approval may not be obtained. Upon submission of a BLA, the FDA must make an initial determination that the application is sufficiently complete to accept the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the FDA, or ultimately be approved. If the application is not accepted for review or approval, the FDA may require that we conduct additional clinical or preclinical trials, or take other actions before it will reconsider our application. If the FDA requires additional studies or data, we would incur increased costs and delays in the marketing approval process, which may require us to expend more resources than we have available. In addition, the FDA may not consider any additional information to be complete or sufficient to support approval.

Regulatory authorities outside of the United States, such as in the European Union, also have requirements for approval of biologics for commercial sale with which we must comply prior to marketing in those areas. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our product candidates. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and obtaining regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. However, the failure to obtain regulatory approval in one jurisdiction could have a negative impact on our ability to obtain approval in a different jurisdiction. Approval processes vary among countries and can involve additional product candidate testing and validation and additional administrative review periods. Seeking additional regulatory approvals outside the United States and European Union could require additional non-clinical studies or clinical trials, which could be costly and time consuming. These regulatory approvals may include all of the risks associated with obtaining FDA or EMA approval. For all of these reasons, if we seek such regulatory approvals for any of our other product candidates, we may not obtain such approvals on a timely basis, if at all.

Even if we eventually complete clinical testing and receive approval of any regulatory filing for our product candidates, the FDA may grant approval contingent on the performance of costly and potentially time-consuming additional post-approval clinical trials or subject to contraindications, black box warnings, restrictive surveillance or a Risk Evaluation and Mitigation Strategy, or REMS. Further, the FDA, EMA or other regulatory authorities may also approve our product candidates for a more limited indication or a narrower patient population than we originally requested, and these regulatory authorities may not approve the labeling that we believe is necessary or desirable for the successful commercialization of our product candidates. Following any approval for commercial sale of our product candidates, certain changes to the product, such as changes in manufacturing processes and additional labeling claims, as well as new safety information, will be subject to additional FDA notification, or review and approval. Also, regulatory approval for any of our product candidates may be withdrawn. To the extent we seek regulatory approval in jurisdictions outside of the United States and European Union, we may face challenges similar

to those described above with regulatory authorities in applicable jurisdictions. Any delay in obtaining, or inability to obtain, applicable regulatory approval for any of our product candidates would delay or prevent commercialization of our product candidates and would thus negatively impact our business, results of operations and prospects.

Clinical development is difficult to design and implement and involves a lengthy and expensive process with uncertain outcomes.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Bone marrow transplant and cell-based therapies that appear promising in the early phases of development may fail to reach the market. Further, a failure of one or more of our clinical trials can occur at any time during the clinical trial process. We do not know whether future clinical trials, if any, will begin on time, need to be redesigned, enroll an adequate number of patients on time or be completed on schedule, if at all. Clinical trials can be delayed, suspended or terminated for a variety of reasons, including failure to:

- generate sufficient preclinical, toxicology, or other *in vivo* or *in vitro* data to support the initiation or continuation of clinical trials;
- obtain regulatory approval, or feedback on trial design, in order to commence a trial;
- identify, recruit and train suitable clinical investigators;
- reach agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among CROs and clinical trial sites, and have such CROs and sites effect the proper and timely conduct of our clinical trials;
- obtain and maintain IRB approval at each clinical trial site;
- identify, recruit and enroll suitable patients to participate in a trial;
- have a sufficient number of patients complete a trial or return for post-treatment follow-up;
- ensure clinical investigators and clinical trial sites observe trial protocol or continue to participate in a trial;
- address any patient safety concerns that arise during the course of a trial;
- address any conflicts with new or existing laws or regulations;
- add a sufficient number of clinical trial sites;
- manufacture sufficient quantities at the required quality of product candidate for use in clinical trials; or
- raise sufficient capital to fund a trial.

We may also experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates, including:

- we may receive feedback from regulatory authorities that requires us to modify the design of our clinical trials;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;

- regulators or IRBs may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site or amend a trial protocol;
- we may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites and CROs;
- we or our investigators might have to suspend or terminate clinical trials of our product candidates for various reasons, including non-compliance with regulatory requirements, a finding that our product candidates have undesirable side effects or other unexpected characteristics, or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- there may be changes in government regulations or administrative actions;
- our product candidates may have undesirable adverse effects or other unexpected characteristics;
- we may not be able to demonstrate that a produce candidate's clinical and other benefits outweigh its safety risks;
- we may not be able to demonstrate that a product candidate provides an advantage over current standards of care of future competitive therapies in development;
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we anticipate; and
- any future collaborators that conduct clinical trials may face any of the above issues, and may conduct clinical trials in ways they view as advantageous to them but that are suboptimal for us.

We may also encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by the trial's data safety monitoring board, by the FDA, EMA or other regulatory agencies. Such authorities may suspend or terminate one or more of our clinical trials due to a number of factors, including our failure to conduct the clinical trial in accordance with relevant regulatory requirements or clinical protocols, inspection of the clinical trial operations or trial site by the FDA, EMA or other regulatory agencies resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. In particular, while we currently expect to report top-line data in the first half of 2020 for our Phase 3 clinical trial comparing transplantation with NiCord versus standard cord blood, no assurance can be given that we will be able to maintain that timing.

Further, conducting clinical trials in countries outside of the United States and European Union, as we plan to do for our product candidates, presents additional risks that may delay completion of our clinical trials. These risks include the failure of enrolled patients in foreign countries to adhere to clinical protocol as a result of differences in healthcare services or cultural customs, managing additional administrative burdens associated with jurisdiction-specific regulatory schemes, as well as political and economic risks relevant to such jurisdictions.

If we experience delays in carrying out or completing any clinical trial of our product candidates, the commercial prospects of our product candidates may be harmed, and our ability to generate product revenue from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenue. Any of these occurrences may significantly harm our business and financial condition. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

The results of earlier studies and trials may not be predictive of future trial results, and our clinical trials may fail to adequately demonstrate the safety and efficacy of our product candidates.

Results from preclinical studies or early stage clinical trials are not necessarily predictive of future clinical trial results, and interim results of a clinical trial are not necessarily indicative of final results. For example, based on the results of our Phase 1/2 clinical trials of NiCord for the treatment of hematologic malignancies, we received Breakthrough Therapy Designation for NiCord in the United States from the FDA, and we are conducting the Phase 3 clinical trial with the same eligibility criteria and endpoints as our Phase 1/2 trials to confirm NiCord's superiority over standard umbilical cord blood. However, our Phase 3 clinical trial may fail to show the desired safety and efficacy in clinical development despite positive results in preclinical and early clinical studies. This failure would cause us to abandon further development of NiCord in this indication, which is currently our most advanced product candidate.

There is a high failure rate for product candidates proceeding through clinical trials. Many companies in the pharmaceutical industry have suffered significant setbacks in late-stage clinical trials even after achieving promising results in preclinical testing and earlier-stage clinical trials. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, we may experience regulatory delays or rejections as a result of many factors, including due to changes in regulatory policy during the period of our product candidate development. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will generate the same results or otherwise provide adequate data to demonstrate the efficacy and safety of a product candidate. Frequently, product candidates that have shown promising results in early clinical trials have subsequently suffered significant setbacks in later clinical trials.

Interim, "top-line" and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim, "top-line" or preliminary data from our clinical studies. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or "top-line" data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. In addition, successful results in one or a few patients may not be indicative of the final results after completion of treatment of all patients in a clinical trial. As a result, interim and preliminary data should be viewed with caution until the final data are available. Adverse changes between preliminary or interim data and final data could significantly harm our business prospects.

The success of our NAM-based platform and our product candidates is substantially dependent on developments within the emerging field of cellular therapies, some of which are beyond our control.

Our NAM-based cell expansion technology and our product candidates are designed to increase the therapeutic functionality of cell therapy products, which represents a novel development within the field of cellular therapeutics. Stem cell therapies in turn represent a relatively new therapeutic area that presents a number of scientific, clinical, regulatory and ethical challenges. Any adverse developments in the field of stem cell therapies generally, and in the practice of hematopoietic stem cell transplant in particular, will negatively impact our ability to develop and commercialize our product candidates. In particular, we currently anticipate that NiCord and any additional product candidates that we develop from our NAM-based cell expansion technology would be adopted into the current standard of care for HSCT procedures. If the market for HSCT procedures declines or fails to grow at anticipated levels for any reason, or if the development and commercialization of therapies targeted at the underlying cause of diseases addressed by NiCord obviate the need for patients to undergo HSCT procedures, our business prospects will be significantly harmed.

Because our product candidates are based on novel technologies, it is difficult to predict the time and cost of development and our ability to successfully complete clinical development of these product candidates and obtain the necessary regulatory approvals for commercialization.

Our product candidates are based on our novel NAM-based cell expansion technology, and unexpected problems related to this new technology may arise that can cause us to delay, suspend or terminate our development efforts. Regulatory approval of novel product candidates such as ours can be more expensive and take longer than for other more well-known or extensively studied pharmaceutical or biopharmaceutical product candidates due to our and regulatory agencies' lack of experience with them. Stem cell therapies represent a relatively new therapeutic area, and the FDA has cautioned consumers about potential safety risks associated with these therapies. To date, there are relatively few approved stem cell products.

Regulatory requirements governing cell therapy products have changed frequently and may continue to change in the future. For example, the FDA established the Office of Cellular, Tissue and Gene Therapies within its Center for Biologics Evaluation and Research, or CBER, to consolidate the review of gene therapy and related products, and the Cellular, Tissue and Gene Therapies Advisory Committee to advise CBER on its review. In addition, adverse developments in clinical trials of potential stem cell therapies conducted by others may cause the FDA or other regulatory bodies to change the requirements for approval of any of our product candidates. These regulatory authorities and advisory groups and the new requirements or guidelines they promulgate may lengthen the regulatory review process, require us to perform additional studies, increase our development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of our product candidates or lead to significant post-approval limitations or restrictions. As we advance our product candidates, we will be required to consult with the FDA and other regulatory authorities, and our products will likely be reviewed by the FDA's advisory committee. We also must comply with applicable requirements, and if we fail to do so, we may be required to delay or discontinue development of our product candidates. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a potential product to market could impair our ability to generate sufficient product revenue to maintain our business.

As an organization, we have never completed pivotal clinical trials, and we may be unable to do so for any product candidates we may develop, including completing our pivotal Phase 3 clinical trial for NiCord.

We will need to successfully complete pivotal clinical trials in order to obtain the approval of the FDA, EMA or other regulatory agencies to market NiCord or any of our other product candidates. Carrying out later-stage clinical trials and the submission of a successful BLA is a complicated process. As an organization, we have not previously completed any later stage or pivotal clinical trials and have limited experience in preparing, submitting and prosecuting regulatory filings. Consequently, we may be unable to successfully and efficiently execute and complete necessary clinical trials in a way that leads to BLA submission and approval of NiCord. We may require more time and incur greater costs than our competitors and may not succeed in obtaining regulatory approvals of product candidates that we develop. Failure to commence or complete, or delays in, our planned clinical trials, could prevent us from or delay us in commercializing NiCord.

We may find it difficult to enroll patients in our clinical studies, which could delay or prevent us from proceeding with clinical trials.

Identifying and qualifying patients to participate in clinical studies of our product candidates is critical to our success. The timing of our clinical trials depends in part on the speed at which we can recruit patients to participate in testing our product candidates, and we may experience delays in our clinical trials if we encounter difficulties in enrollment. Patient enrollment and retention in clinical trials depends on many factors, including the size of the patient population, the nature of the trial protocol, our ability to recruit clinical trial investigators with the appropriate competencies and experience, the existing body of safety and efficacy data with respect to the study drug, the number and nature of competing treatments and ongoing clinical trials of competing drugs for the same indication, the proximity of patients to clinical sites, clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any drugs that may be approved for the

indications we are investigating, the eligibility criteria for the study, our ability to obtain and maintain patient consents and the risk that patients enrolled in clinical trials will drop out of the trials before completion. For example, patients may prefer to undergo treatment with stem cell transplantation with cells sourced from matched related donors, matched unrelated donors or haploidentical donors, as opposed to being treated with NiCord, which would adversely affect the enrollment of our clinical trials.

We may not be able to identify, recruit and enroll a sufficient number of patients to complete our clinical studies because of the perceived risks and benefits of the product candidate under study, the availability and efficacy of competing therapies and clinical studies, the proximity and availability of clinical study sites for prospective patients and the patient referral practices of physicians. If patients are unwilling to participate in our studies for any reason, the timeline for recruiting patients, conducting studies, and obtaining regulatory approval of potential products will be delayed.

Our product candidates and the administration process may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label or result in significant negative consequences following marketing approval, if any, and result in costly and damaging product liability claims against us.

Undesirable side effects, including toxicology, caused by our product candidates, or the drugs encapsulated by our product candidates, could cause us or regulatory authorities to interrupt, delay or halt clinical studies and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, EMA or other regulatory agencies. Results of our studies could reveal a high and unacceptable severity and prevalence of these or other side effects. In such an event, our clinical studies could be suspended or terminated, and the FDA, EMA or other regulatory agencies could order us to cease further development of or deny or withdraw approval of our product candidates for any or all targeted indications. Moreover, during the conduct of clinical trials, patients report changes in their health, including illnesses, injuries and discomforts, to their study doctor. Often, it is not possible to determine whether or not the product candidate being studied caused these conditions.

Drug-related, drug-product related, formulation-related and administration-related side effects could affect patient recruitment, the ability of enrolled patients to complete the clinical study or result in potential product liability claims, which could exceed our clinical trial insurance coverage. We are in the process of obtaining clinical trial insurance policies with respect to all our clinical studies. The insurance policies are in accordance with the local regulations applicable in the jurisdictions where the studies are performed outside of clinical trials.

Further, patients with the diseases targeted by our product candidates are often already in severe and advanced stages of disease and have both known and unknown significant pre-existing and potentially life-threatening health risks. Infusion reactions have also been reported in approximately 3% of patients treated with NiCord. Additional serious adverse events reported as related to NiCord, which each occurred in 3% of patients, included elevated liver enzymes, hypertension, and low platelets. During the course of treatment, patients may suffer adverse events, including death, for reasons that may be related to our product candidates. In our Phase 1/2 clinical trial of NiCord for the treatment of sickle cell disease, or SCD, which is a chronic illness, two of the patients died: one due to chronic graft versus host disease, or GvHD, and the other due to secondary graft failure. In our Phase 1/2 trial of NiCord for the treatment of hematologic malignancies, approximately 10% of patients who received NiCord experienced serious GvHD. There was also a low level of sporadic engraftment failures. Such events could subject us to costly litigation, require us to pay substantial amounts of money to injured patients, delay, negatively impact or end our opportunity to receive or maintain regulatory approval to market our products, or require us to suspend or abandon our commercialization efforts.

Even in a circumstance in which we do not believe that an adverse event is related to our products, the investigation into the circumstance may be time-consuming or inconclusive. For instance, allogeneic bone marrow transplant, the area in which NiCord is being used, is associated with serious complications, including death. In addition, there are expected toxicities for patients who receive an allogeneic bone marrow transplant, such as infertility. Thus, while not directly associated with NiCord, there are attendant risks with the space in which our product candidates operate, and any related investigations may interrupt

our development and commercialization efforts, delay our regulatory approval process, or impact and limit the type of regulatory approvals our product candidates receive or maintain. As a result of these factors, a product liability claim, even if successfully defended, could have a material adverse effect on our business, financial condition or results of operations.

Additionally, if one or more of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could result, including, but not limited to:

- regulatory authorities may suspend or withdraw approvals of such product;
- regulatory authorities may require additional warnings on the label, such as a “black box” warning or contraindication;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- we may be required to create a REMS, which could include a medication guide outlining the risks of such side effects for distribution to patients, a communication plan for healthcare providers and/or other elements to assure safe use;
- we may be required to recall a product, change the way a product candidate is administered or conduct additional clinical trials;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and could significantly harm our business, results of operations and prospects.

Even if we complete the necessary clinical trials, we cannot predict when, or if, we will obtain regulatory approval to commercialize any of our product candidates, and the approval may be for a more narrow indication than we seek or be subject to other limitations or restrictions that limit its commercial profile.

We cannot commercialize a product candidate until the appropriate regulatory authorities have reviewed and approved the product candidate. Even if our current or future product candidates meet safety and efficacy endpoints in clinical trials, the regulatory authorities may not complete their review processes in a timely manner, or we may not be able to obtain regulatory approval. Additional delays may result if an FDA Advisory Committee or other regulatory authority recommends non-approval or restrictions on approval. In addition, we may experience delays or rejections based upon additional government regulation from future legislation or administrative action, or changes in regulatory authority policy during the period of product development, clinical trials and the review process.

Regulatory authorities also may approve a product candidate for more limited indications than requested or they may impose significant limitations in the form of warnings or a REMS. These regulatory authorities may require precautions or contra-indications with respect to conditions of use or they may grant approval subject to the performance of costly post-marketing clinical trials. In addition, regulatory authorities may not approve the labeling claims that are necessary or desirable for the successful commercialization of any of our product candidates. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates and materially and adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Government Regulation

Even if we obtain regulatory approval for a product candidate, our products will remain subject to regulatory scrutiny.

If one of our product candidates is approved, it will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of

post-marketing studies, and submission of safety, efficacy, and other post- market information, including both federal and state requirements in the United States and European Union and requirements of comparable regulatory authorities.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, EMA and the requirements of additional regulatory authorities, including ensuring that quality control and manufacturing procedures conform to cGMP regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any approved marketing application. Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production, and quality control.

We will have to comply with requirements concerning advertising and promotion for our products. Promotional communications with respect to prescription drugs and biologics are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved label. As such, we may not promote our products "off-label" for indications or uses for which they do not have approval. The holder of an approved application must submit new or supplemental applications and obtain approval for certain changes to the approved product, product labeling, or manufacturing process. We could also be asked to conduct post-marketing clinical studies to verify the safety and efficacy of our products in general or in specific patient subsets. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing approval.

If a regulatory agency discovers previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, or disagrees with the promotion, marketing or labeling of a product, such regulatory agency may impose restrictions on that product or us, including requiring withdrawal of the product from the market. If we fail to comply with applicable regulatory requirements, a regulatory agency or enforcement authority may, among other things:

- issue warning letters;
- impose civil or criminal penalties;
- suspend or withdraw regulatory approval;
- suspend any of our clinical studies;
- refuse to approve pending applications or supplements to approved applications submitted by us;
- impose restrictions on our operations, including closing our contract manufacturers' facilities; or
- seize or detain products, or require a product recall.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

Moreover, the policies of the FDA and of other regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. For example, certain policies of the Trump administration may impact our business and industry. Namely, the Trump administration has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, FDA's ability to engage in routine oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these orders will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose restrictions on FDA's ability to engage in oversight and

implementation activities in the normal course, our business may be negatively impacted. In addition, if we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

A Breakthrough Therapy Designation by the FDA, even if granted for any of our product candidates, may not lead to a faster development or regulatory review or approval process and it does not increase the likelihood that our product candidates will receive marketing approval.

We have obtained Breakthrough Therapy Designation for NiCord for the treatment of hematologic malignancies, and may receive it in the future if the clinical data support such a designation for one or more of our other product candidates. A breakthrough therapy is defined as a drug or biologic that is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug, or biologic, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For product candidates that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Biologics designated as breakthrough therapies by the FDA may also be eligible for accelerated approval.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe one of our current or future product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of a Breakthrough Therapy Designation for NiCord for the treatment of hematologic malignancies may not result in a faster development process, review or approval compared to drugs considered for approval under non-expedited FDA review procedures and does not assure ultimate approval by the FDA. In addition, the FDA may later decide that the product no longer meets the conditions for qualification.

We may be unable to maintain the benefits associated with orphan drug designations that we have obtained, including market exclusivity, which may cause our revenue, if any, to be reduced.

We have obtained orphan drug designation for NiCord from the FDA and the EMA for the treatment of hematologic malignancies, and we may pursue orphan drug designation for certain of our future product candidates. Under the Orphan Drug Act, the FDA may designate a drug or biologic product as an orphan drug if it is intended to treat a rare disease or condition, defined as a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the European Union, the EMA's Committee for Orphan Medicinal Products, or COMP, grants orphan drug designation to promote the development of products that are intended for the diagnosis, prevention, or treatment of a life-threatening or chronically debilitating condition affecting not more than five in 10,000 persons in the European Union. Additionally, designation is granted for products intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition when, without incentives, it is unlikely that sales of the drug in the European Union would be sufficient to justify the necessary investment in developing the drug or biological product or where there is no satisfactory method of diagnosis, prevention, or treatment, or, if such a method exists, the medicine must be of significant benefit to those affected by the condition.

In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and application fee waivers. In addition, if a product receives the first FDA approval for the indication for which it has orphan designation, the product is entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same drug for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity or where the manufacturer is unable to assure sufficient product quantity the orphan patient population. In the European Union, orphan drug designation entitles a party to financial incentives such as reduction of fees or fee waivers and ten years of market exclusivity following drug or biological product approval. This

period may be reduced to six years if the orphan drug designation criteria are no longer met, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity.

Even though we have obtained orphan drug designation for NiCord from the FDA and the EMA for the treatment of hematologic malignancies, we may not be the first to obtain marketing approval for such indication due to the uncertainties associated with developing pharmaceutical products. Further, orphan drug exclusivity may not effectively protect the product candidate from competition because different drugs with different active moieties can be approved for the same condition. Even after an orphan drug is approved, the FDA or EMA can subsequently approve the same drug with the same active moiety for the same condition if the FDA or EMA concludes that the later drug is clinically superior in that it is safer, more effective, or makes a major contribution to patient care. Orphan drug designation neither shortens the development time or regulatory review time of a drug or biologic nor gives the drug or biologic any advantage in the regulatory review or approval process.

Enacted and future healthcare legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize our product candidates and may affect the prices we may set.

In the United States, the European Union and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes to the healthcare system that could affect our future results of operations. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or collectively the ACA, was enacted, which substantially changed the way healthcare is financed by both governmental and private payors. Among the provisions of the ACA, those of greatest importance to the pharmaceutical and biotechnology industries include the following:

- an annual, non-deductible fee payable by any entity that manufactures or imports certain branded prescription drugs and biologic agents (other than those designated as orphan drugs), which is apportioned among these entities according to their market share in certain government healthcare programs;
- new requirements to report certain financial arrangements with physicians and teaching hospitals, including reporting “transfers of value” made or distributed to prescribers and other healthcare providers and reporting investment interests held by physicians and their immediate family members;
- a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer’s Medicaid rebate liability;
- a licensure framework for follow on biologic products;
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research; and
- establishment of a Center for Medicare Innovation at the Centers for Medicare & Medicaid Services, or CMS, to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, the Tax Cuts and Jobs Act of 2017 was enacted, which includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the “individual mandate”. Since the enactment of the Tax Cuts and Jobs Act of 2017, there have been additional amendments to certain provisions of the ACA, and we expect the current Trump administration

and Congress will likely continue to seek to modify, repeal, or otherwise invalidate all, or certain provisions of, the ACA. It is uncertain the extent to which any such changes may impact our business or financial condition.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, led to aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect in April 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2027 unless additional action is taken by Congress. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws or any other similar laws introduced in the future may result in additional reductions in Medicare and other health care funding, which could negatively affect our customers and accordingly, our financial operations.

Moreover, payment methodologies are subject to changes in healthcare legislation and regulatory initiatives. For example, CMS has developed value-based payment models for a variety of care settings, including the inpatient prospective payment system used for reimbursing inpatient hospital services. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under government payor programs, and review the relationship between pricing and manufacturer patient programs. The Trump administration's budget proposal for fiscal year 2019 contains further drug price control measures that could be enacted during the 2019 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. Additionally, on May 11, 2018, President Trump laid out his administration's "Blueprint" to reduce the cost of prescription drugs while preserving innovation and cures. The Department of Health and Human Services, or HHS, has already started the process of soliciting feedback on some of these measures and, at the same, is immediately implementing others under its existing authority. While some of these proposed measures will require authorization through additional legislation to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that the U.S. federal government will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Legally mandated price controls on payment amounts by third- party payors or other restrictions could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates or put pressure on our product pricing.

In the European Union, similar political, economic and regulatory developments may affect our ability to profitably commercialize our product candidates, if approved. In addition to continuing pressure on prices and cost containment measures, legislative developments at the European Union or member state level may result in significant additional requirements or obstacles that may increase our operating costs. The delivery of healthcare in the European Union, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than European Union, law and policy. National governments and health service providers have

different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most European Union member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing European Union and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post- approval activities and affect our ability to commercialize our product candidates, if approved. In markets outside of the United States and European Union, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States, the European Union or any other jurisdiction. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

Our business operations and current and future relationships with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers will be subject to applicable healthcare regulatory laws, which could expose us to penalties.

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our product candidates, if approved. Such laws include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing any remuneration (including any kickback, bribe, or certain rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under any U.S. federal healthcare program, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal civil and criminal false claims and civil monetary penalties laws, including the civil False Claims Act, which prohibit, among other things, including through civil whistleblower or qui tam actions, individuals or entities from knowingly presenting, or causing to be presented, to the U.S. federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. federal government. Pharmaceutical manufacturers can cause false claims to be presented to the U.S. federal government by engaging in impermissible marketing practices, such as the off-label promotion of a product for an indication for which it has not received FDA approval. In addition, the government may assert that a claim including items and services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- the Health Insurance Portability and Accountability Act, or HIPAA, which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the healthcare fraud statute implemented under HIPAA or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, which also imposes certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy and security of individually identifiable health information of covered entities subject to the rule, such as health plans, healthcare clearinghouses and certain healthcare providers as well as their business associates, independent contractors of a covered entity that perform certain services involving the use or disclosure of individually identifiable health information on their behalf;
- the Food Drug and Cosmetics Act, or the FDCA, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices;
- the U.S. Public Health Service Act, which prohibits, among other things, the introduction into interstate commerce of a biological product unless a biologics license is in effect for that product;
- the U.S. Physician Payments Sunshine Act and its implementing regulations, which requires certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to report annually to the government information related to certain payments and other transfers of value to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- analogous U.S. state laws and regulations, including: state anti-kickback and false claims laws, which may apply to our business practices, including but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; state and local laws requiring the registration of pharmaceutical sales representatives; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts;
- the U.S. Foreign Corrupt Practices Act of 1977, as amended, which prohibits, among other things, U.S. companies and their employees and agents from authorizing, promising, offering, or providing, directly or indirectly, corrupt or improper payments or anything else of value to non-U.S. government officials, employees of public international organizations and non-U.S. government owned or affiliated entities, candidates for non-U.S. political office, and non-U.S. political parties or officials thereof; and
- similar healthcare laws and regulations in the European Union and other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment, which could affect our ability to operate our business. Further,

defending against any such actions can be costly, time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

Legislative or regulatory healthcare reforms in the United States may make it more difficult and costly for us to obtain regulatory clearance or approval of our product candidates and to produce, market and distribute our products after clearance or approval is obtained.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulatory clearance or approval, manufacture and marketing of regulated products or the reimbursement thereof. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of our product candidates. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require:

- changes to manufacturing methods;
- change in protocol design;
- additional treatment arm (control);
- recall, replacement, or discontinuance of one or more of our products; and
- additional recordkeeping.

We face competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We face competition from major multinational pharmaceutical companies, established and early-stage biotechnology companies, and universities and other research institutions. Many of our competitors have greater financial and other resources, such as larger research and development staff and more experienced marketing and manufacturing organizations. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and manufacturing pharmaceutical products. These companies also have significantly greater research, sales and marketing capabilities and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel therapeutics or to in-license novel therapeutics that could make the product candidates that we develop obsolete. As a result of all of these factors, our competitors may succeed in obtaining patent protection or FDA approval or discovering, developing and commercializing treatments in the rare disease indications that we are targeting before we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies.

Doctors may recommend that patients undergo stem cell transplantation using cells from matched related donors, matched unrelated donors, haploidentical donors or unmodified umbilical cord blood instead of using NiCord or our other NAM-derived product candidates. In addition, there are several clinical-stage development programs that seek to improve umbilical cord blood transplantation through the use of *ex vivo* expansion technologies to increase the quantity of hematopoietic stem cells for use in HSCT or the use of *ex vivo* differentiation technologies to increase the quantity of hematopoietic progenitor cells for use in HSCT. We are aware of several other companies with product candidates in various stages of development for allogeneic HSCT grafts, including Nohla Therapeutics, Inc., Magenta Therapeutics, Inc., Kiadis Pharma NV, and Bellicum Pharmaceuticals Inc., and for NK cells, including AbbVie Inc., Takeda Pharmaceutical Company Limited, and Ziopharm Oncology, Inc. In addition, many universities and private and public research institutes may develop technologies of interest to us, but license them to our competitors. Our competitors may succeed in developing, acquiring or licensing on an exclusive basis, technologies and drug products that are more effective or less costly than NiCord or any other product candidates that we are currently developing or that we may develop, which could render our products obsolete and noncompetitive.

We believe that our ability to successfully compete will depend on, among other things:

- the results of our preclinical studies and clinical trials;
- our ability to recruit and enroll patients for our clinical trials;
- the efficacy, safety and reliability of our product candidates;
- the speed at which we develop our product candidates;
- our ability to design and successfully execute appropriate clinical trials;
- our ability to protect, develop and maintain intellectual property rights related to our products;
- our ability to maintain a good relationship with regulatory authorities;
- the timing and scope of regulatory approvals, if any;
- our ability to commercialize and market any of our product candidates that receive regulatory approval;
- market perception and acceptance of stem cell therapeutics;
- acceptance of our product candidates by physicians and institutions that perform HSCT procedures;
- the price of our products;
- adequate levels of reimbursement under private and governmental health insurance plans, including Medicare; and
- our ability to manufacture and sell commercial quantities of any approved products to the market.

If our competitors market products that are more effective, safer or less expensive than our future products, if any, or that reach the market sooner than our future products, if any, we may not achieve commercial success. Any inability to successfully compete effectively will adversely impact our business and financial prospects.

Even if we obtain and maintain approval for NiCord or our other product candidates from the FDA, we may never obtain approval outside of the United States, which would limit our market opportunities and adversely affect our business.

Approval of a product candidate in the United States by the FDA does not ensure approval of such product candidate by regulatory authorities in other countries or jurisdictions, and approval by non-U.S. regulatory authority does not ensure approval by regulatory authorities in other countries or by the FDA. However, the failure to obtain approval from the FDA or other regulatory authorities may negatively impact our ability to obtain approval in non-U.S. countries. Sales of NiCord or our other product candidates outside of the United States will be subject to the regulatory requirements of other jurisdictions governing clinical trials and marketing approval. Even if the FDA grants marketing approval for a product candidate, comparable regulatory authorities in other countries also must approve the manufacturing and marketing of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and more onerous than, those in the United States, including additional preclinical studies or clinical trials. In many countries outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that country. In some cases, the price that we intend to charge for our product candidates, if approved, is also subject to approval.

We intend to submit a marketing authorization application to the EMA for approval of NiCord in the European Union, but obtaining such approval from the European Commission following the opinion of the EMA is a lengthy and expensive process. Even if a product candidate is approved, the applicable regulatory agency may limit the indications for which the product may be marketed, require extensive warnings on the product labeling or require expensive and time-consuming additional clinical trials or reporting as conditions of approval. Regulatory authorities in countries outside of the United States and the European Union also have requirements for approval of product candidates with which we must

comply prior to marketing in those countries. Obtaining non-U.S. regulatory approvals and compliance with non-U.S. regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our product candidates in certain countries.

Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. Also, regulatory approval for a product candidate may be withdrawn. If we fail to comply with the regulatory requirements, our target market will be reduced and our ability to realize the full market potential NiCord or our other product candidates will be harmed and our business, financial condition, results of operations and prospects will be adversely affected.

The misuse or off-label use of our products may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

We initially intend to seek marketing approval for NiCord for the treatment of hematologic malignancies. We will train our marketing and sales personnel to not promote our products, if approved, for any other uses outside of any FDA-cleared indications for use, known as “off-label uses.” We cannot, however, prevent a physician from using our products off-label, when in the physician’s independent professional medical judgment he or she deems it appropriate. As a result, there may be increased risk of injury to patients if physicians attempt to use our products for these uses for which they are not approved. Furthermore, the use of our products for indications other than those approved by the FDA or any non-U.S. regulatory body may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients.

If the FDA, EMA or any other regulatory body in a jurisdiction in which we operate determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance or imposition of an untitled letter, which is used for violators that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or non-U.S. enforcement authorities might take action under other regulatory authority, such as false claims laws, if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations.

European data collection is governed by restrictive regulations governing the use, processing, and cross-border transfer of personal information.

The collection and use of personal health data in the European Union is governed by the provisions of the General Data Protection Regulation ((EU) 2016/679), or GDPR. This legislation imposes requirements relating to having legal bases for processing personal information relating to identifiable individuals and transferring such information outside the European Economic Area including to the United States, providing details to those individuals regarding the processing of their personal information, keeping personal information secure, having data processing agreements with third parties who process personal information, responding to individuals’ requests to exercise their rights in respect of their personal information, reporting security breaches involving personal data to the competent national data protection authority and affected individuals, appointing data protection officers, conducting data protection impact assessments and record-keeping. The GDPR imposes additional responsibilities and liabilities in relation to personal data that we process and we may be required to put in place additional mechanisms ensuring compliance with the new data protection rules. Failure to comply with the requirements of the GDPR and related national data protection laws of the member states of the European Union may result in substantial fines, other administrative penalties and civil claims being brought against us, which could have a material adverse effect on our business, results of operations and financial condition.

Risks Related to our Reliance on Third Parties

We rely on third parties to conduct certain elements of our preclinical studies and clinical trials and perform other tasks for us. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or comply with regulatory requirements, we may not be able to obtain regulatory approval for or commercialize our product candidates.

We have relied upon, and plan to continue to rely upon, third-party vendors, including CROs, to monitor and manage data for our ongoing preclinical studies and clinical trials. We rely on these parties for execution of our preclinical studies and clinical trials, and we control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on the vendors and CROs does not relieve us of our regulatory responsibilities. We and our CROs and other vendors are required to comply with good clinical practice, or GCP, cGMP, the Helsinki Declaration, the International Conference on Harmonization Guideline for Good Clinical Practice, applicable European Commission Directives on Clinical Trials, laws and regulations applicable to clinical trials conducted in other territories, and good laboratory practices, or GLP, which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Economic Area, or EEA, and comparable regulatory authorities for all of our product candidates in clinical development. Regulatory authorities enforce these regulations through periodic inspections of study sponsors, principal investigators, study sites and other contractors. If we or any of our CROs or vendors fail to comply with applicable regulations, including GCP and cGMP regulations, the clinical data generated in our clinical studies may be deemed unreliable and the FDA, EMA or comparable regulatory authorities may require us to perform additional clinical studies before approving our marketing applications. Our failure to comply with these regulations may require us to repeat clinical studies, which would delay the regulatory approval process.

If any of our relationships with these third-party CROs or vendors terminate, we may not be able to enter into arrangements with alternative CROs or vendors or do so on commercially reasonable terms. In addition, our CROs are not our employees, and, except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical, nonclinical and preclinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical studies may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates. CROs may also generate higher costs than anticipated, which could adversely affect our results of operations and the commercial prospects for our product candidates, increase our costs and delay our ability to generate revenue.

Replacing or adding additional CROs involves additional cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, we may encounter similar challenges or delays in the future, which could have a material adverse impact on our business, financial condition and prospects.

Independent clinical investigators and CROs that we engage to conduct our clinical trials may not devote sufficient time or attention to our clinical trials or be able to repeat their past success.

We expect to continue to depend on third parties, including independent clinical investigators and CROs, to conduct our clinical trials. CROs may also assist us in the collection and analysis of data. There is a limited number of third-party service providers and vendors that specialize or have the expertise required to achieve our business objectives. Identifying, qualifying and managing performance of third-party service providers can be difficult, time consuming and cause delays in our development programs.

These investigators and CROs will not be our employees and we will not be able to control, other than through contract, the amount of resources, including time, which they devote to our product

candidates and clinical trials. If independent investigators or CROs fail to devote sufficient resources to the development of our product candidates, or if their performance is substandard, it may delay or compromise the prospects for approval and commercialization of any product candidates that we develop.

Investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or other regulatory authorities. The FDA or other regulatory authorities may conclude that a financial relationship between us and an investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA or other regulatory authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval or rejection of our marketing applications by the FDA or other regulatory authorities, as the case may be, and may ultimately lead to the denial of marketing approval of one or more of our product candidates.

In addition, the use of third-party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information will be misappropriated. Further, the FDA and other regulatory authorities require that we comply with standards, commonly referred to as GCP, for conducting, recording and reporting clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial subjects are protected. Failure of clinical investigators or CROs to meet their obligations to us or comply with GCP procedures could adversely affect the clinical development of our product candidates and harm our business.

We rely on third parties to supply the raw materials and to provide certain equipment that we and our third-party manufacturer use to create our product candidates. Our business could be harmed if existing and prospective third parties fail to provide us with sufficient quantities of these materials and equipment or fail to do so at acceptable quality levels or prices.

We rely on a limited number of suppliers to provide the raw materials other than cord blood (serum and growth factor) needed to produce our product candidates. We have a relationship with a single supplier, Miltenyi Biotec GmbH, for certain equipment (columns and beads) necessary to create our product candidates. We do not currently have an agreement with Miltenyi Biotec GmbH and there can be no assurance we will be successful in entering into an agreement that would provide for a reliable supply of columns and beads necessary to create our product candidates.

We do not have any control over the availability of these raw materials or pieces of equipment. If we or our providers are unable to purchase these raw materials or equipment on acceptable terms, at sufficient quality levels, or in adequate quantities, if at all, the development and commercialization of our product candidates or any future product candidates, could be delayed or there could be a shortage in supply, which could impair our ability to meet our development objectives for our product candidates or generate revenue from the sale of any approved products.

Even following our establishment of our own planned cGMP-compliant manufacturing capabilities, we intend to continue to rely on third-party suppliers for these raw materials and pieces of equipment, which will expose us to risks including:

- failure of any supplier to become or maintain its status as a cGMP-compliant manufacturer of raw materials, which status is a prerequisite to our attainment of a BLA for NiCord and our other product candidate;
- termination or nonrenewal of supply or service agreements with third parties in a manner or at a time that is costly or damaging to us; and
- disruptions to the operations of our third-party suppliers and service providers caused by conditions unrelated to our business or operations, including the bankruptcy of the supplier or service provider.

Although we intend to establish our own cGMP compliant manufacturing facility in Kiryat Gat, Israel, we expect to utilize a third party to conduct our product manufacturing, in whole or in part, for the next three to five years. Therefore, we are subject to the risk that this third party may not perform satisfactorily.

Until such time as we establish our manufacturing facility in Kiryat Gat, Israel, that has been properly validated to comply with FDA cGMP requirements, we will not be able to independently manufacture sufficient material for our planned clinical programs or commercialization thereof upon receipt of regulatory approval. Although we currently produce NiCord and our other product candidate at our Jerusalem, Israel, facility, we currently rely on only one third-party manufacturer, Lonza, for a portion of the production of NiCord for our ongoing clinical trials. In the event that this third-party manufacturer does not successfully carry out its contractual duties, meet expected deadlines or manufacture NiCord in accordance with regulatory requirements, or if there are disagreements between us and this third-party manufacturer, we may not be able to complete, or may be delayed in completing, the clinical trials required for approval of NiCord. In such instances, we may need to locate an appropriate replacement third-party relationship, which may not be readily available or available on acceptable terms, which could cause delay or increased expense prior to the approval of NiCord and could thereby have a material adverse effect on our business, financial condition and results of operations.

The manufacture of pharmaceutical products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. We and our contract manufacturers must comply with cGMP requirements. Manufacturers of pharmaceutical products often encounter difficulties in production, particularly in scaling up and validating initial production and contamination controls. These problems include difficulties with production costs and yields, quality control, including stability of the product, quality assurance testing, operator error, shortages of qualified personnel, as well as compliance with strictly enforced federal, state and non-U.S. regulations. Furthermore, if microbial, viral or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

Additionally, our third-party manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes. If our third-party manufacturers were to encounter any of these difficulties, our ability to provide any product candidates to patients in clinical trials and products to patients, once approved, would be jeopardized. Any delay or interruption in the supply of product candidates for clinical trials could delay the initiation or completion of clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to commence new clinical trials at additional expense or terminate clinical trials completely. Any adverse developments affecting commercial manufacturing of our product candidates may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our product candidates. We may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. Accordingly, failures or difficulties faced at any level of our product candidate supply chain could materially adversely affect our business and delay or impede the development and commercialization of any of our product candidates and could have a material adverse effect on our business, prospects, financial condition and results of operations.

Any of these events could lead to clinical trial delays or failure to obtain regulatory approval, or impact our ability to successfully commercialize NiCord or our other product candidates if and when regulatory approval is obtained. Some of these events could be the basis for FDA action, including injunction, recall, seizure or total or partial suspension of product manufacture.

Our reliance on third parties requires us to share our trade secrets and other intellectual property, which increases the possibility that a competitor will discover them or that our trade secrets and other intellectual property will be misappropriated or disclosed.

Because we rely on third parties to provide us with the materials that we use to develop and manufacture our product candidates, we may, at times, share trade secrets and other intellectual property with such third parties. We seek to protect our proprietary technology in part by entering into

confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements, or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets and intellectual property. Despite the contractual provisions employed when working with third parties, the need to share trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have a material adverse effect on our business.

Despite our efforts to protect our trade secrets, our competitors or other third parties may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets by third parties. A competitor's or other third party's discovery of our trade secrets would impair our competitive position and have an adverse impact on our business, financial condition, results of operations and prospects.

We face a variety of challenges and uncertainties associated with our dependence on the availability of human umbilical cord blood units, or CBUs, at cord blood banks for the manufacture of NiCord.

CBUs are one of the raw materials for the manufacture of NiCord. The CBUs currently used in the manufacture of NiCord are procured directly by the clinical cell processing facilities from cord blood banks, which hold more than 800,000 CBUs that were donated, processed and cryopreserved. However, the availability of CBUs for the manufacture of NiCord depends on a number of regulatory, political, economic and technical factors outside of our control, including:

- government policies relating to the regulation of CBUs for clinical use;
- the availability of government funding for cord blood banks;
- individual cord blood bank policies and practices relating to CBU acquisition and banking;
- the pricing of CBUs;
- the methods used in searching for and matching CBUs to patients, which involve emerging technology related to current and future CBU parameters that guide the selection of an appropriate CBU for transplantation; and
- methods for the procurement and shipment of CBUs and their handling and storage at clinical sites.

Additionally, we do not have control over the supply, availability, price or types of CBUs that these third parties use in the manufacture of NiCord. We rely heavily on these clinical cell processing facilities to procure CBUs from cord blood banks that are compliant with government regulations and within the current standard of care. In addition, we may identify specific characteristics of CBUs, such as their volume and red blood cell content, that may limit their ability to be used to manufacture NiCord even though these CBUs may otherwise be suitable for use in allogeneic transplant. As a result, the requirement for CBUs to meet our specifications may limit the potential inventory of CBUs eligible for use in the manufacture of NiCord. There is a large variability in the tests, methods and equipment utilized by the cord blood banks in the testing of the CBUs before storage. This could be resulted in CBUs that would be found unsuitable for production after their arrival to the manufacturing site.

In the United States, cord blood banks are required to file a BLA and to meet certain continued regulatory requirements, in order to bank and provide CBUs for transplantation. Despite this requirement, most of the cord blood banks in the United States are not licensed. Additionally, CBUs from a cord blood bank that maintains a BLA are considered to be licensed and have a product label describing their intended use only from the time the license was provided by the FDA. While the FDA currently allows unlicensed CBUs to be used for transplantation and we have used unlicensed CBUs in the manufacture of NiCord for our clinical trials, the FDA may later prohibit the use of unlicensed CBUs for transplantation.

Additionally, although CBUs from non-U.S. cord blood banks, which are generally unlicensed, are currently available in the United States for use in transplantation and we have used CBUs from non-U.S. cord blood banks in our clinical trials, changes in U.S. and non-U.S. regulations may prohibit or limit the future use of non-U.S. CBUs in the United States. Any inability to procure adequate supplies of CBUs will adversely impact our ability to develop and commercialize NiCord.

Risks Related to Our Intellectual Property

If we are unable to obtain, maintain or protect intellectual property rights related to any of our product candidates or any future product candidates, we may not be able to compete effectively in our market.

We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our technologies and product candidates. Our success depends in large part on our ability to obtain and maintain patent and other intellectual property protection in the United States and in other countries with respect to our proprietary technology and product candidates.

We have sought to protect our proprietary position by filing patent applications in the United States and in other countries, with respect to our novel technologies and product candidates, which are important to our business. Patent prosecution is expensive and time consuming. We may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner or in all jurisdictions. It is also possible that we will fail to identify patentable aspects of our research and development activities before it is too late to obtain patent protection.

Further, the patent position of biopharmaceutical companies generally is highly uncertain and involves complex legal and factual questions for which legal principles remain unsettled. This renders the patent prosecution process particularly expensive and time-consuming. There is no assurance that all potentially relevant prior art relating to our patent applications has been found and that there are no material defects in the form, preparation, or prosecution of our patent applications, which can invalidate a patent or prevent a patent from issuing from a pending patent application. Even if patents do successfully issue, and even if such patents cover our product candidates, because the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, our patents or pending patent applications may be challenged in the courts or patent offices in the United States and abroad, which may result in such patents being narrowed, found unenforceable or invalidated. For example, we may be subject to a third party preissuance submission of prior art to the United States Patent and Trademark Office, or USPTO, or become involved in post-grant review procedures, oppositions, derivations, reexaminations, inter partes review (IPR) or interference proceedings, in the United States or elsewhere, challenging our patent rights or the patent rights of others. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Furthermore, even if they are unchallenged, our patent applications and any future patents may not adequately protect our intellectual property, provide exclusivity for our product candidates, or prevent others from designing around our claims. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

If we cannot obtain and maintain effective patent rights for our product candidates, we may not be able to compete effectively, and our business and results of operations would be harmed.

In addition to the protection afforded by any patents that have been or may be granted, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our product candidate discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can be difficult to protect. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with our employees, consultants, scientific advisors and contractors. We also seek to preserve the integrity and confidentiality of our data, trade secrets and intellectual property by maintaining the physical security of our premises and physical and electronic security of our information technology systems. Notwithstanding these measures, organizations and systems, agreements or

security measures may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets and intellectual property may otherwise become known or be independently discovered by competitors.

Although we expect all of our employees and consultants and other third parties who may be involved in the development of intellectual property for us to assign their inventions to us, and all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information, or technology to enter into confidentiality agreements, we cannot provide any assurances that we have entered into such agreements with all applicable third parties or that all such agreements have been duly executed. Even if we have entered into such agreements, we cannot assure you that our counterparties will comply with the terms of such agreements or that the assignment of intellectual property rights under such agreements is self-executing. We may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our senior management and scientific personnel.

We also cannot assure you that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Misappropriation or unauthorized disclosure of our trade secrets and intellectual property could impair our competitive position and may have a material adverse effect on our business. Additionally, if the steps taken to maintain our trade secrets and intellectual property are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. Any of the foregoing could significantly harm our business, results of operations and prospects.

Patent reform legislation and rule changes could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of any issued patents.

Our ability to obtain patents is highly uncertain because, to date, some legal principles remain unsettled, there has not been a consistent policy regarding the breadth or interpretation of claims allowed in patents in the United States and the specific content of patents and patent applications that are necessary to support and interpret patent claims is highly uncertain due to the complex nature of the relevant legal, scientific, and factual issues. Changes in either patent laws or interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property or narrow the scope of our patent protection.

For example, on September 16, 2011, the Leahy-Smith America Invents Act, or the Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes a number of significant changes to United States patent law. These include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The USPTO, has developed new and untested regulations and procedures to govern the full implementation of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, and in particular, the first to file provisions, only became effective in March 2013. Prior to March 2013, in the United States, the first to invent was entitled to the patent. As of March 2013, assuming the other requirements for patentability are met, the first to file a patent application is generally entitled to the patent. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. The Leahy-Smith Act has also introduced procedures making it easier for third parties to challenge issued patents, as well as to intervene in the prosecution of patent applications. Finally, the Leahy-Smith Act contains new statutory provisions that require the USPTO to issue new regulations for their implementation, and it may take the courts years to interpret the provisions of the new statute. It is too early to tell what, if any, impact the Leahy-Smith Act will have on the operation of our business and the protection and enforcement of our intellectual property. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs

surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. Further, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on actions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce patents that we have owned or licensed or that we might obtain in the future. Any inability to obtain, enforce, and defend patents covering our proprietary technologies would materially and adversely affect our business prospects and financial condition.

Similarly, changes in patent laws and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we own or that we may obtain in the future. Further, the laws of some countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. For example, if the issuance to us, in a given country, of a patent covering an invention is not followed by the issuance, in other countries, of patents covering the same invention, or if any judicial interpretation of the validity, enforceability, or scope of the claims, or the written description or enablement, in a patent issued in one country is not similar to the interpretation given to the corresponding patent issued in another country, our ability to protect our intellectual property in those countries may be limited. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may materially diminish the value of our intellectual property or narrow the scope of our patent protection. Any of the foregoing could significantly harm our business, results of operations and prospects.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition by potential partners or customers in our markets of interest. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. If other entities use trademarks similar to ours in different jurisdictions, or have senior rights to ours, it could interfere with our use of our current trademarks throughout the world.

Intellectual property rights of third parties could adversely affect our ability to commercialize our product candidates, and we might be required to litigate or obtain licenses from third parties in order to develop or market our product candidate. Such litigation or licenses could be costly or not available on commercially reasonable terms.

It is inherently difficult to conclusively assess our freedom to operate without infringing or otherwise violating on third party rights. Our competitive position may suffer if patents issued to third parties or other third party intellectual property rights cover our product candidates or elements thereof, or our manufacturing or uses relevant to our development plans. In such cases, we may not be in a position to develop or commercialize products or our product candidates unless we successfully pursue litigation to nullify or invalidate the third party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, if available on commercially reasonable terms. There may also be pending patent applications that if they result in issued patents, could be alleged to be infringed by our product candidates. If such an infringement claim should be brought and be successful, we may be required to pay substantial damages, including treble damages and attorneys' fees if we are found to have willfully infringed, we may be forced to cease the development and commercialization of and otherwise abandon our product candidates, or we may need to seek a license from any patent holders. No assurances can be given that a license will be available on commercially reasonable terms, if at all.

Even if we were able to obtain such a license, it could be granted on non-exclusive terms, thereby providing our competitors and other third parties access to the same technologies licensed to us.

It is also possible that we have failed to identify relevant third party patents or applications. For example, U.S. applications filed before November 29, 2000 and certain U.S. applications filed after that date that will not be filed outside the U.S. remain confidential until patents issue. Patent applications in the U.S. and elsewhere are published approximately 18 months after the earliest filing to which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our product candidates or platform technology could have been filed by others without our knowledge. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our platform technologies, our product candidates or the use of our product candidates. Third party intellectual property right holders may also actively bring infringement claims against us. We cannot guarantee that we will be able to successfully defend, settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in pursuing the development of and/or marketing of our product candidates. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing our product candidates that are held to be infringing. We might, if possible, also be forced to redesign our product candidates so that we no longer infringe the third party intellectual property rights, which may not be commercially feasible. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business and otherwise significantly harm our business, results of operations and prospects.

Third-party claims of intellectual property infringement may prevent or delay our development and commercialization efforts.

Our commercial success depends in part on our avoiding infringing or otherwise violating the patents and proprietary rights of third parties. There have been many lawsuits and other proceedings involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, oppositions, post grant review, IPR, and reexamination proceedings before the USPTO and corresponding non-U.S. patent offices. Numerous U.S. and non-U.S. issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing product candidates. As the pharmaceutical industry expands and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties or other intellectual property claims.

Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture, or methods for treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of any of our product candidates, any materials formed during the manufacturing process or any final product itself, the holders of any such patents may be able to block our ability to commercialize such product candidates unless we obtain a license under the applicable patents, or until such patents expire or are finally determined to be invalid or unenforceable.

Similarly, if any third-party patents were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture, or methods of use, the holders of any such patents may be able to block our ability to develop and commercialize the applicable product candidate unless we obtain a license or until such patent expires or is finally determined to be invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all.

Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would

be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our ordinary shares. Any of the foregoing could significantly harm our business, results of operations and prospects.

We may not be successful in obtaining or maintaining necessary rights to our product candidates through acquisitions and in-licenses.

Because our programs may require the use of intellectual property or proprietary rights held by third parties, the growth of our business will likely depend in part on our ability to acquire, in-license, or use these intellectual property and proprietary rights. In addition, our product candidates may require specific formulations to work effectively and efficiently and the rights to these formulations may be held by others. We may be unable to acquire or in-license any compositions, methods of use, processes, or other third-party intellectual property rights from third parties that we identify as necessary for our product candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources, and greater clinical development and commercialization capabilities.

For example, we sometimes collaborate with academic institutions to accelerate our preclinical research or development under written agreements with these institutions, some of which provide that the applicable institution will own certain rights in any technology developed thereunder. Typically, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the collaboration. Regardless of such option, we may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking our ability to pursue our program.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment. If we are unable to successfully obtain rights to required third-party intellectual property rights, we may have to abandon development of that program and our business and financial condition could suffer.

We may be involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful.

Competitors may infringe, misappropriate or otherwise violate our intellectual property or that of our licensors that we may acquire in the future. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. If we initiate legal proceedings against a third party to enforce a patent covering one of our product candidates, the defendant could counterclaim that the patent covering our product or product candidate is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are common, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. In an infringement proceeding, a court may decide that a patent of ours is not valid or is unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review, *inter partes* review, or IPR, and

equivalent proceedings in non-U.S. jurisdictions (*e.g.*, opposition proceedings). Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel, and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing and could have a material adverse impact on our business.

Interference proceedings provoked by third parties or brought by us may be necessary to determine the priority of inventions with respect to our patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our ordinary shares. Any of the foregoing could significantly harm our business, results of operations and prospects.

We may be subject to claims that our employees, consultants, or independent contractors have wrongfully used or disclosed confidential information of third parties or that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

We employ individuals who were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants and independent contractors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants, or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of any of our employees' former employers or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely impact our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Any of the foregoing could significantly harm our business, results of operations and prospects.

We may be subject to claims challenging the inventorship of our intellectual property.

We may be subject to claims that former employees, collaborators or other third parties have an interest in or right to compensation with respect to our current patent and patent applications, future patents or other intellectual property as an inventor or co-inventor. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship or claiming the right to compensation. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. To the extent that our employees have not effectively waived the right to compensation with respect to inventions that they helped create, they may be able to assert claims for compensation with respect to our

future revenue. As a result, we may receive less revenue from future products if such claims are successful which in turn could impact our future profitability, business, results of operations and prospects.

We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees, which could result in litigation and adversely affect our business.

A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patent Law, 5727-1967, or the Patent Law, inventions conceived by an employee in the course and as a result of or arising from his or her employment with a company are regarded as "service inventions," which belong to the employer, absent a specific agreement between the employee and employer giving the employee service invention rights. The Patent Law also provides that if there is no such agreement between an employer and an employee, the Israeli Compensation and Royalties Committee, or the Committee, a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for his inventions. Case law clarifies that the right to receive consideration for "service inventions" can be waived by the employee and that in certain circumstances, such waiver does not necessarily have to be explicit. The Committee will examine, on a case-by-case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined one specific formula for calculating this remuneration (but rather uses the criteria specified in the Patent Law). Although we generally enter into assignment-of-invention agreements with our employees pursuant to which such individuals assign to us all rights to any inventions created in the scope of their employment or engagement with us, we may face claims demanding remuneration in consideration for assigned inventions. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and/or former employees, or be forced to litigate such claims, which could negatively affect our business.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and/or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our patents and/or applications and any patent rights we may own or license in the future. We rely on our outside counsel or third party service providers to pay these fees due to the USPTO and non-U.S. patent agencies. The USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance can result in abandonment or lapse of the patents or patent applications, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, potential competitors might be able to enter the market and this circumstance could harm our business.

We may enjoy only limited geographical protection with respect to certain patents and we may not be able to protect our intellectual property rights throughout the world.

Filing and prosecuting patent applications and defending patents covering our product candidates in all countries throughout the world would be prohibitively expensive. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement rights are not as strong as that in the United States. These products may compete with our product candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

In addition, we may decide to abandon national and regional patent applications before grant. The examination of each national or regional patent application is an independent proceeding. As a result,

patent applications in the same family may issue as patents in some jurisdictions, such as in the United States, but may issue as patents with claims of different scope or may even be refused in other jurisdictions. It is also quite common that depending on the country, the scope of patent protection may vary for the same product candidate or technology.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws or rules and regulations in the United States, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in other jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing as patents, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. Furthermore, while we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate, which may have an adverse effect on our ability to successfully commercialize our product candidates in all of our expected significant non-U.S. markets. If we encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions.

Some countries also have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors. In those countries, the patent owner may have limited remedies, which could materially diminish the value of such patents. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired for a product candidate, we may be open to competition from competitive medications, including biosimilar and generic medications. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to ours.

Depending upon the timing, duration and conditions of any FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments, and similar legislation in the European Union. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval and only those claims covering the approved drug, a

method for using it or a method for manufacturing it may be extended. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable product candidate will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case, and our competitive position, business, financial condition, results of operations, and prospects could be materially harmed.

Intellectual property rights do not necessarily address all potential threats to our competitive advantage.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to make products that are similar to our product candidates but that are not covered by the claims of the patents that we own;
- we might not have been the first to invent the inventions covered by our patents or the first to file patent applications covering our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own may be held invalid or unenforceable as a result of legal challenges by our competitors;
- issued patents that we own may not provide coverage for all aspects of our product candidates in all countries;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.

Should any of these events occur, they could significantly harm our business, results of operations and prospects.

Risks Related to Our Business Operations

Our future success depends in part on our ability to retain our senior management team and to attract, retain and motivate other qualified personnel.

We are highly dependent on the members of our senior management team. The loss of their services without a proper replacement may adversely impact the achievement of our objectives. Our employees may leave our employment at any time. Recruiting and retaining other qualified employees, consultants and advisors for our business, including scientific and technical personnel, will also be critical to our success. There is currently a shortage of skilled personnel in our industry, which is likely to continue for the foreseeable future. This is particularly the case in Israel and Boston, Massachusetts, where our operations are focused. As a result, competition for skilled personnel is intense, and the turnover rate can be high. We may not be able to attract and retain personnel on acceptable terms given the competition among numerous pharmaceutical companies for individuals with similar skill sets. In addition, failure to succeed in preclinical or clinical studies may make it more challenging to recruit and retain qualified personnel. The inability to recruit and retain qualified personnel, or the loss of the services of any members of our senior management team without proper replacement, may impede the progress of our research, development and commercialization objectives.

We will need to expand our organization, and we may experience difficulties in managing this growth, which could disrupt our operations.

Our future financial performance and our ability to commercialize product candidates and compete effectively will depend, in part, on our ability to effectively manage any future growth. As our development and commercialization plans and strategies develop, we expect to need additional managerial, operational, sales, marketing, financial and legal personnel. Our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of additional product candidates. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenue could be reduced, and we may not be able to implement our business strategy.

Due to our limited resources and access to capital, we must, and have in the past decided to, prioritize development of certain product candidates over other potential candidates. These decisions may prove to have been wrong and may adversely affect our revenue.

Because we have limited resources and access to capital to fund our operations, we must decide which product candidates to pursue and the amount of resources to allocate to each. Our decisions concerning the allocation of research, collaboration, management and financial resources toward particular product candidates may not lead to the development of viable commercial products and may divert resources away from better opportunities. Similarly, our decisions to delay, terminate or collaborate with third parties in respect of certain product development programs may also prove not to be optimal and could cause us to miss valuable opportunities. For instance, we recently made the decision to prioritize the development of NiCord for the treatment of hematologic malignancies over SCD because NiCord is at a more advanced stage of development, while our sickle cell program remains exploratory. If we make incorrect determinations regarding the market potential of our product candidates or misread trends in the pharmaceutical industry, in particular for our lead product candidate, our business, financial condition and results of operations could be materially adversely affected.

We may not be successful in our efforts to identify, discover or license additional product candidates.

Although a substantial amount of our effort will focus on the continued clinical testing, potential approval and commercialization of NiCord, the success of our business also depends upon our ability to identify, discover or license additional product candidates. Our research programs or licensing efforts may fail to yield additional product candidates for clinical development for a number of reasons, including but not limited to the following:

- our research or business development methodology or search criteria and process may be unsuccessful in identifying potential product candidates;
- we may not be able or willing to assemble sufficient resources to acquire or discover additional product candidates;
- our product candidates may not succeed in preclinical or clinical testing;
- our product candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- product candidates we develop may be covered by third parties' patents or other exclusive rights;

- the market for a product candidate may change during our development program so that such product may become unprofitable to continue to develop;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community, or third-party payors.

If any of these events occur, we may be forced to abandon our development efforts for a program or programs, or we may not be able to identify, license, or discover additional product candidates, which would have a material adverse effect on our business and could potentially cause us to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

Our business and operations would suffer in the event of computer system failures, cyber-attacks or a deficiency in our cybersecurity.

Despite the implementation of security measures, our internal computer systems, and those of third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, non-U.S. governments, extra-state actors and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our drug development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach was to result in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur material legal claims and liability, damage to our reputation, and the further development of our drug candidates could be delayed.

We will incur significant increased costs as a result of operating as a public company in the United States, and our management will be required to devote substantial time to new compliance initiatives.

As a public company whose ordinary shares are listed in the United States, we will be subject to an extensive regulatory regime, requiring us, among other things, to maintain various internal controls and facilities and to prepare and file periodic and current reports and statements, including reports on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002. Complying with these requirements will be costly and time consuming. We will need to retain additional employees to supplement our current finance staff, and we may not be able to do so in a timely manner, or at all. In the event that we are unable to demonstrate compliance with our obligations as a public company in a timely manner, or are unable to produce timely or accurate financial statements, we may be subject to sanctions or investigations by regulatory authorities, such as the Securities and Exchange Commission, or the SEC, or The Nasdaq Global Market, and investors may lose confidence in our operating results and the price of our ordinary shares could decline.

Our independent registered public accounting firm was not engaged to perform an audit of our internal control over financial reporting, and as long as we remain an emerging growth company, as such term is defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, we will be exempt from the requirement to have an independent registered public accounting firm perform such audit. Accordingly, no such opinion was expressed or will be expressed any during any such period. Once we cease to qualify as an emerging growth company our independent registered public accounting firm will be required to attest to our management's annual assessment of the effectiveness of our internal controls over financial reporting, which will entail additional costs and expenses.

Furthermore, we are only in the early stages of determining formally whether our existing internal controls over financial reporting systems are compliant with Section 404 and whether there are any material weaknesses or significant deficiencies in our existing internal controls. These controls and other procedures are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is disclosed accurately and is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

In addition, we intend to organize significant management functions in Boston, Massachusetts, where business expenses and salaries may exceed the level of our business expenses in Israel.

International expansion of our business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States or Israel.

Other than our headquarters and other operations which are located in Israel (as further described below), we currently have limited international operations, but our business strategy incorporates potentially significant international expansion, particularly in anticipation of approval of our product candidates. We plan to retain sales representatives and third party distributors and conduct physician, infectious disease specialist, hospital pharmacist and patient association outreach activities, as well as clinical trials, outside of the United States, EU and Israel. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws and regulations such as privacy regulations, tax laws, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits, and licenses;
- failure by us to obtain regulatory approvals for the use of our product candidates in various countries;
- additional potentially relevant third-party patent or other intellectual property rights;
- complexities and difficulties in obtaining protection and enforcing our intellectual property;
- difficulties in staffing and managing international operations;
- complexities associated with managing multiple payor reimbursement regimes, government payors, prince controls or patient self-pay systems;
- limits in our ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism, and political unrest, outbreak of disease, boycotts, curtailment of trade, and other business restrictions;
- certain expenses including, among others, expenses for travel, translation and insurance; and
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and activities that may fall within the purview of the U.S. Foreign Corrupt Practices Act its books and records provisions, or its anti-bribery provisions.

Any of these factors could significantly harm our future international expansion and operations and, consequently, our results of operations.

We may be subject to extensive environmental, health and safety, and other laws and regulations in multiple jurisdictions.

Our business involves the controlled use, directly or indirectly through our service providers, of hazardous materials, various biological compounds and chemicals; therefore, we, our agents and our service providers may be subject to various environmental, health and safety laws and regulations, including those governing air emissions, water and wastewater discharges, noise emissions, the use,

management and disposal of hazardous, radioactive and biological materials and wastes and the cleanup of contaminated sites. The risk of accidental contamination or injury from these materials cannot be eliminated. If an accident, spill or release of any regulated chemicals or substances occurs, we could be held liable for resulting damages, including for investigation, remediation and monitoring of the contamination, including natural resource damages, the costs of which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of biohazardous materials and chemicals. Although we maintain workers' compensation insurance to cover the costs and expenses that may be incurred because of injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. Additional or more stringent federal, state, local or non-U.S. laws and regulations affecting our operations may be adopted in the future. We may incur substantial capital costs and operating expenses and may be required to obtain consents to comply with any of these or certain other laws or regulations and the terms and conditions of any permits or licenses required pursuant to such laws and regulations. For instance, we have undergone inspections and obtained approvals from various governmental agencies. We hold a general business license from the City of Jerusalem that is valid until December 31, 2022. We also hold a toxic substances permit from the Ministry of Environmental Protection (the Hazardous Material Division) and a Certificate of GMP Compliance of a Manufacturer from the Israeli Ministry of Health – Pharmaceutical Administration. Failure to renew any of the foregoing licenses and permits may harm our on-going and future operations. In addition, fines and penalties may be imposed for noncompliance with environmental, health and safety and other laws and regulations or for the failure to have, or comply with the terms and conditions of our business license or, required environmental or other permits or consents.

Our employees and independent contractors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of fraud or other misconduct by our employees and independent contractors. Misconduct by these parties could include intentional failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we may establish, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee and independent contractor misconduct could also involve the improper use of information obtained in the course of clinical trials, including individually identifiable information, creating fraudulent data in our preclinical studies or clinical trials or illegal misappropriation of product candidates. If our operations are found to be in violation of any of these laws, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, integrity oversight and reporting obligations to resolve allegations of non-compliance, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

Under current Israeli law, we may not be able to enforce employees' covenants not to compete and therefore may be unable to prevent our competitors from benefiting from the expertise of some of our former employees.

We generally enter into non-competition agreements with our key employees, in most cases within the framework of their employment agreements. These agreements prohibit our key employees, if they

cease working for us, from competing directly with us or working for our competitors for a limited period. Under applicable Israeli law, we may be unable to enforce these agreements or any part thereof. If we cannot enforce our non-competition agreements with our employees, then we may be unable to prevent our competitors from benefiting from the expertise of our former employees, which could materially adversely affect our business, results of operations and ability to capitalize on our proprietary information.

Risks Related to Commercialization of Our Product Candidates

We do not have experience producing our product candidates at commercial levels or establishing a cGMP manufacturing facility and may not obtain the necessary regulatory approvals or produce our product candidates at the quality, quantities, locations and timing needed to support commercialization.

We do not currently have the experience or ability to manufacture our product candidates at commercial levels. We may encounter technical or scientific issues related to manufacturing or development that we may be unable to resolve in a timely manner or with available funds. We also have not completed all of the characterization and validation activities necessary for commercialization and regulatory approvals. If we do not conduct all such necessary activities, our commercialization efforts will be delayed or halted.

We also may encounter problems hiring and retaining the experienced specialist scientific, quality control and manufacturing personnel needed to operate our manufacturing process, which could result in delays in our production or difficulties in maintaining compliance with applicable regulatory requirements. Any problems in our manufacturing process or facilities could make us a less attractive collaborator for potential partners, including larger pharmaceutical companies, which could limit our access to additional attractive development programs. Problems in our manufacturing process or facilities also could restrict our ability to meet market demand for our product candidates.

If the market opportunities for our product candidates are smaller than we believe they are, our revenue may be adversely affected, and our business may suffer.

Our projections of the number of people who have the potential to benefit from treatment with our product candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including the scientific literature, surveys of clinics or market research, and may prove to be incorrect. Our target patient population may be lower than expected, may not be otherwise amenable to treatment with our product candidate or patients may become increasingly difficult to identify and access, all of which would adversely affect our business, financial condition, results of operations and prospects. In addition, medical advances may reduce our target markets. For example, new processes and advances in oral antibiotic medications or new operative procedures may limit the need for localized delivery systems like our product candidates. Further, advances in treatments in the fields in which we are conducting research programs that reduce side effects and have better deliverability to target organs may limit the market for our future product candidates.

We currently have no marketing and sales organization. If we are unable to establish sales and marketing capabilities, or enter into agreements with third parties to market and sell our product candidates, we may be unable to generate any product revenue.

We have no experience selling and marketing our product candidates, and we currently have no marketing or sales organization. To successfully commercialize any product candidates that may result from our development programs, we will need to develop these capabilities, either on our own or with others. If our product candidates receive regulatory approval, we intend to establish a sales and marketing organization independently or by utilizing experienced third parties with technical expertise and supporting distribution capabilities to commercialize our product candidates in major markets, all of which will be expensive, difficult and time consuming. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact our ability to commercialize our product candidates.

Further, given our lack of prior experience in marketing and selling pharmaceutical products, our initial estimate of the size of the required sales force may be materially more or less than the size of the

sales force actually required to effectively commercialize our product candidates. As such, we may be required to hire sales representatives and third party distributors to adequately support the commercialization of our product candidates, or we may incur excess costs if we hire more sales representatives than necessary. With respect to certain geographical markets, we may enter into collaborations with other entities to utilize their local marketing and distribution capabilities, but we may be unable to enter into such agreements on favorable terms, if at all. We also may enter into collaborations with large pharmaceutical companies to develop and commercialize product candidates. If our future collaborators do not commit sufficient resources to develop and commercialize our future products, if any, and we are unable to develop the necessary marketing capabilities on our own, we will be unable to generate sufficient product revenue to sustain our business. We may compete with companies that currently have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

Our efforts to educate the medical community, including physicians, hospital pharmacists and infectious disease specialists, and third-party payors on the benefits of our product candidates may require significant resources and may never be successful. If any of our product candidates are approved, but fail to achieve market acceptance among physicians, patients or third-party payors, we will not be able to generate significant revenue from such product, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Delays in establishing and obtaining regulatory approval of our manufacturing process and facility or disruptions in our manufacturing process may delay or disrupt our product development and commercialization efforts.

We intend to establish our own cGMP compliant manufacturing facility. Building our own manufacturing facility will require additional investment, will be time-consuming and may be subject to delays, including because of shortage of labor or compliance with regulatory requirements. In addition, building a manufacturing facility may cost more than we currently anticipate. Delays or problems in the build out of our manufacturing facility may adversely impact our ability to provide supply for the development and commercialization of NiCord as well as our financial condition.

Before we can begin to commercially manufacture NiCord or any product candidate, whether in a third-party facility or in our own facility, once established, we must obtain regulatory approval from FDA for our manufacturing process and facility. A manufacturing authorization must also be obtained from the appropriate regulatory authorities in the European Union, Israel and worldwide. In addition, we must pass a pre-approval inspection of our manufacturing facility by the FDA before NiCord or any product candidate can obtain marketing approval. In order to obtain approval, we will need to ensure that all of our processes, methods and equipment are compliant with cGMP, and perform extensive audits of vendors, contract laboratories and suppliers. If any of our vendors, contract laboratories or suppliers is found to be out of compliance with cGMP, we may experience delays or disruptions in manufacturing while we work with these third parties to remedy the violation or while we work to identify suitable replacement vendors. For example, a recent cGMP audit by the Israeli Ministry of Health, or MOH, of the manufacturing process in the facility of our contract manufacturer NiCord resulted in certain critical observations, which we have been working with our contract manufacturer to address. There can be no guarantee, however, that future inspections by regulatory authorities of our manufacturing facilities or those of our contract manufacturers will result in MOH's agreement that these critical observations have been resolved or that similar inspectional observations will not be identified. If we do not demonstrate to the satisfaction of the applicable regulator that our manufacturing facilities, or those of our contract manufacturers, are in compliance with applicable requirements, we may be materially delayed in the development of our product candidates, which would materially harm our business. The cGMP requirements govern quality control of the manufacturing process and documentation policies and procedures. In complying with cGMP, we will be obligated to expend time, money and effort in production, record keeping and quality control to assure that the product meets applicable specifications and other requirements. If we fail to comply with these requirements, we would be subject to possible regulatory action and may not be permitted to sell any product candidate that we may develop.

If we receive marketing approval for our product candidates, sales will be limited unless the product achieves broad market acceptance by physicians, patients, third-party payors, hospital pharmacists, infectious disease specialists and others in the medical community.

The commercial success of our product candidates will depend upon the acceptance of the product by the medical community, including physicians, patients, healthcare payors, hospital pharmacists and infectious disease specialists. The degree of market acceptance of any approved product will depend on a number of factors, including:

- the demonstration of clinical safety and efficacy of our product candidates in clinical trials;
- the efficacy, potential and perceived advantages of our product candidates over alternative treatments;
- the cost of treatment relative to alternative treatments;
- the prevalence and severity of any adverse side effects;
- product labeling or product insert requirements of the FDA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- distribution and use restrictions imposed by the FDA or agreed to by us as part of a mandatory or voluntary risk management plan;
- our ability to obtain third-party payor coverage and adequate reimbursement for procedures utilizing our products;
- the willingness of patients to pay for drugs out of pocket in the absence of third-party coverage;
- the demonstration of the effectiveness of our product candidates in reducing the cost of treatment;
- the strength of marketing and distribution support;
- the timing of market introduction of competitive products;
- the availability of products and their ability to meet market demand; and
- publicity concerning our product candidates or competing products and treatments.

There are a number of alternatives to our NAM based product candidates, including stem cell transplantation using cells from matched related donors, matched unrelated donors, haploidentical donors or unmodified umbilical cord blood. If our product candidates are approved but do not achieve an adequate level of acceptance by physicians, patients, healthcare payors, hospital pharmacists and infectious disease specialists, we may not generate sufficient revenue from the product, and we may not become or remain profitable. In addition, our efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may never be successful.

It may be difficult for us to profitably sell our product candidates if coverage and reimbursement for these products is limited by government authorities and/or third-party payor policies.

In addition to any healthcare reform measures that may affect reimbursement, market acceptance and sales of our product candidates, if approved, will depend on, in part, the extent to which the procedures utilizing our product candidates, performed by health care providers, will be covered by third-party payors, such as government health care programs, commercial insurance and managed care organizations. Our product candidates will be purchased or provided by health care providers for utilization in certain surgical procedures. In the event health care providers and patients accept our product candidates as medically useful, cost effective and safe, there is uncertainty regarding whether our product candidates will be directly reimbursed, reimbursed through a bundled payment or if the product candidates will be included in another type of value-based reimbursement program. Third-party payors determine the extent to which new products will be covered as a benefit under their plans and the level of reimbursement for any covered product or procedure that may utilize a covered product. It is difficult to

predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

A primary trend in the U.S. healthcare industry and elsewhere has been cost containment, including price controls, restrictions on coverage and reimbursement and requirements for substitution of less expensive products and procedures. Third-party payors decide which products and procedures they will pay for and establish reimbursement and co-payment levels. Government and other third-party payors are increasingly challenging the prices charged for health care products and procedures, examining the cost effectiveness of procedures, and the products used in such procedures, in addition to their safety and efficacy, and limiting or attempting to limit both coverage and the level of reimbursement. We cannot be sure that coverage will be available for our product candidates, if approved, or, if coverage is available, the level of direct or indirect reimbursement.

We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the successful commercialization of new products. Further, the adoption and implementation of any future governmental cost containment or other health reform initiative may result in additional downward pressure on the price that we may receive for any approved product.

Reimbursement by a third-party payor may depend upon a number of factors including the third-party payor's determination that use of a product is:

- a covered benefit or part of a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. In the United States, the principal decisions about reimbursement are typically made by The Centers for Medicare and Medicaid Services, or CMS, an agency within the U.S. Department of Health and Human Services, as CMS decides whether and to what extent products, and the procedures that utilize such products, will be covered and reimbursed under Medicare. Private payors may follow CMS, but have their own methods and approval processes for determining reimbursement for new products, and the procedures that utilize such products. It is difficult to predict what CMS as well as other payors will decide with respect to reimbursement for fundamentally novel products such as ours, as there is no body of established practices and precedents for these new products.

In addition, under current Medicare hospital inpatient reimbursement policies CMS offers a process whereby manufacturers may apply for the temporary add-on payment program, or NTAP, for a new medical technology when the applicable Diagnosis-Related Group, or DRG, based inpatient prospective payment rate is inadequate to cover the cost of a new product. As part of our commercialization efforts, we intend to apply for NiCord to be eligible under the NTAP program. To obtain add-on payment, a technology must be considered "new," represent an advance in medical technology that substantially improves, relative to technologies previously available, the diagnosis or treatment of Medicare beneficiaries, and data reflecting the cost of the new technology must not yet be available in the data used to recalibrate the DRGs and the sponsor much show that admissions involving the furnishing of the technology exceed cost thresholds established by CMS for each applicable DRG. If an application is approved, new technology add-on payments are made to hospitals for no less than two years and no more than three years. We must demonstrate the safety and effectiveness of our technology to the FDA in addition to meeting CMS's requirements for the NTAP program before add-on payments can be made, and we cannot assure that CMS will agree to provide such incremental payments for NiCord or any of our other product candidates. Even if NiCord or any of our other product candidates receives FDA and other

required regulatory clearances or approvals, the diagnostic procedure performed with the test may not receive incremental reimbursement in the foreseeable future, if at all.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide supporting scientific, clinical and cost effectiveness data for the use of our products to the payor. We may not be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. Further, no uniform policy requirement for coverage and reimbursement exists among third-party payors in the United States. Similarly, health care providers enter into participation agreements with third-party payors wherein reimbursement rates are negotiated. Therefore, coverage and reimbursement can differ significantly from payor to payor and health care provider to health care provider. As a result, we cannot be sure that coverage or adequate reimbursement will be available for our product candidates, if approved. Also, we cannot be sure that reimbursement amounts will not reduce the demand for, or the price of, our future products. If reimbursement is not available, or is available only to limited levels, we may not be able to commercialize our product candidates, or achieve profitably at all, even if approved.

Our business entails a significant risk of product liability and our ability to obtain sufficient insurance coverage could have a material effect on our business, financial condition, results of operations or prospects.

Our business exposes us to significant product liability risks inherent in the development, testing, manufacturing and marketing of therapeutic treatments. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in an FDA investigation of the safety and effectiveness of our products, our manufacturing processes and facilities or our marketing programs and potentially a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients and a decline in our share price. We do not currently have product liability insurance and do not anticipate obtaining product liability insurance until such time as we have received FDA or other comparable authority approval for a product and there is a product that is being provided to patients outside of clinical trials. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. Furthermore, product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have a material adverse effect on our business.

Risks Related to this Offering and Ownership of Our Ordinary Shares

Our executive officers, directors and principal shareholders will maintain the ability to exert significant control over matters submitted to our shareholders for approval.

Assuming the sale by us of ordinary shares in this offering (or shares if the underwriters exercise their option to purchase additional shares in full), our executive officers, directors and principal shareholders who owned more than 5% of our outstanding ordinary shares before this offering will, in the aggregate, beneficially own shares representing approximately % of our share capital. As a result, if these shareholders were to act together, they would be able to control all matters submitted to our shareholders for approval, as well as our management and affairs. For example, these persons, if they act together, would control the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company on terms that other shareholders may desire or result in management of our company that our public shareholders disagree with.

If you purchase our ordinary shares in this offering, you will incur immediate and substantial dilution in the book value of your shares.

The initial public offering price of our ordinary shares will be substantially higher than the net tangible book value per share of our ordinary shares. Therefore, if you purchase ordinary shares in this offering, you will pay a price per share that substantially exceeds our net tangible book value per share after this

offering. To the extent outstanding options and warrants are exercised, you will incur further dilution. Based on an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, you will experience immediate dilution of $ per share, representing the difference between our as adjusted net tangible book value per share after giving effect to this offering at the assumed initial public offering price. In addition, purchasers of ordinary shares in this offering will have contributed approximately % of the aggregate price paid by all purchasers of our shares but will own only approximately % of our ordinary shares outstanding after this offering.

An active trading market for our ordinary shares may not develop.

Prior to this offering, there has been no public market for our ordinary shares. The initial public offering price for our ordinary shares will be determined through negotiations with the underwriters. Although we have applied to have our ordinary shares listed on The Nasdaq Global Market, an active trading market for our shares may never develop or be sustained following this offering. If an active market for our ordinary shares does not develop, it may be difficult for you to sell shares you purchase in this offering without depressing the market price for the shares, or at all.

The market price of our ordinary shares may be highly volatile, which could result in substantial losses for purchasers of our ordinary shares in this offering.

The trading price of our ordinary shares is likely to be volatile. The stock market in general, and the market for pharmaceutical companies in particular, has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your ordinary shares at or above the initial public offering price. The following factors, in addition to other risk factors described in this section, may have a significant impact on the market price of our ordinary shares:

- inability to obtain the approvals necessary to commence further clinical trials;
- unsatisfactory results of clinical trials;
- announcements of regulatory approvals or the failure to obtain them, or specific label indications or patient populations for their use, or changes or delays in the regulatory review process;
- announcements of therapeutic innovations or new products by us or our competitors;
- adverse actions taken by regulatory agencies with respect to our clinical trials, manufacturing supply chain or sales and marketing activities;
- changes or developments in laws or regulations applicable to any candidate product in any of our platforms;
- any adverse changes to our relationship with manufacturers or suppliers, especially manufacturers of candidate products;
- any intellectual property infringement, misappropriation or other actions in which we may become involved;
- announcements concerning our competitors or the pharmaceutical industry in general;
- achievement of expected product sales and profitability or our failure to meet expectations;
- our commencement of, or involvement in, litigation;
- any changes in our board of directors or management; and
- legislation relating to the sale or pricing of pharmaceuticals in jurisdictions in which we market, or intend to market, our products.

If our quarterly operating results fall below the expectations of investors or securities analysts, the price of our ordinary shares could decline substantially. Furthermore, any quarterly fluctuations in our operating results may, in turn, cause the price of our shares to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

In the past, following periods of volatility in the market price of a company's securities, securities class-action litigation often has been instituted against that company. Such litigation, if instituted against us, could cause us to incur substantial costs to defend such claims and divert management's attention and resources, which could seriously harm our business, financial condition, results of operations and prospects.

Sales of a substantial number of shares of our ordinary shares in the public market by our existing shareholders could cause our share price to fall.

Sales of a substantial number of shares of our ordinary shares in the public market, or the perception that these sales might occur, could depress the market price of our ordinary shares and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that sales may have on the prevailing market price of our ordinary shares. Substantially all of the shares owned by our existing shareholders and option and warrant holders are subject to lock-up agreements with the underwriters of this offering that restrict the shareholders' ability to transfer our ordinary shares for at least six months from the date of this prospectus. Substantially all of our outstanding shares will become eligible for unrestricted sale upon expiration of the lockup period, as described in the sections of this prospectus entitled "Shares Eligible for Future Sale" and "Underwriting." In addition, shares issued or issuable upon exercise of options and warrants vested as of the expiration of the lock-up period will be eligible for sale at that time. Sales of shares by these shareholders could have a material adverse effect on the trading price of our ordinary shares. Moreover, after this offering, holders of an aggregate of approximately ordinary shares will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other shareholders. We intend to register all ordinary shares that we may issue under our equity compensation plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in the "Underwriting" section of this prospectus.

Our management will have broad discretion in the use of the net proceeds from this offering and may allocate the net proceeds from this offering in ways that you and other shareholders may not approve.

Our management will have broad discretion in the use of the net proceeds, including for any of the purposes described in the section entitled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. The failure of our management to use these funds effectively could harm our business. Pending their use, we may invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities and depositary institutions. These investments may not yield a favorable return to our shareholders.

If we are or become classified as a passive foreign investment company, our U.S. shareholders may suffer adverse tax consequences as a result.

Generally, for any taxable year, if at least 75% of our gross income is passive income, or at least 50% of the value of our assets is attributable to assets that produce passive income or are held for the production of passive income, including cash, we would be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. For purposes of these tests, passive income includes dividends, interest gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income (including amounts derived by reason of the temporary investment of funds raised in offerings of our shares) and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. If we are characterized as a PFIC, our U.S. shareholders may suffer adverse tax consequences, including having gains realized on the sale of our ordinary shares treated as ordinary income, rather than capital gain, the loss of the preferential rate applicable to dividends received on our ordinary shares by individuals who are U.S. holders, and having interest charges apply to distributions by us and gains from the sales of our shares.

Our status as a PFIC will depend on the nature and composition of our income and the nature, composition and value of our assets (which, assuming we are not a "controlled foreign corporation," or a CFC, under Section 957(a) of the Internal Revenue Code of 1986, as amended, or the Code, for the year being tested, may be determined based on the fair market value of each asset, with the value of goodwill and going concern value determined in large part by reference to the market value of our common shares, which may be volatile). Our status may also depend, in part, on how quickly we utilize the cash proceeds from this offering in our business. Based upon the value of our assets, including any goodwill, and the nature and composition of our income and assets, we do not believe that we were classified as a PFIC for the taxable year ended December 31, 2017 and we do not believe that we will be classified as a PFIC for the taxable year ending December 31, 2018 or in the immediately foreseeable future. Because the determination of whether we are a PFIC for any taxable year is a factual determination made annually after the end of each taxable year, there can be no assurance that we will not be considered a PFIC in any taxable year. Accordingly, our U.S. counsel expresses no opinion with respect to our PFIC status for our taxable year ended December 31, 2017, and also expresses no opinion with regard to our expectations regarding our PFIC status in the future.

The tax consequences that would apply if we are classified as a PFIC would also be different from those described above if a U.S. shareholder were able to make a valid qualified electing fund, or QEF, election. At this time, we do not expect to provide U.S. shareholders with the information necessary for a U.S. shareholder to make a QEF election. Prospective investors should assume that a QEF election will not be available.

If a United States person is treated as owning at least 10% of our shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our shares, such person may be treated as a "United States shareholder" with respect to each "controlled foreign corporation" in our group (if any). Because our group includes one or more U.S. subsidiaries, certain of our current or future non-U.S. subsidiaries could be treated as controlled foreign corporations (regardless of whether we are or are not treated as a controlled foreign corporation). A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income its pro rata share of "Subpart F income", "global intangible low-taxed income" and investments in U.S. property by controlled foreign corporations, whether or not we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. A failure to comply with these reporting obligations may subject you to significant monetary penalties and may prevent the statute of limitations with respect to your U.S. federal income tax return for the year for which reporting was due from starting. We cannot provide any assurances that we will assist investors in determining whether any of our current or future non-U.S. subsidiaries are treated as a controlled foreign corporation or whether such investor is treated as a United States shareholder with respect to any of such controlled foreign corporations or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. A United States investor should consult their own advisors regarding the potential application of these rules to its investment in the shares.

The intended tax effects of our corporate structure and intercompany arrangements depend on the application of the tax laws of various jurisdictions and on how we operate our business.

Significant judgment is required in evaluating our tax positions and determining our provision for income taxes. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by changes in foreign currency exchange rates or by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations. As we intend to operate in numerous countries and taxing jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm's length standard is applied for transfer pricing purposes, or with respect to the valuation of

intellectual property. In addition, tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. For example, on December 22, 2017, an Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, commonly known as the Tax Cuts and Jobs Act, was enacted, which introduced a comprehensive set of tax reforms. We continue to assess the impact of such tax reform legislation on our business and may determine that changes to our structure, practice or tax positions are necessary in light of the Tax Cuts and Jobs Act. Certain impacts of this legislation have been taken into account in our financial statements, including the reduction of the U.S. corporate income tax rate from the previous 35 percent to 21 percent. The Tax Cuts and Jobs Act in conjunction with the tax laws of other jurisdictions in which we operate, however, may require consideration of changes to our structure and the manner in which we conduct our business. Such changes may nevertheless be ineffective in avoiding an increase in our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

If tax authorities in any of the countries in which we operate were to successfully challenge our transfer prices as not reflecting arms' length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, potentially resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows.

The tax benefits that are available to us require us to continue to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.

Some of our operations in Israel may entitle us to certain tax benefits under the Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law, once we begin to produce revenue. If we do not meet the requirements for maintaining these benefits, they may be reduced or cancelled and the relevant operations would be subject to Israeli corporate tax at the standard rate, which is set at 23% in 2018 and thereafter. In addition to being subject to the standard corporate tax rate, we could be required to refund any tax benefits that we will receive, plus interest and penalties thereon. Even if we continue to meet the relevant requirements, the tax benefits that our current "Preferred Enterprise" is entitled to may not be continued in the future at their current levels or at all. If these tax benefits were reduced or eliminated, the amount of taxes that we will pay would likely increase, as all of our operations would consequently be subject to corporate tax at the standard rate, which could adversely affect our results of operations. Additionally, if we increase our activities outside of Israel, for example, by way of acquisitions, our increased activities may not be eligible for inclusion in Israeli tax benefits programs.

We have never paid cash dividends on our share capital, and we do not anticipate paying any cash dividends in the foreseeable future.

We have never declared or paid cash dividends on our ordinary shares. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends in the foreseeable future. As a result, capital appreciation, if any, of our ordinary shares will be investors' sole source of gain for the foreseeable future. In addition, Israeli law limits our ability to declare and pay dividends, and may subject our dividends to Israeli withholding taxes.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business or our market, or if they adversely change their recommendations or publish negative reports regarding our business or our shares, our share price and trading volume could decline.

The trading market for our ordinary shares will be influenced by the research and reports that industry or securities analysts may publish about us, our business, our market or our competitors. We do not have any control over these analysts and we cannot provide any assurance that analysts will cover us or provide favorable coverage. If any of the analysts who may cover us adversely change their

recommendation regarding our shares, or provide more favorable relative recommendations about our competitors, our share price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

As a foreign private issuer, we are permitted, and intend, to follow certain home country corporate governance practices instead of otherwise applicable Nasdaq requirements, and we will not be subject to certain U.S. securities laws including, but not limited to, U.S. proxy rules and the filing of certain Exchange Act reports.

As a foreign private issuer, we will be permitted, and intend, to follow certain home country corporate governance practices instead of those otherwise required by the Nasdaq Stock Market for domestic U.S. issuers. Following our home country governance practices as opposed to the requirements that would otherwise apply to a U.S. company listed on The Nasdaq Global Market may provide less protection to you than what is accorded to investors under the listing rules of Nasdaq applicable to domestic U.S. issuers.

As a foreign private issuer, we will be exempt from the rules and regulations under the Securities Exchange Act of 1934, or the Exchange Act, related to the furnishing and content of proxy statements, including the applicable compensation disclosure requirements. Nevertheless, pursuant to regulations promulgated under the Israeli Companies Law, 5759-1999, or the Israeli Companies Law or the Companies Law, we are required to disclose the annual compensation of our five most highly compensated office holders on an individual basis. Such disclosure will not be as extensive as that required of a U.S. domestic issuer. Our officers, directors and principal shareholders will also be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act and we will be exempt from filing quarterly reports with the SEC under the Exchange Act. Moreover, we will not be required to comply with Regulation FD, which restricts the selective disclosure of material information, although we intend to voluntarily adopt a corporate disclosure policy substantially similar to Regulation FD. These exemptions and leniencies will reduce the frequency and scope of information and protections to which you may otherwise have been eligible in relation to a U.S. domestic issuer.

We would lose our foreign private issuer status if a majority of our shares are owned by U.S. residents and a majority of our directors or executive officers are U.S. citizens or residents or we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. We may also be required to modify certain of our policies to comply with accepted governance practices associated with U.S. domestic issuers. Such conversion and modifications will involve additional costs. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers.

We are an emerging growth company and the reduced disclosure requirements applicable to emerging growth companies may make our ordinary shares less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements that are applicable to other public companies that are not emerging growth companies.

For as long as we remain an emerging growth company we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not “emerging growth companies.” These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited condensed consolidated interim financial statements, with correspondingly

reduced “Management’s discussion and analysis of financial condition and results of operations” disclosure;

- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earlier to occur of: (1) the last day of the fiscal year in which we have total annual gross revenue of $1.07 billion or more; (2) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (3) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We may choose to take advantage of some but not all of these reduced burdens, and therefore the information that we provide holders of our ordinary shares may be different than the information you might receive from other public companies in which you hold equity. In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards applicable to public companies. However, given that we currently report and expect to continue to report under IFRS as issued by the IASB, the extended transition period available to emerging growth companies that report under GAAP is inapplicable to us.

When we are no longer deemed to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above. We cannot predict if investors will find our ordinary shares less attractive as a result of our reliance on exemptions under the JOBS Act. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and our share price may be more volatile.

Risks Related to Israeli Law and Our Operations in Israel

Our headquarters and other significant operations are located in Israel and, therefore, our results may be adversely affected by political, economic and military conditions in Israel.

Our executive offices are located in Jerusalem, Israel. Also, it is expected that all of our manufacturing operations will be located at Israel. In addition, a number of our officers and directors are residents of Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect our business and operations. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries, as well as terrorist acts committed within Israel by hostile elements. Any hostilities involving Israel or the interruption or curtailment of trade between Israel and its trading partners could adversely affect our operations and results of operations. During November 2012 and from July through August 2014, Israel was engaged in an armed conflict with a militia group and political party who controls the Gaza Strip, and during the summer of 2006, Israel was engaged in an armed conflict with Hezbollah, a Lebanese Islamist Shiite militia group and political party. In December 2008 and January 2009 there was an escalation in violence among Israel, Hamas, the Palestinian Authority and other groups, as well as extensive hostilities along Israel’s border with the Gaza Strip, which resulted in missiles being fired from the Gaza Strip into Southern Israel. Similar hostilities accompanied by missiles being fired from the Gaza Strip into Southern Israel, as well at areas more centrally located near Tel Aviv and at areas surrounding Jerusalem, occurred during November 2012 and July through August 2014. These conflicts involved missile strikes against civilian targets in various parts of Israel, including areas in which our employees and some of our consultants are located, and negatively affected business conditions in Israel. Since February 2011, Egypt has experienced political turbulence and an increase in terrorist activity in the Sinai Peninsula following

the resignation of Hosni Mubarak as president. This included protests throughout Egypt, and the appointment of a military regime in his stead, followed by the elections to parliament which brought groups affiliated with the Muslim Brotherhood (which had been previously outlawed by Egypt), and the subsequent overthrow of this elected government by a military regime. Such political turbulence and violence may damage peaceful and diplomatic relations between Israel and Egypt, and could affect the region as a whole. Similar civil unrest and political turbulence has occurred in other countries in the region, including Syria, which shares a common border with Israel, and is affecting the political stability of those countries. Since April 2011, internal conflict in Syria has escalated, and chemical weapons have been used in the region. Foreign actors have and continue to intervene in Syria. This instability and any intervention may lead to deterioration of the political and economic relationships that exist between the State of Israel and some of these countries, and may have the potential for additional conflicts in the region. In addition, Iran has threatened to attack Israel and may be developing nuclear weapons. Iran also has a strong influence among extremist groups in the region, including Hamas in Gaza, Hezbollah in Lebanon and various rebel militia groups in Syria. These situations have escalated at various points in recent years and may escalate in the future to more violent events, which may affect Israel and us. Any armed conflicts, terrorist activities or political instability in the region could adversely affect business conditions and could harm our results of operations and could make it more difficult for us to raise capital. Parties with whom we do business have sometimes declined to travel to Israel during periods of heightened unrest or tension, forcing us to make alternative arrangements when necessary in order to meet our business partners face to face. In addition, the political and security situation in Israel may result in parties with whom we have agreements involving performance in Israel claiming that they are not obligated to perform their commitments under those agreements pursuant to force majeure provisions in such agreements.

Our commercial insurance does not cover losses that may occur as a result of events associated with the security situation in the Middle East. Although the Israeli government currently covers the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could harm our results of operations.

Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our operating results, financial condition or the expansion of our business. A campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business.

Our operations may be disrupted as a result of the obligation of management or key personnel or consultants to perform military service.

Many Israeli citizens are obligated to perform several days, and in some cases more, of annual military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be military reserve duty call-ups in the future. Our operations could be disrupted by such call-ups, which may include the call-up of members of our management. Such disruption could materially adversely affect our business, financial condition and results of operations.

Because we incur a portion of our expenses in currencies other than the U.S. dollar, our financial condition and results of operations may be harmed by currency fluctuations and inflation.

While our reporting and functional currency is the U.S. dollar, we pay a meaningful portion of our expenses in NIS, Euros and other currencies. All of the salaries of our employees, our general and administrative expenses (including rent for our real property facility in Israel), and the fees that we pay to certain of our partners, are denominated in NIS. Certain of our suppliers are located in Europe and are paid in Euros. As a result, we are exposed to the currency fluctuation risks relating to the denomination of

our future expenses in U.S. dollars. More specifically, if the U.S. dollar becomes devalued against the NIS or the Euro, our NIS- or Euro- denominated expenses will be greater than anticipated when reported in U.S. dollars. Inflation in Israel compounds the adverse impact of such devaluation by further increasing the amount of our Israeli expenses. Israeli inflation may also (in the future) outweigh the positive effect of any appreciation of the U.S. dollar relative to the NIS, if, and to the extent that, it outpaces such appreciation or precedes such appreciation. The Israeli rate of inflation has not had a material adverse effect on our financial condition during 2016 or 2017. Given our general lack of currency hedging arrangements to protect us from fluctuations in the exchange rates of the NIS or the Euro and other non-U.S. currencies in relation to the U.S. dollar (and/or from inflation of such non-U.S. currencies), we may be exposed to material adverse effects from such movements. We cannot predict any future trends in the rate of inflation in Israel or in Europe or the rate of devaluation (if any) of the U.S. dollar against the NIS or the Euro.

Provisions of Israeli law and our amended and restated articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

Certain provisions of Israeli law and our amended and restated articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us or for our shareholders to elect different individuals to our board of directors, even if doing so would be beneficial to our shareholders, and may limit the price that investors may be willing to pay in the future for our ordinary shares. For example, our amended and restated articles of association provide that our directors are elected on a staggered basis, such that a potential acquirer cannot readily replace our entire board of directors at a single annual general shareholder meeting. In addition, Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a company are purchased. Further, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. With respect to certain mergers, Israeli tax law may impose certain restrictions on future transactions, including with respect to dispositions of shares received as consideration, for a period of two years from the date of the merger.

Furthermore, under the Encouragement of Research, Development and Technological Innovation in the Industry Law 5744-1984 (formerly known as the Law for the Encouragement of Research and Development in Industry 5744-1984), and the regulations and guidelines promulgated thereunder, or the Innovation Law, to which we are subject due to our receipt of grants from the Israel Innovation Authority, or IIA (formerly known as the Office of the Chief Scientist of the Ministry of Economy and Industry, or the OCS), a recipient of IIA grants such as us must report to IIA regarding any change of control of our company or regarding any change in the holding of the means of control of our company which results in any non-Israeli citizen or resident becoming an “interested party”, as defined in the Innovation Law, in our company, and in the latter event, the non-Israeli citizen or resident will be required to execute an undertaking in favor of IIA, in a form prescribed by IIA, acknowledging the restrictions imposed by such law and agreeing to abide by its terms.

Investors may have difficulties enforcing a U.S. judgment, including judgments based upon the civil liability provisions of the U.S. federal securities laws against us, or our executive officers and directors or asserting U.S. securities laws claims in Israel.

Not all of our directors or officers are residents of the United States and most of their and our assets are located outside the United States. Service of process upon us or our non-U.S. resident directors and officers and enforcement of judgments obtained in the United States against us or our non-U.S. our directors and executive officers may be difficult to obtain within the United States. We have been informed by our legal counsel in Israel that it may be difficult to assert claims under U.S. securities laws in original actions instituted in Israel or obtain a judgment based on the civil liability provisions of U.S. federal securities laws. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws against us or our non-U.S. officers and directors because Israel may not be the most appropriate forum to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain

matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above. Israeli courts might not enforce judgments rendered outside Israel, which may make it difficult to collect on judgments rendered against us or our non-U.S. officers and directors.

Moreover, among other reasons, including but not limited to, fraud or absence of due process, or the existence of a judgment which is at variance with another judgment that was given in the same matter if a suit in the same matter between the same parties was pending before a court or tribunal in Israel, an Israeli court will not enforce a non-Israeli judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases) or if its enforcement is likely to prejudice the sovereignty or security of the State of Israel.

Your liabilities and responsibilities as a shareholder will be governed by Israeli law, which differs in some material respects from the U.S. law that governs the liabilities and responsibilities of shareholders of U.S. corporations.

We are incorporated under Israeli law. The rights and responsibilities of holders of our ordinary shares are governed by our amended and restated articles of association and the Companies Law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders in typical U.S. corporations. In particular, pursuant to the Companies Law each shareholder of an Israeli company has to act in good faith in exercising his or her rights and fulfilling his or her obligations toward the Company and other shareholders and to refrain from abusing his or her power in the Company, including, among other things, in voting at the general meeting of shareholders and class meetings, on amendments to a company's articles of association, increases in a company's authorized share capital, mergers, and transactions requiring shareholders' approval under the Companies Law. In addition, a controlling shareholder of an Israeli company or a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote or who has the power to appoint or prevent the appointment of a director or officer in the Company, or has other powers toward the Company has a duty of fairness toward the Company. However, Israeli law does not define the substance of this duty of fairness. Because Israeli corporate law has undergone extensive revision in recent years, there is little case law available to assist in understanding the implications of these provisions that govern shareholder behavior.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would," and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the timing and conduct of our clinical trials of NiCord, NAM-NK and our other product candidates, including statements regarding the timing, progress and results of current and future preclinical studies and clinical trials, and our research and development programs;
- the clinical utility, potential advantages and timing or likelihood of regulatory filings and approvals of NiCord, NAM-NK and our other product candidates;
- our plans regarding utilization of regulatory pathways that would allow for accelerated marketing approval in the United States, the European Union and other jurisdictions;
- our expectations regarding timing for application for and receipt of regulatory approval for any of our product candidates;
- our recurring losses from operations, which raised substantial doubt regarding our ability to continue as a going concern absent access to sources of liquidity;
- our ongoing and planned discovery and development of product candidates;
- our expectations regarding future growth, including our ability to develop, and obtain regulatory approval for, new product candidates;
- our expectations regarding when certain patents may be issued and the protection and enforcement of our intellectual property rights;
- our plans to develop and commercialize our product candidates;
- our estimates regarding the market opportunity for our product candidates;
- our ability to maintain relationships with certain third parties;
- our estimates regarding anticipated capital requirements and our needs for additional financing;
- our planned level of capital expenditures;
- our expectations regarding licensing, acquisitions and strategic partnering;
- our expectations regarding the maintenance of our foreign private issuer status;
- the impact of government laws and regulations; and
- our expectations regarding the use of proceeds from this offering.

Forward-looking statements are based on our management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management's beliefs and assumptions, and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this prospectus may turn out to be inaccurate. Important factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements.

The forward-looking statements included in this prospectus speak only as of the date of this prospectus. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. You should, however, review the factors and risks we describe in the reports we will file from time to time with the SEC after the date of this prospectus. See “Where You Can Find More Information.”

USE OF PROCEEDS

We estimate that the net proceeds from the sale of ordinary shares in this offering will be approximately $ million, after deducting the estimated underwriting discount and estimated offering expenses payable by us, based on an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus. If the underwriters exercise their option to purchase up to an additional ordinary shares in full, we estimate that the net proceeds to us from this offering will be approximately $ million, after deducting the estimated underwriting discount and estimated offering expenses payable by us. Each $1.00 increase (decrease) in the assumed initial public offering price of $ per ordinary share would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discount and estimated offering expenses payable by us, by $ million, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of ordinary shares we are offering. An increase (decrease) of 1.0 million in the number of ordinary shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discount and estimated offering expenses payable by us, by $ million, assuming the assumed initial public offering price stays the same.

We intend to use the net proceeds from this offering, together with our existing cash and cash equivalents and short-term deposits, as follows:

- approximately $ million to $ million to fund further clinical development of our product candidates, including the completion of our pivotal Phase 3 clinical trial of our lead product candidate, NiCord, for the treatment of hematologic malignancies;
- approximately $ million to $ million to fund the buildout of our manufacturing plant at Kiryat Gat, Israel; and
- the balance for other general corporate purposes, including general and administrative expenses and working capital.

We may also use a portion of the net proceeds from this offering to acquire or invest in complementary products, technologies or businesses, although we have no present agreements or commitments to do so.

Although we currently anticipate that we will use the net proceeds from this offering as described above, there may be circumstances where a reallocation of funds is necessary. Due to the uncertainties inherent in the clinical development and regulatory approval process, it is difficult to estimate with certainty the exact amounts of the net proceeds from this offering that may be used for any of the above purposes on a stand-alone basis. Amounts and timing of our actual expenditures will depend upon a number of factors, including our sales, marketing and commercialization efforts, regulatory approval and demand for our product candidates, operating costs and other factors described under “Risk Factors” in this prospectus. Accordingly, our management will have flexibility in applying the net proceeds from this offering. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

Based on our current plans, we believe that the net proceeds from this offering together with our existing cash and cash equivalents, available-for-sale financial assets and short-term deposits will be sufficient to enable us to complete our ongoing Phase 1 clinical trial of NAM-NK, to complete our ongoing Phase 1/2 clinical trial and our ongoing Phase 3 clinical trial of our lead product candidate, NiCord, to seek FDA approval for NiCord for the treatment of hematologic malignancies, and to establish our manufacturing capabilities. We have based this estimate on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect.

Pending our application of the net proceeds from this offering, we plan to invest such proceeds in in short-term, investment-grade, interest-bearing securities and depositary institutions.

DIVIDEND POLICY

We have never declared or paid any cash dividends to our shareholders of our ordinary shares, and we do not anticipate or intend to pay cash dividends in the foreseeable future. Payment of cash dividends, if any, in the future will be at the discretion of our board of directors in compliance with applicable legal requirements and will depend on a number of factors, including future earnings, our financial condition, operating results, contractual restrictions, capital requirements, business prospects, our strategic goals and plans to expand our business, applicable law and other factors that our board of directors may deem relevant.

The Israeli Companies Law imposes further restrictions on our ability to declare and pay dividends. See "Description of Share Capital — Dividend and Liquidation Rights" for additional information.

Payment of dividends may be subject to Israeli withholding taxes. See "Taxation — Material Israeli Tax Considerations" for additional information.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, available-for-sale financial assets and short-term deposits and capitalization as of June 30, 2018, on:

- an actual basis;
- an as adjusted basis to give effect to the automatic conversion of all outstanding preferred shares into ordinary shares upon the closing of this offering; and
- an as further adjusted basis to give further effect to the sale of ordinary shares in this offering at the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses payable by us.

The as adjusted and as further adjusted data included in the table below are also unaudited. You should read this information together with our condensed consolidated financial statements appearing elsewhere in this prospectus and the information set forth under the headings “Selected Financial Data,” “Use of Proceeds” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	As of June 30, 2018		
	Actual	As Adjusted	As Further Adjusted
		(unaudited) (in thousands)	
Cash and cash equivalents, available-for-sale financial assets and short-term deposits[1]	$ 28,636	$	$
Shareholders’ equity:			
Preferred A, B, C, D, E-1, E-2 and F-1 shares of NIS 0.01 par value: 16,723,000 shares authorized, actual; no shares authorized, as adjusted and as further adjusted; 14,154,743 shares issued and outstanding, actual; no shares issued and outstanding, as adjusted and as further adjusted[1]	$ 38	$	$
Ordinary shares of NIS 0.01 par value: 23,277,000 shares authorized, actual; shares authorized as adjusted; shares authorized as further adjusted; 689,898 shares issued and outstanding, actual; shares issued and outstanding, as adjusted; shares issued and outstanding, as further adjusted[1]	2		
Share premium	140,934		
Capital reserve due to actuarial loss	(79)		
Available for sale reserve	(169)		
Accumulated deficit	(136,763)		
Total shareholders’ equity[1]	3,963		
Total capitalization[1]	$ 3,963	$	$

(1) The as adjusted and as further adjusted information is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing. Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the as further adjusted amount of each of cash and cash equivalents, available-for-sale financial assets and short-term deposits, working capital, total assets and total shareholders’ equity by $ million, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discount and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of ordinary shares offered by us at the assumed initial public offering price would increase (decrease) each of cash and cash equivalents, available-for-sale financial assets and short-term deposits, working capital, total assets and total shareholders’ equity by $ million.

The number of ordinary shares issued and outstanding, actual, as adjusted and as further adjusted shown in the foregoing table and calculations excludes:

- ordinary shares reserved for issuance upon the exercise of outstanding options as of June 30, 2018, at a weighted average exercise price of $ per share;
- ordinary shares reserved for issuance under our 2017 Share Incentive Plan, as of the date of this prospectus; and
- ordinary shares issuable upon the exercise of outstanding warrants to purchase Series F-1 preferred shares, at a weighted average exercise price of $ per share, which warrants will automatically convert into warrants to purchase ordinary shares upon the closing of this offering and are expected to remain outstanding at the consummation of this offering.

DILUTION

If you invest in our ordinary shares in this offering, your interest will be immediately diluted to the extent of the difference between the initial public offering price per ordinary share in this offering and the as further adjusted net tangible book value per ordinary share after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the net tangible book value per ordinary share. As of June 30, 2018, we had a historical net tangible book value of $4.0 million, or $5.74 per ordinary share. Our net tangible book value per share represents total tangible assets less total liabilities, divided by the number of ordinary shares outstanding on June 30, 2018.

Our as adjusted net tangible book value as of June 30, 2018 was $, or $ per ordinary share. As adjusted net tangible book value per share represents total tangible assets less total liabilities, divided by the number of ordinary shares outstanding as of June 30, 2018, after giving effect to the automatic conversion of all outstanding preferred shares into ordinary shares, which will occur upon the closing of this offering.

After giving effect to the sale of ordinary shares in this offering at an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discount and estimated offering expenses, and after taking into account the automatic conversion of all of our outstanding preferred shares into ordinary shares, which will occur upon the closing of this offering, our as further adjusted net tangible book value at June 30, 2018 would have been $ per share. This represents an immediate increase in as further adjusted net tangible book value of $ per share to existing shareholders and immediate dilution of $ per ordinary share to new investors.

The following table illustrates this dilution per ordinary share:

Assumed initial public offering price per ordinary share		$
Historical net tangible book value per ordinary share as of June 30, 2018	$ 5.74	
Decrease in net tangible book value per ordinary share due to conversion of preferred shares	$	
As adjusted net tangible book value per ordinary share as of June 30, 2018	$	
Increase in as adjusted net tangible book value per ordinary share attributable to new investors	$	
As further adjusted net tangible book value per ordinary share after this offering		$
Dilution per ordinary share to new investors participating in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our as further adjusted net tangible book value as of June 30, 2018 after this offering by approximately $ per ordinary share, and would increase (decrease) dilution to investors in this offering by $ per ordinary share, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discount and estimated offering expenses payable by us. We may also increase or decrease the number of ordinary shares we are offering. An increase (decrease) of 1.0 million in the number of ordinary shares we are offering would increase (decrease) our as further adjusted net tangible book value as of June 30, 2018 after this offering by approximately $ per ordinary share, and would decrease (increase) dilution to investors in this offering by approximately $ per ordinary share, assuming the assumed initial public offering price per ordinary share remains the same, after deducting the estimated underwriting discount and estimated offering expenses payable by us.

The as adjusted and as further adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters exercise in full their option to purchase additional ordinary shares, the as further adjusted net tangible book value will increase to $ per ordinary share, representing an immediate increase in as further adjusted net tangible book value to existing shareholders of $ per ordinary share and an immediate dilution of $ per ordinary share to new investors participating in this offering.

We may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our equity holders.

The following table shows, as of December 31, 2017, on a as further adjusted basis, the number of ordinary shares purchased from us, the total consideration paid to us and the average price paid per share during the last five years by existing shareholders and by new investors purchasing ordinary shares in this offering at an assumed initial public offering price of $ per ordinary share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discount and estimated offering expenses payable by us:

(in thousands, except share and per share amounts and percentages)	Shares Subscribed for/Purchased		Total Consideration		Average Price per Share
	Number	Percent	Number	Percent	
Existing shareholders		%	$	%	$
Investors participating in this offering					
Total		100%	$	100%	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ordinary share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the total consideration paid by investors participating in this offering, total consideration paid by all shareholders and the average price per share paid by all shareholders by approximately $ million, $ million and $ million, respectively, assuming that the number of ordinary shares offered by us, as set forth on the cover page of this prospectus, remains the same and before deducting the estimated underwriting discount and estimated offering expenses payable by us.

Similarly, a 1.0 million share increase (decrease) in the number of ordinary shares offered by us, as set forth on the cover of this prospectus, would increase (decrease) the total consideration paid by investors participating in this offering, total consideration paid by all shareholders and the average price per share paid by all shareholders by approximately $ million, $ million and $ million, respectively, assuming the assumed initial public offering price of $per ordinary share (the midpoint of the price range set forth on the cover page of this prospectus) remains the same, and after deducting the estimated underwriting discount and estimated offering expenses payable by us.

The tables and discussion above shown are based on ordinary shares outstanding as of June 30, 2018, after giving effect to the automatic conversion of all outstanding preferred shares into ordinary shares, which will occur upon the closing of this offering, and excludes:

- ordinary shares reserved for issuance upon the exercise of outstanding options as of June 30, 2018, at a weighted average exercise price of $ per share;
- ordinary shares reserved for issuance under our 2017 Share Incentive Plan, as of the date of this prospectus; and
- ordinary shares issuable upon the exercise of outstanding warrants to purchase Series F-2 preferred shares, at a weighted average exercise price of $ per share, which warrants will automatically convert into warrants to purchase ordinary shares upon the closing of this offering and are expected to remain outstanding at the consummation of this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

The following tables summarize our financial data. We have derived the following statements of operations data for the years ended December 31, 2017 and 2016 and the balance sheet data as of December 31, 2017 and 2016 from our audited consolidated financial statements included elsewhere in this prospectus, which have been prepared in accordance with IFRS. We have derived the selected statements of operations data for the six months ended June 30, 2018 and 2017 and the balance sheet data as of June 30, 2018 from our unaudited consolidated financial statements and related notes appearing elsewhere in this prospectus.

Our unaudited interim consolidated financial statements have been prepared on the same basis as our audited financial statements, and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to state fairly our financial position as of June 30, 2018 and the results of operations for the six months ended June 30, 2018 and 2017. Our historical results are not necessarily indicative of the results that may be expected in the future, and our results for any interim period are not necessarily indicative of results that may be expected for any full year. The following selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2017	2016	2018	2017
	(in thousands, except share and per share amounts)		(unaudited)	
Statements of Operations Data:				
Research and development expenses, net	$ 15,018	$ 19,095	$ 12,037	$ 7,341
General and administrative expenses	4,472	4,614	4,570	1,773
Operating loss	19,490	23,709	16,607	9,114
Financial expenses	718	155	4,204	775
Financial income	(1,197)	(1,193)	(330)	(565)
Net loss	19,011	22,671	20,481	9,324
Basic and diluted net loss per ordinary share	$ 27.56	$ 32.86	$ 29.69	$ 13.52
Weighted average number of ordinary shares, basic and diluted	689,898	689,898	689,898	689,898

	As of December 31,		As of June 30,
	2017	2016	2018
	(in thousands)		(unaudited)
Balance Sheet Data:			
Cash and cash equivalents, available-for-sale financial assets and short-term deposits	$ 41,083	$ 18,059	$ 28,636
Working capital[(1)]	39,046	16,538	24,946
Total assets	44,922	19,179	32,848
Total shareholders' equity	22,956	10,963	3,963

(1) Working capital is defined as total current assets minus total current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with "Selected Consolidated Financial Data" and our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon current beliefs, plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and projections. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. You should carefully read the "Risk Factors" section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled "Special Note Regarding Forward-Looking Statements."

Overview

We are a clinical stage biopharmaceutical company leveraging our proprietary technology to develop cell therapies that are designed to cure cancer and rare, serious hematologic diseases. While cell therapies have the potential to address a variety of diseases, they are limited by availability of donor cells, matching a donor to the patient, and the decline in donor cell functionality when expanding the cells to achieve a therapeutic dose. We have leveraged our nicotinamide-, or NAM-, based cell expansion technology to develop a pipeline of products designed to address the limitations of cell therapies. Our proprietary technology allows for the proliferation of donor cells while maintaining the cells' functional therapeutic characteristics, providing a treatment alternative for patients.

Our most advanced product candidate, NiCord, is a NAM-expanded cord blood cell therapy which has the potential to serve as a universal curative stem cell graft for patients who need a hematopoietic stem cell transplant, or HSCT. The Company is currently enrolling patients in a pivotal Phase 3 clinical trial in 120 patients with various hematologic malignancies. We anticipate reporting top-line data from this trial in the first half of 2020. In our Phase 1/2 clinical trials, patients who were transplanted with NiCord achieved rapid engraftment and immune reconstitution, which are key indicators of clinical benefits. Based on the results of our Phase 1/2 clinical trials, we received Breakthrough Therapy Designation for NiCord in the United States from the U.S. Food and Drug Administration, or the FDA. Furthermore, we received orphan drug designation from both the FDA and the European Medicines Agency.

In addition to hematologic malignancies, we are pursuing the development of NiCord for the treatment of bone marrow failure disorders. NiCord is currently being evaluated in a Phase 1/2 clinical trial sponsored by the National Institutes of Health in patients with severe aplastic anemia, a rare, life-threatening hematological disorder. This study is designed to evaluate the safety and effectiveness of transplantation with NiCord to overcome the high incidence of graft rejection associated with conventional cord blood for severe aplastic anemia. We expect to report preliminary data from our Phase 1/2 clinical trial in 2019.

We have incurred significant net losses since our formation in 1998. Our net losses were $20.5 million and $9.3 million for the six months ended June 30, 2018 and 2017, respectively, and $19.0 million and $22.7 million for the years ended December 31, 2017 and 2016, respectively. As of June 30, 2018, our accumulated deficit was $136.8 million. We expect to continue to incur losses for the foreseeable future, and our losses may fluctuate significantly from year to year. We expect that our expenses will increase substantially in connection with our ongoing activities as we:

- conduct our international, multicenter, randomized, pivotal Phase 3 clinical trial;
- continue the preclinical development of our other product candidates;
- file a Biologics License Application seeking regulatory approval for any of our product candidates;
- establish a sales, marketing and distribution infrastructure and scale up manufacturing capabilities to commercialize any products for which we obtain regulatory approval;

- maintain, expand and protect our intellectual property portfolio;
- add equipment and physical infrastructure to support our research and development and commercialization efforts;
- hire additional clinical development, regulatory, commercial, quality control and manufacturing personnel; and
- add operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization.

We will need substantial additional funding to support our operating activities as we advance our product candidates through clinical development, seek regulatory approval and prepare for and, if any of our product candidates are approved, proceed to commercialization. Adequate funding may not be available to us on acceptable terms, or at all.

To continue to fund our operations, we expect to raise capital in addition to the net proceeds of this offering. We may obtain additional financing in the future through the issuance of our ordinary shares, through other equity or debt financings or through collaborations or partnerships with other companies. We may not be able to raise additional capital on terms acceptable to us, or at all, and any failure to raise capital as and when needed could compromise our ability to execute on our business plan. Although it is difficult to predict future liquidity requirements, we believe that the net proceeds from this offering and our existing funds will be sufficient to fund our operations through . However, our ability to successfully transition to profitability will be dependent upon achieving a level of revenue adequate to support our cost structure. We cannot assure you that we will ever be profitable or generate positive cash flow from operating activities.

Components of Results of Operations

Revenue

We do not currently have any products approved for sale and, to date, we have not recognized any revenue. In the future, we may generate revenue from a combination of product sales, reimbursements, up-front payments and future collaborations. If we fail to achieve clinical success or obtain regulatory approval of any of our product candidates in a timely manner, our ability to generate future revenue will be impaired.

Research and development expenses, net

The largest component of our total operating expenses has historically been, and we expect will continue to be, research and development. Research and development expenses consist primarily of:

- salaries and related costs, including share-based compensation expense, for our personnel in research and development functions;
- expenses incurred under agreements with third parties, including CROs, subcontractors, suppliers and consultants, preclinical studies and clinical trials;
- expenses incurred to acquire, develop and manufacture preclinical study and clinical trial materials; and
- facility and equipment costs, including depreciation expense, maintenance and allocated direct and indirect overhead costs.

Research expenditures are recognized in profit or loss when incurred. An intangible asset arising from a development project or from the development phase of an internal project is recognized if we can demonstrate: the technical feasibility of completing the intangible asset so that it will be available for use or sale; our intention to complete the intangible asset and use or sell it; our ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and our ability to measure reliably the expenditure attributable to the intangible asset during its development. Since our development projects are subject to regulatory approval procedures and other uncertainties, the

conditions for the capitalization of costs incurred before receipt of approvals are not satisfied and, therefore, development expenditures are recognized in profit or loss when incurred.

Through June 30, 2018, we have received grants of approximately $27.0 million in the aggregate from the Israeli Innovation Authority, or the IIA, for research and development funding. Pursuant to the terms of the grants, we are obligated to pay the IIA royalties, at the rate of between 3% to 4% on all our revenue, up to a limit of 100% of the amounts of the U.S. dollar-linked grants received, plus annual interest calculated at a rate based on 12-month LIBOR. We have not paid any royalties to the IIA to date.

In addition to paying any royalties due, we must abide by other restrictions associated with receiving such grants under the Encouragement of Research, Development and Technological Innovation in the Industry Law 5744-1984, which will also continue to apply to us following the repayment in full of the amounts due to the IIA. The Innovation Law restricts our ability to manufacture products and transfer technologies outside of Israel, and may impair our ability to enter into agreements that involve IIA-funded products or know-how without the approval of the IIA. Any approval, if given, will generally be subject to additional financial obligations by us. Failure to comply with the requirements under the Innovation Law may subject us to mandatory repayment of grants received by us, together with interest and penalties as well as expose us to criminal proceedings.

In June 2017, new rules, or the Licensing Rules, were published by the IIA allowing a grant recipient to enter into licensing arrangements or grant other rights in know-how developed under IIA programs outside of Israel, subject to the prior consent of the IIA and payment of license fees, calculated in accordance with the Licensing Rules. The amount of the license fees is based on various factors, including the consideration received by the licensor in connection with the license, and shall not exceed six times the amount of the grants received by the grants recipient (plus accrued interest) for the applicable know-how being licensed. In certain cases, such as when the license consideration includes nonmonetary compensation or when a “special relationship” exists between the licensor and licensee (*e.g.*, when a party controls the other party or is the other party’s exclusive distributor), or when the agreed upon consideration does not reflect, in the IIA’s opinion, the market value of the license, the IIA may base the value of the transaction on an economic assessment that it obtains for such purpose. See “Taxation – Material Israeli Tax Considerations” for more information.

We are currently focused on advancing our product candidates, and our future research and development expenses will depend on their clinical success. Research and development expenses will continue to be significant and will increase over at least the next several years as we continue to develop our product candidates and conduct preclinical studies and clinical trials of our product candidates.

These research and development costs include share-based compensation and other employment costs, regulatory, quality assurance and intellectual property costs. The costs incurred in research and development expenses are to advance the development of our product candidates and preclinical research and development programs. A substantial majority of our research and development expenses are related to the development of NiCord.

We do not believe that it is possible at this time to accurately project total expenses required for us to reach commercialization of our product candidates. Due to the inherently unpredictable nature of preclinical and clinical development, we are unable to estimate with certainty the costs we will incur and the timelines that will be required in the continued development and approval of our product candidates. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. In addition, we cannot forecast which product candidates may be subject to future collaborations, if and when such arrangements will be entered into, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Government grants received from the IIA are recognized upon receipt as a liability if future economic benefits are expected from the project that will result in royalty-bearing revenue. If no such economic benefits are expected, the grants are recognized as a reduction of the related research and development expenses.

General and administrative expenses

General and administrative expenses consist primarily of personnel costs, including share-based compensation, related to directors, executive, finance, and administrative functions, facility costs and external professional service costs, including legal, accounting and audit services and other consulting fees.

We anticipate that our general and administrative expenses will increase in the future as we increase our administrative headcount and infrastructure to support our continued research and development programs and the potential approval and commercialization of our product candidates. We also anticipate that we will incur increased expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with Nasdaq and SEC requirements, director and officer insurance premiums, executive compensation, and other customary costs associated with being a public company.

Finance income (expenses), net

Finance income (expenses), net, is calculated by subtracting our financing expense from our financing income, and adding or subtracting the gain or loss, as applicable, that we have realized due to revaluation at fair value of warrants and the IIA royalty-bearing grants liability, offset by interest income from deposits and marketable securities.

Income taxes

We have yet to generate taxable income in Israel, as we have historically incurred operating losses resulting in carry forward tax losses totaling approximately $74.7 million (including capital losses of $0.4 million) as of December 31, 2017. We anticipate that we will continue to generate tax losses for the foreseeable future and that we will be able to carry forward these tax losses indefinitely to future taxable years. Accordingly, we do not expect to pay taxes in Israel until we have taxable income after the full utilization of our carry forward tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses can be utilized. As of June 30, 2018, we did not recognize deferred tax assets for carryforward losses because their utilization in the foreseeable future is not probable.

Analysis of Results of Operations

Comparison of the six months ended June 30, 2018 and 2017

The following table summarizes our results of operations for the six months ended June 30, 2018 and 2017:

	Six Months Ended June 30,	
	2018	2017
	(unaudited, in thousands)	
Operating Expenses		
Research and development expenses, net(1)	$ 12,037	$ 7,341
General and administrative expenses(1)	4,570	1,773
Operating loss	16,607	9,114
Financial income, net	3,874	210
Net loss	$ 20,481	$ 9,324

(1) Includes share-based compensation expense as follows:

	Six Months Ended June 30,	
	2018	2017
	(unaudited, in thousands)	
Research and development, net	$ 627	$ 1,049
General and administrative expenses	996	650
Total share-based compensation	$ 1,623	$ 1,699

Research and development expenses

Research and development expenses increased by approximately $4.7 million to $12.0 million in the six months ended June 30, 2018, from $7.3 million in the six months ended June 30, 2017. The increase was attributable mainly to a $2.3 million decrease in royalty-bearing grants from the IIA, a $1.8 million increase in clinical activities mainly related to advancing our Phase 3 clinical program, a $0.7 million increase in salaries and benefits, consisting primarily of additional headcount focused on clinical development and an increase in the salaries and benefits of existing employees and a $0.4 million decrease in share-based payments as a result of recognizing share based compensation expense using the accelerated method.

General and administrative expenses

General and administrative expenses increased by approximately $2.8 million to $4.6 million in the six months ended June 30, 2018, from $1.8 million in the six months ended June 30, 2017. The increase in general and administrative expenses was attributable mainly to a $1.2 million increase in professional services expenses which was primarily attributable to directors' compensation, public relations and recruiting services, a $0.7 million increase in salaries and benefits as a result of compensation of the new hires to our management team and an increase in the salaries and benefits of existing employees, an increase of $0.3 million in share-based payments as a result of new options granted to employees, and a $0.4 million increase in rent and related expenses.

Finance expenses, net

Finance expenses, net, increased by approximately $3.7 million to $3.9 million in the six months ended June 30, 2018, from $0.2 million in the six months ended June 30, 2017. The increase was primarily due to non-cash expenses resulting from a $3.4 million expense increase due to the revaluation of warrants and an increase of $0.1 million due to the revaluation of royalty-bearing grant liability to the IIA.

Analysis of Results of Operations

Comparison of the years ended December 31, 2017 and 2016

The following table summarizes our results of operations for the years ended December 31, 2017 and 2016:

	Year Ended December 31,	
	2017	2016
	(in thousands)	
Operating Expenses		
Research and development expenses, net[(1)]	$ 15,018	$ 19,095
General and administrative expenses[(1)]	4,472	4,614
Operating loss	19,490	23,709
Financial income, net	479	1,038
Net loss	$ 19,011	$ 22,671

(1) Includes share-based compensation expenses as follows:

	Year Ended December 31,	
	2017	2016
	(in thousands)	
Research and development, net	$ 1,362	$ 3,195
General and administrative expenses	846	2,647
Total share-based compensation	$ 2,208	$ 5,842

Research and development expenses

Research and development expenses decreased by approximately $4.1 million to $15.0 million in the year ended December 31, 2017 from $19.1 million in the year ended December 31, 2016. The decrease was attributable mainly to first time recognition in 2016 of a $5.7 million liability with respect to grants

received from the IIA through December 31, 2016 and a $1.8 million decrease in share-based payments as a result of recognizing share based compensation expense using the accelerated method, which was offset in part by a $1.0 million increase in salaries and benefits, consisting primarily of additional headcount focused on clinical development and an increase in the salaries and benefits of existing employees, a $0.9 million increase in clinical activities related to advancing our Phase 3 clinical program and a $1.6 million decrease in royalty bearing grants received in 2017.

General and administrative expenses

General and administrative expenses approximately $0.1 million to $4.5 million in the year ended December 31, 2017 from $4.6 million in the year ended December 31, 2016. The decrease resulted primarily from a decrease of $1.8 million in share-based payment as a result of recognizing share-based compensation expense using the accelerated method, which was offset by an increase of $1.0 million in salaries and benefits as a result of strengthening our management team and an increase in the salaries and benefits of existing employees, and an increase of $0.6 million in professional services expenses, which was primarily a result of increased directors' compensation due to a director compensation program that commenced in 2017, as well as public relations and recruiting services.

Finance income, net

Finance income, net, decreased by approximately $0.6 million to $0.5 million in the year ended December 31, 2017 from $1.0 million in the year ended December 31, 2016. The decrease was primarily due to revaluation of the IIA liability.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have incurred losses and negative cash flows from our operations. For the year ended December 31, 2017, we incurred a net loss of $20.5 million and $19.0 million, respectively, and net cash of $13.3 million and $17.8 million, respectively, was used in our operating activities. As of June 30, 2018 and December 31, 2017, we had working capital of $24.9 million and $39.0 million, respectively, and an accumulated deficit of $136.8 million and $116.3 million, respectively. Our principal sources of liquidity as of June 30, 2018 and December 31, 2017 consisted of cash and cash equivalents, available-for-sale financial assets and short-term deposits of $28.6 million and $41.1 million, respectively.

Capital resources

Overview

Through June 30, 2018, we have financed our operations primarily through private placements of equity securities and through the grants received from the IIA.

Cash flows

The following table summarizes our statement of cash flows for the six months ended June 30, 2018 and 2017, and the years ended December 31, 2017 and 2016:

	Six Months Ended June 30,		Year Ended December 31,	
	2018	2017	2017	2016
	(unaudited, in thousands)		(in thousands)	
Net cash provided by (used in):				
Operating activities	$ (13,254)	$ (8,039)	$ (17,760)	$ (12,590)
Investing activities	9,281	(212)	(20,222)	311
Financing activities	1,653	—	41,248	1,688

Net cash used in operating activities

The cash used in operating activities during the aforementioned periods resulted primarily from our net losses incurred during such periods, as adjusted for non-cash charges and measurements and changes in components of working capital. Adjustments to net losses for non-cash items mainly consisted of fair value adjustment of warrants, revaluation of the liability to the IIA and share-based compensation.

Net cash used in operating activities was $13.3 million during the six months ended June 30, 2018, compared to $8.0 million used in operating activities during the six months ended June 30, 2017. The $5.3 million increase in cash used was attributable primarily due to an increase in our net loss to $20.5 million in the six months ended June 30, 2018 from $9.3 million in the six months ended June 30, 2017 offset, in part, by certain non-cash expenses related to the revaluation of financial derivatives and the liability to the IIA.

Net cash used in operating activities was $17.8 million during the year ended December 31, 2017, compared to $12.6 million used in operating activities during the year ended December 31, 2016. The $5.2 million increase in cash used was attributable primarily to a decrease in non-cash expenses related to the revaluation of financial derivatives and the liability to the IIA.

Net cash (used in) provided by investing activities

Net cash provided by investing activities was $9.3 million during the six months ended June 30, 2018, compared to $0.2 million used in operating activities during the six months ended June 30, 2017. The $9.5 million increase in cash used in investing activities is primarily related to $5.0 million from the sale of available-for-sale financial assets and $5.0 million from the maturity of bank deposits in 2018, offset by an increase of $0.5 million from the purchase of property and equipment.

Net cash used in investing activities was $20.2 million during the year ended December 31, 2017, compared to net cash provided by investing activities of $0.3 million during the year ended December 31, 2016. The $20.5 million increase in cash used in investing activities is primarily related to the purchase of available-for-sale financial assets and changes in bank deposits in 2017.

Net cash provided by financing activities

Net cash provided by financing activities was $1.7 million during the six months ended June 30, 2018, compared to no funds used in financing activities during the six months ended June 30, 2017. The increase in cash provided by financing activities is related to the receipt of grants from the IIA in 2018.

Net cash provided by financing activities was $41.2 million during the year ended December 31, 2017, compared to $1.7 million during the year ended December 31, 2016. The increase in cash provided by financing activities is primarily related to the issuance of shares and warrants, which are treated as financial derivatives, to raise capital in 2017.

Funding Requirements

We believe that our existing funds, together with the net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements through . We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect.

Our present and future funding requirements will depend on many factors, including, among other things:

- the progress, timing and completion of our pivotal Phase 3 clinical trial for NiCord;
- the progress, timing and completion of preclinical studies and clinical trials for NiCord or any of our other product candidates;
- the costs related to obtaining regulatory approval for NiCord and any of our other product candidates, and any delays we may encounter as a result of regulatory requirements or adverse clinical trial results with respect to any of these product candidates;
- selling, marketing and patent-related activities undertaken in connection with the commercialization of NiCord and any of our other product candidates, and costs involved in the development of an effective sales and marketing organization;
- the costs involved in filing and prosecuting patent applications and obtaining, maintaining and enforcing patents or defending against claims or infringements raised by third parties, and license royalties or other amounts we may be required to pay to obtain rights to third party intellectual property rights; and

- establishing a sales, marketing and distribution infrastructure and scale up manufacturing capabilities to commercialize any products for which we obtain regulatory approval.

Furthermore, we expect to continue to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Until such time, if ever, as we can generate substantial product revenue, we may finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of any additional securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

If we raise funds through additional collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

For more information as to the risks associated with our future funding needs, see “Risk Factors—Risks Related to Our Financial Condition and Capital Requirements—Even if this offering is successful, we will need to raise substantial additional funding, which may not be available on acceptable terms, or at all. Failure to obtain funding on acceptable terms and on a timely basis may require us to curtail, delay or discontinue our product development efforts or other operations.”

Contractual obligations and commitments

Our known contractual obligations as of December 31, 2017 are summarized in the following table. The obligations detailed below do not include grants received from the IIA pursuant to which we will owe royalties upon commercialization of our product candidates. As of December 31, 2017, the royalty amount payable under these funding arrangements is $30.8 million, including interest of $5.4 million.

	Payments Due By Period			
	Less Than 1 Year	2 to 5 Years	5 to 10 Years	Total
	(in thousands)			
Operating lease obligations[1]	$ 887	$ 2,887	$ 3,268	$ 7,042

(1) Operating lease obligations consist of our real estate lease agreements, which consist of the office building in Jerusalem, Israel and production plant in Kiryat Gat, Israel.

Off-balance Sheet Arrangements

As of the date of this prospectus and during the periods presented, we do not and did not, respectively, have any off-balance sheet arrangements.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to changes in market prices, including interest rates and foreign exchange rates, of financial instruments that may adversely impact our financial position, results of operations or cash flows.

Foreign currency exchange risk

The U.S. dollar is our functional and reporting currency. However, a material portion of our operating expenses are incurred in NIS. As a result, we are exposed to the risk that the NIS may appreciate relative to the dollar, or, if the NIS instead devalues relative to the dollar, that the inflation rate in Israel may exceed such rate of devaluation of the NIS, or that the timing of such devaluation may lag behind inflation in Israel. In any such event, the dollar cost of our operations in Israel would increase and our dollar-denominated results of operations would be adversely affected. We cannot predict any future trends in the rate of inflation in Israel or the rate of devaluation, if any, of the NIS against the dollar. If the dollar cost of our operations in Israel increases, our dollar-measured results of operations will be adversely affected. We have a similar issue to a lesser extent with certain Euro-denominated expenses in connection with our material costs. Our operations also could be adversely affected if we are unable to effectively hedge against currency fluctuations in the future.

We do not currently engage in currency hedging activities in order to reduce this currency exposure, but we may begin to do so in the future. Instruments that may be used to hedge future risks may include currency forward and swap contracts. These instruments may be used to selectively manage risks, but there can be no assurance that we will be fully protected against material currency fluctuations.

Liquidity risk

We monitor forecasts of our liquidity reserve (comprising cash and cash equivalents available-for-sale financial assets and short-term deposits). We generally carry this out based on our expected cash flows in accordance with practice and limits set by our management. We are in the research and development stage and we are therefore exposed to liquidity risk. However, we believe that our existing funds, together with the net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements through .

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which we have prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board. The preparation of our consolidated 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 consolidated financial statements, as well as the reported revenue and 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 consolidated financial statements appearing elsewhere in this prospectus, 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: (i) 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 (ii) changes in the estimate could have a material impact on our financial condition or results of operations.

Government Grants from the Israeli Innovation Authority (formerly the Office of the Chief Scientist)

Research and development grants received from the IIA are recognized upon receipt as a liability if future economic benefits are expected from the project that will result in royalty-bearing revenue. The amount of the liability for the loan is first measured at fair value using a discount rate that reflects a market rate of interest that reflects the appropriate degree of risks inherent in our business. The difference between the amount of the grant received and the fair value of the liability is accounted for as a government grant and recognized as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method. Royalty payments are treated as a reduction of the liability. If no economic benefits are expected from the

research activity, the grant receipts are recognized as a reduction of the related research and development expenses. In that event, the royalty obligation is treated as a contingent liability in accordance with IAS 37, “Provisions, Contingent Liabilities and Contingent Assets.”

At the end of each reporting period, we evaluate whether there is reasonable assurance that the liability recognized will be repaid based on our best estimate of future sales and, if not, the appropriate amount of the liability is derecognized against a corresponding reduction in research and development expenses. See note 2—“Government Investment Grants” of the accompanying audited consolidated financial statements.

Share-Based Compensation

We account for our equity-based compensation for employees in accordance with the provisions of IFRS 2 “Share-based Payment,” which requires us to measure the cost of equity-based compensation based on the fair value of the award on the grant date.

We have selected the binominal pricing model as the most appropriate method for determining the estimated fair value of our equity-based awards. The resulting cost of an equity incentive award is recognized as an expense over the requisite service period of the award, which is usually the vesting period. We recognize compensation expense over the vesting period using the accelerated method pursuant to which each vesting tranche is treated as a separate amortization period from grant date to vest date, and classify these amounts in our consolidated financial statements based on the department to which the related employee reports.

The determination of the grant date fair value of options using a binomial model is affected by estimates and assumptions regarding a number of complex and subjective variables. These variables include, the fair value of our share price as of the grant date, the expected volatility of our share price over the expected term of the options (estimated using historical data of comparable companies), share option exercise and cancellation behaviors, risk-free interest rates, expected dividend yields (assumed to be zero as we have historically not paid and do not intend to pay dividends on our ordinary shares). If any of the assumptions used in the binomial option pricing model changes significantly, share-based compensation for future awards may differ materially compared with the awards granted prevoiusly. The following table present the main equity based compensation for employees granted:

Grant Date	Amount Granted	Type of Shares
May 14, 2018	401,921	Ordinary Shares
December 28, 2017	606,574	Ordinary Shares
November 16, 2017	416,574	Ordinary Shares
March 2, 2017	134,800	Ordinary Shares
March 2, 2017	178,067	Ordinary C Shares(1)

The fair value of our ordinary shares is determined by our management with the assistance of an appraiser, and is determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the AICPA Practice Aid. The assumptions used in our valuation model are based on future expectations combined with management’s judgment, and considered a number of objective, complex and subjective factors to determine the best estimate of the fair value of our ordinary shares, including contemporaneous and retrospective valuations of our ordinary shares performed by an unrelated valuation specialist, valuations of comparable peer companies, operating and financial performance, the lack of liquidity of our share capital, and general and industry specific economic outlook. Based on the fair value of our ordinary shares as of June 30, 2018 and December 31, 2017, the intrinsic value of the awards outstanding as of June 30, 2018 and December 31, 2017 was $11.5 million and $6.7 million, respectively.

The dates of our valuations do not always coincide with the dates of our share-based compensation grants. In such instances, management’s estimates are based on the most recent valuation of our ordinary shares. For grants occurring between valuation dates, for financial reporting purposes, we use

(1) The Ordinary C shares have the same rights as our ordinary shares with certain preferential rights, but do not have voting rights. The Ordinary C shares will automatically convert into ordinary shares immediately prior to this offering.

the closest valuation date before the grant, as we believe that the ordinary share valuation represents the valuation at the date of grant. The following table list the valuation dates of our ordinary shares:

Valuation Date	Type of Shares	Fair Value per Share in Dollars
June 30, 2018	Ordinary Shares	$ 6.90
December 31, 2017	Ordinary Shares	$ 4.90
March 31, 2017	Ordinary Shares	$ 5.40
March 31, 2017	Ordinary C Shares(1)	$ 6.20

We determined our ordinary share value as of June 30, 2018 and December 31, 2017 using the Income Approach. The income approach estimates the aggregate enterprise value of our company based on the present value of future estimated cash flows. Cash flows are estimated for future periods based on projected revenue and costs. These future cash flows are discounted to their present values using an appropriate discount rate. The discounted projected cash flows are summed together to arrive at an indicated aggregate enterprise value under the income approach. In applying the income approach, we derived the discount rate from an analysis of the weighted-average cost of capital based on company industry peers as of each valuation date and adjusted it to reflect the risks inherent in our business cash flows. In estimating our projected revenues, we used data from bone marrow registries such as the European Society for Blood and Marrow Transplantation and from the Center for International Blood and Marrow Transplant Research.

We then allocated the estimated enterprise value among different classes of our equity by applying the Probability Weighted Expected Return method, which was based on potential exit events from a strategic acquirer or initial public offering. The Probability Weighted Expected Return method requires significant assumptions, including, in particular, the probability that such exit scenarios will occur, the time until investors in our company would experience an exit event, and the volatility of our shares (which we determine based on public companies with business and financial risks comparable to our own).

We applied a discount to the resulting valuation due to the lack of marketability of our ordinary shares. We calculated this using an Asian put option model. The significant assumptions involved were the same as described above.

Following the closing of this offering, the fair value of our ordinary shares will be determined based on the closing price of our ordinary shares on The Nasdaq Global Market.

Liability Related to Certain Warrants

We issued certain warrants issued to investors in connection with our financings to date. We accounted for these warrants according to the provisions of IAS 32, “Financial instruments – presentation,” based on the anti-dilution protections provisions and cashless exercise mechanism contained in the warrants agreements. We classified them as non-current liabilities, measured at fair value each reporting period until they will be exercised or expired, with changes in the fair values being recognized in our statement of comprehensive loss as financial income or expense.

The fair value as of June 30, 2018 and December 31, 2017 of the liability for certain warrants issued to investors in connection with our financings to date was calculated using the Income Approach together with the Probability Weighted Expected Return method.

We determined our value as of June 30, 2018 and December 31, 2017 using the Income approach. We then allocated the estimated enterprise value among the different classes of our equity by applying the Probability Weighted Expected Return method, which is based on potential exit events from a strategic acquiror or initial public offering.

The model requires a number of assumptions, of which the most significant are the probabilities of the various exits events, the expected share price volatility (which we determined based on public companies with business and financial risks comparable to our own), and the expected time until each exit event. The expected time until the various exits events was subject to our expectations. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. We have historically not paid dividends and have no foreseeable plans to pay dividends.

Recent Accounting Pronouncements

See note 4 of the accompanying audited consolidated financial statements for the year ended December 31, 2017.

Internal Control Over Financial Reporting

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, could have a material adverse effect on our business, results of operation or financial condition. In addition, current and potential shareholders could lose confidence in our financial reporting, which could have a material adverse effect on the price of our ordinary shares. Pursuant to Section 404 and the related rules adopted by the SEC and the Public Company Accounting Oversight Board, starting with the second annual report that we file with the SEC following the consummation of our initial public offering, our management will be required to report on the effectiveness of our internal control over financial reporting. In addition, once we no longer qualify as an "emerging growth company" under the JOBS Act and lose the ability to rely on the exemptions related thereto discussed above, our independent registered public accounting firm will also need to attest to the effectiveness of our internal control over financial reporting under Section 404. We have not yet commenced the process of determining whether our existing internal controls over financial reporting systems are compliant with Section 404 and whether there are any material weaknesses or significant deficiencies in our existing internal controls. This process will require the investment of substantial time and resources, including by our Chief Financial Officer and other members of our senior management. In addition, we cannot predict the outcome of this determination and whether we will need to implement remedial actions in order to implement effective control over financial reporting. The determination and any remedial actions required could result in our incurring additional costs that we did not anticipate. Regardless of compliance with Section 404, any failure of our internal controls could have a material adverse effect on our stated results of operations and harm our reputation. As a result, we may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these changes. If we are unable to implement any of the required changes to our internal control over financial reporting effectively or efficiently or are required to do so earlier than anticipated, it could adversely affect our operations, financial reporting and/or results of operations and could result in an adverse opinion on internal controls from our independent auditors.

JOBS Act

As an "emerging growth company," as defined in the JOBS Act, we may take advantage of certain temporary exemptions from various reporting requirements, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 (and the rules and regulations of the SEC thereunder). When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

BUSINESS

Goal

To deliver curative cell therapies to patients with serious and life-threatening medical conditions.

Overview

We are a clinical stage biopharmaceutical company leveraging our proprietary technology to develop cell therapies that are designed to cure cancer and rare, serious hematologic diseases. While cell therapies have the potential to address a variety of diseases, they are limited by availability of donor cells, matching a donor to the patient, and the decline in donor cell functionality when expanding the cells to achieve a therapeutic dose. We have leveraged our nicotinamide-, or NAM-, based cell expansion technology to develop a pipeline of products designed to address the limitations of cell therapies. Our proprietary technology is designed to allow for the proliferation of donor cells while maintaining the cells' functional therapeutic characteristics, which, if approved, will provide a treatment alternative for patients.

Our most advanced product candidate, NiCord, is a NAM-expanded cord blood cell therapy which has the potential to serve as a universal curative stem cell graft for patients who need a hematopoietic stem cell transplant, or HSCT. The Company is currently enrolling patients in a pivotal Phase 3 clinical trial in 120 patients with various hematologic malignancies, including high risk leukemias such as acute myeloid leukemia, or AML, acute lymphocytic leukemia, or ALL, chronic myeloid leukemia, or CML, myelodysplastic syndrome, or MDS and lymphomas. We anticipate reporting top-line data from this trial in the first half of 2020. In our Phase 1/2 clinical trials, patients who were transplanted with NiCord achieved rapid engraftment and immune reconstitution, which are key indicators of clinical benefits. Based on the results of our Phase 1/2 clinical trials, we received Breakthrough Therapy Designation for NiCord in the United States from the U.S. Food and Drug Administration, or the FDA. Furthermore, we received orphan drug designation from both the FDA and the European Medicines Agency, or the EMA.

We are also developing NiCord for the treatment of other rare, life-threatening hematologic diseases, including severe aplastic anemia, a bone marrow failure disease, which is currently being investigated in a Phase 1/2 trial sponsored by the National Institutes of Health, or NIH. In addition, we have applied our NAM-based cell expansion technology to natural killer, or NK, cells, to develop our product candidate, NAM-NK, an innate immunotherapy for the treatment of hematologic and solid tumors, now being investigated in a Phase 1 investigator-sponsored trial for the treatment of refractory non-Hodgkin lymphoma, or NHL, and multiple myeloma, or MM.

Cell therapies involve the delivery of human cells to replace or repair damaged tissue or cells in order to treat a variety of cancers and other diseases. Hematopoietic stem cell transplantation with donor cells, or allogeneic HSCT, also called bone marrow transplantation, is the most frequently used cell therapy and is used to treat a variety of hematologic malignancies and other serious conditions. HSCT involves reconstituting a patient's bone marrow from a seed population of stem cells obtained from a donor whose blood-forming and immune-system-forming cells are both cancer-free and effective at carrying out their functions.

There are multiple sources of donor cells. The best source for donor cells is a sibling who is a matched related donor, or MRD, but the chances of having a sibling match in the United States are only 25% to 30%. The majority of patients rely on alternate sources of donor cells, including matched unrelated donor, or MUD, haploidentical, or "half-matched" donors, and umbilical cord blood. However, due to disease progression and other complications during the time needed to find a suitable donor, an estimated 40% of all patients who are candidates for HSCT do not receive a transplant.

Notwithstanding the various potential sources of donor cells, HSCT is subject to a number of significant limitations, including: (i) delays in finding a suitable match, during which disease progression may make patients ineligible for transplant; (ii) an insufficient number or delayed engraftment of donor cells, leaving patients without a functioning immune system and leading to potentially life-threatening immune deficiency following transplant; and (iii) a lack of long-term compatibility between the donor cells and the patient's own cells, resulting in potentially fatal graft versus host disease, or GvHD.

Umbilical cord blood offers promise as a readily available source of stem cells for patients who need HSCT and do not have a MRD source. It is easier to find a match when using stem cells derived from

cord blood, since a full match is not required for a successful transplant using cord blood. This broadens the pool of potential donors and shortens the process of finding a suitable match. However, on average, a typical cord blood graft contains approximately one-tenth the number of stem and progenitor cells compared to stem cell grafts from adult bone marrow or peripheral blood donors. This lower number of cells may delay engraftment of the donor cells and reconstitution of the immune system. This, in turn, increases both time in the hospital and the likelihood that a patient might contract a life-threatening infection.

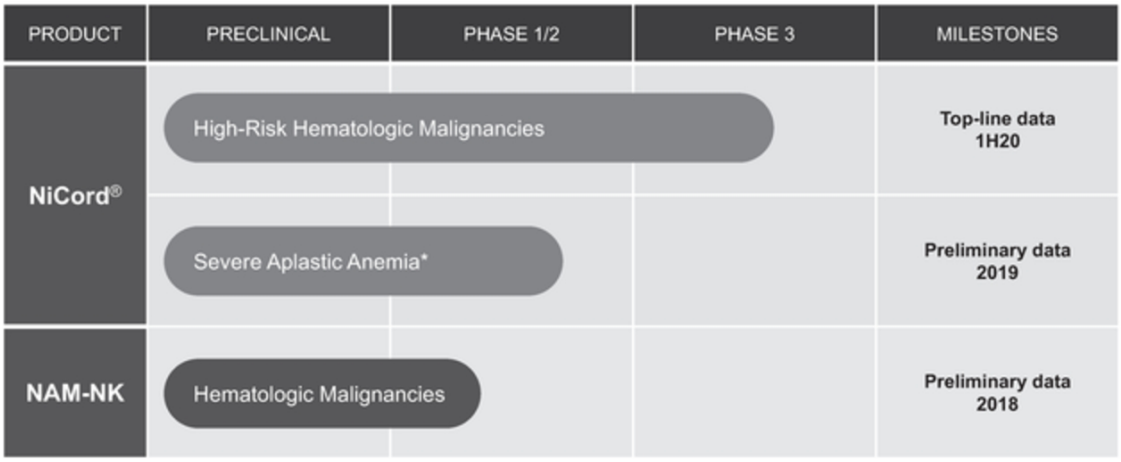
NiCord, our lead product candidate, is designed to address the limitations of HSCT and cord blood as a source of donor cells. NiCord is composed of cord blood that has been manufactured using our proprietary NAM-based cell expansion technology, which increases engraftment efficiency in HSCT and enables rapid engraftment and immune system reconstitution. This reduces the risk of infections and other complications after transplant. In addition, the donor T cells in cord blood are naïve, meaning that they have not matured and may more readily adapt to the recipient. This results in greater immunologic compatibility, or the matching of the donor cells with the recipient's cells, reducing the frequency and severity of GvHD, a medical complication following the receipt of transplanted tissue from a genetically different person, when compared to HSCT with an MUD. In light of these advantages, NiCord, if approved, may serve as a universal, readily-available, reliable and effective alternative to existing sources of donor cells for HSCT.

NiCord has the potential to be a universal stem cell graft in two broad patient groups: (i) patients with high-risk leukemias and lymphomas who require HSCTs but who lack access to genetically matched donors; and (ii) patients with severe hematologic disorders such as severe aplastic anemia. In the first patient population, we are currently enrolling an international, multicenter, randomized, pivotal Phase 3 clinical trial with top-line data expected in the first half of 2020. In our Phase 1/2 clinical trial in hematologic malignancies, sponsored by us, NiCord was observed to help patients achieve rapid neutrophil and platelet engraftment. Neutrophil engraftment is defined as achieving a minimum neutrophil count of at least 0.5×10^9 per liter on three consecutive measurements on different days. Platelet engraftment is defined as achieving a platelet count of at least 20×10^9 per liter on three consecutive measurements on different days, with no platelet transfusion in the preceding seven days. Based on these promising clinical results, believe NiCord has curative potential for hematologic malignancies initially, and eventually other rare hematologic conditions such as severe aplastic anemia. In the second patient population, we are currently conducting a Phase 1/2 clinical trial of NiCord sponsored by the NIH, under an Investigational New Drug, or IND, application for CordIn. As of May 2018, two patients in this study have been transplanted and successfully engrafted. Furthermore, based on the clinical experience of patients treated with NiCord in our trials, we believe that NiCord has the potential to provide a number of health economic benefits compared to standard cord blood and other HSCT procedures, including: reduction in time to hospital discharge; reduction in the amount of cord blood required; reduction in the rate and severity of infections; and reduction in the rate of hospital re-admissions. We expect to report preliminary data in 2019.

We are also applying our technology to develop NAM-NK for innate immunotherapy of expanded natural killer, or NK, cells for application in additional cancer indications when combined with standard-of-care antibody therapies. NK cells are highly potent cytotoxic lymphoid cells that can kill tumor cells in the absence of prior sensitization by other components of the immune system. By expanding NK cells with our NAM technology, we have the potential to increase the number and functionality of therapeutic NK cells targeting tumors. When NAM-NK is combined with targeted antibodies, we have shown that there is enhanced antibody-dependent cellular toxicity, or ADCC. NAM-NK is currently being evaluated in an ongoing investigator-sponsored Phase 1 clinical trial projected to enroll 24 patients with NHL and MM in combination with rituximab or elotuzumab, respectively.

We are led by an experienced management team with extensive expertise in developing oncology therapies and manufacturing cell therapies and other complex biologics. Our director and chief executive officer, Julian Adams, played a central role in the discovery and development of bortezomib, or Velcade®, a widely used therapy for MM and other blood cancers approved by the FDA in 2003.

Pipeline chart



* The Aplastic Anemia Investigational New Drug (IND) application is currently filed with the FDA under the brand name CordIn, which is the same investigational development candidate as NiCord.

Strategy

Our goal is to deliver curative cell therapies to patients with serious and life-threatening medical conditions. The key strategies to achieve our goal are the following:

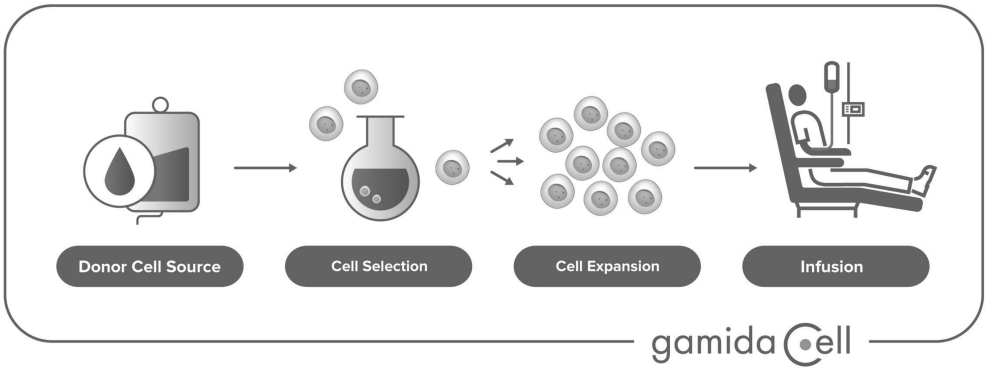
- ***Complete Phase 3 clinical development and obtain regulatory approval for NiCord in hematologic malignancies.*** We have initiated an international, multicenter, randomized, pivotal Phase 3 clinical trial comparing transplantation with NiCord versus standard cord blood in 120 patients with various hematological malignancies, including acute lymphocytic leukemia, or ALL, acute myeloid leukemia, or AML, myelodysplastic syndrome, or MDS, chronic myeloid leukemia, or CML, and lymphoma. In this trial, we are evaluating time to neutrophil engraftment as the primary endpoint. We expect to report top-line data in the first half of 2020. Assuming positive results from the Phase 3 clinical trial, we plan to seek regulatory approval for NiCord in the United States, the European Union and other geographies.
- ***Advance NiCord for the treatment of severe aplastic anemia in an ongoing Phase 1/2 clinical trial.*** In addition to hematologic malignancies, we are pursuing NiCord in severe aplastic anemia. NiCord is currently being evaluated in a Phase 1/2 NIH-sponsored clinical trial in patients with severe aplastic anemia under an IND for the brand name CordIn. As of May 2018, two patients have been transplanted and successfully engrafted. We expect to report preliminary data from our Phase 1/2 clinical trial in 2019. Beyond this disease there are a multitude of rare, life threatening conditions in which NiCord has curative potential.
- ***Investigate the potential of NAM-NK in conjunction with therapeutic antibodies in additional cancer indications.*** We have applied our NAM-based technology platform for expanded cell products to develop a second product candidate, NAM-NK, which has potential application in boosting the innate immune response to cancer. NAM-NK is currently being evaluated in a Phase 1 investigator-sponsored clinical trial in patients with NHL or MM, in combination with rituximab or elotuzumab, respectively. The results of this study, for which we reported preliminary data in 2018, will provide the basis for further exploration in solid tumors.
- ***Maximize commercial value of our product candidates.*** If NiCord is approved for stem cell transplantation, we intend to independently pursue the commercialization of NiCord in the United States. We plan to build a sales force focused on the approximately 200 domestic stem cell transplant centers. Outside of the United States, we may pursue the approval and commercialization of NiCord in collaboration with strategic partners, particularly in Europe, Japan, Taiwan, Korea and other geographies which are more effectively managed by companies with local expertise.

- ***Centralize manufacturing capabilities to deliver a pharmaceutical grade product to meet commercial demand.*** We have devoted significant resources to optimizing and standardizing process development and manufacturing, which are key components to successfully delivering cell therapies. We have limited in-house GMP manufacturing capabilities and plan to build additional manufacturing infrastructure at an identified site in preparation for commercialization. Our cryopreservation capabilities enable us to deliver our cell therapies globally, ready for infusion. We believe that these efforts will lead to an efficient production cycle and improved access for patients seeking suitable donor solutions. Our goal is to carefully manage our fixed cost structure, maximize efficiency and scale, and reduce the cost of manufacturing our products.
- ***Demonstrate NiCord's value through Health Economics Outcomes Research.*** We believe that a favorable outcome of our ongoing Health Economics Outcomes Research analysis will inform price, reimbursement and adoption. Additionally, we are developing a reimbursement strategy modeled upon recently approved cell therapies in oncology through the New Technology Add-on Payment program.
- ***Expand our pipeline of cell therapy product candidates by leveraging our cell expansion technology.*** We plan to continue to leverage our platform technology in the effort to discover additional product candidates and expand into new therapeutic areas, to address the significant unmet needs of patients with serious medical conditions. We believe our technology can be applied to other cells with therapeutic potential. To accomplish this, we plan to continue to invest in our research and development activities.

NAM-Based Cell Expansion Technology

While cell-based therapies have the potential to address a variety of medical conditions, one of the key technical challenges for developing treatments with this approach is the expansion of therapeutically functional cells. In order for cell therapies to be clinically effective, there must be a sufficient quantity of therapeutically active cells for treatment, which requires the donor cells to be expanded in artificial culture conditions. While this may increase the number of cells, the functionality of those cells often diverges from the therapeutic functionality of the original donor cells. This shortcoming in the cells used for treatment can result in suboptimal clinical outcomes.

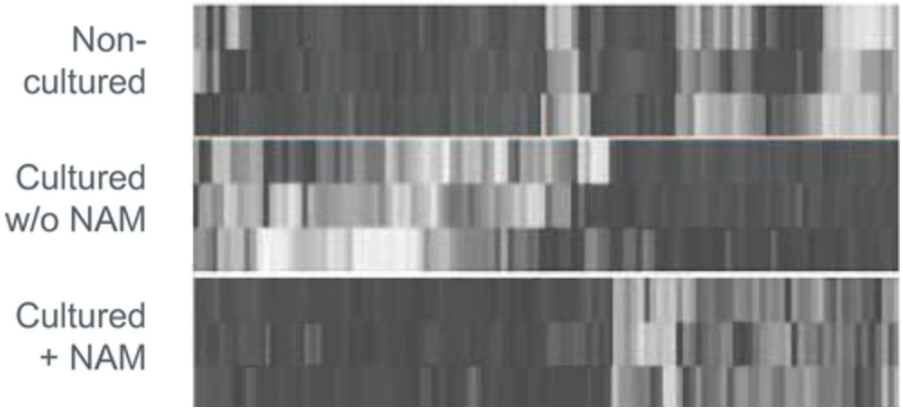
Our NAM-based epigenetic technology for expanded cell products addresses this challenge by leveraging the biochemical properties of the small molecule nicotinamide in our manufacturing process. We expand the number of donor cells while maintaining their functional therapeutic characteristics through the proprietary combination of NAM, intended to maintain silencing of cell differentiation and preservation of gene expression, and particular cytokines which promote cell growth. Our optimized manufacturing process results in robust and replicable batch production, enabling the generation of standardized donor-derived cell products, potentially resulting in better clinical outcomes.



The first application of the NAM-based technology is in umbilical cord blood cells. Our lead product candidate, NiCord, contains standard umbilical cord blood-derived stem cells that are expanded to obtain a critical number of effective cells for HSCT. A typical umbilical cord sample has a relatively low number of

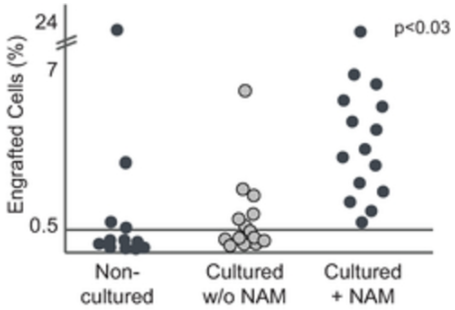
stem and progenitor cells, which currently limits the use of cord blood in HSCT, and hence, would ideally be increased for more successful treatment purposes.

A key component of our cell expanded product candidates is NAM, which is a naturally occurring substance that regulates multiple processes including cellular stress, cellular energy, mitochondrial functions and gene expression. We have successfully demonstrated the effectiveness of NAM-based technology in cord blood expansion cultures. We incubated two cultures of cord blood cells, one treated with NAM and one untreated, for three weeks with cytokines known to induce numerical expansion of cord blood cells. The NAM-treated umbilical cord blood cell cultures had 30 times more stem cells than NAM-untreated umbilical cell cultures, as measured by the abundance of stem-cell-related surface markers. Furthermore, when examining the gene expression pattern of NAM-treated proliferating cord blood stem cells, we observed a high degree of resemblance with the gene expression pattern of original stem cell populations inoculated in expansion cultures. In contrast, the gene expression pattern of cells incubated for three weeks without NAM was very different than that of the original stem cells. This confirms that NAM has the ability to preserve the characteristics of the original stem cell population.



Gene expression of cord blood CD34+ cells before culturing or after three weeks of culture with or without NAM. The levels of expression of clusters of thousands of genes are represented by the density of vertical bars. Three independent samples are shown as individual rows for each condition.

In line with demonstrating the ability of our proprietary cell expansion technology to increase the quantity while maintaining the quality of the therapeutic cells, we have also been able to demonstrate that this could translate to clinical benefit. In pre-clinical models, NAM-treated cord blood cells demonstrated a 7.6-fold improved ability to establish stable grafts versus cord blood cells expanded without NAM. This resulted in a nine-fold increase in the number of engraftable cells over a cord blood unit before expansion. While test subjects receiving the same number of stem cells cultured without NAM had a low number of engrafted cells, NAM-treated stem cells exhibited a significant increase in the level of engraftment. Thus, not only do NAM-treated stem cells appear to be more stem-like, but they also retain stem cell-like functions and improve the ability to establish stable grafts.



Cord blood cells cultured with NAM result in a significantly higher number of engrafted cells in a preclinical model.

* A result is considered to be statistically significant when the probability of the result occurring by random chance, rather than from the efficacy of the treatment, is sufficiently low. The conventional method for measuring the statistical significance of a result is known as the "p-value," which represents the probability that random chance caused the result (e.g., a p-value = 0.001 means that there is a 0.1% or less probability that the difference between the control group and the treatment group is purely due to random chance). Generally, a p-value less than 0.05 is considered statistically significant, and may be supportive of a finding of efficacy by regulatory authorities. However, regulatory authorities, including the FDA and EMA, do not rely on strict statistical significance thresholds as criteria for marketing approval and maintain the flexibility to evaluate the overall risks and benefits of a treatment.

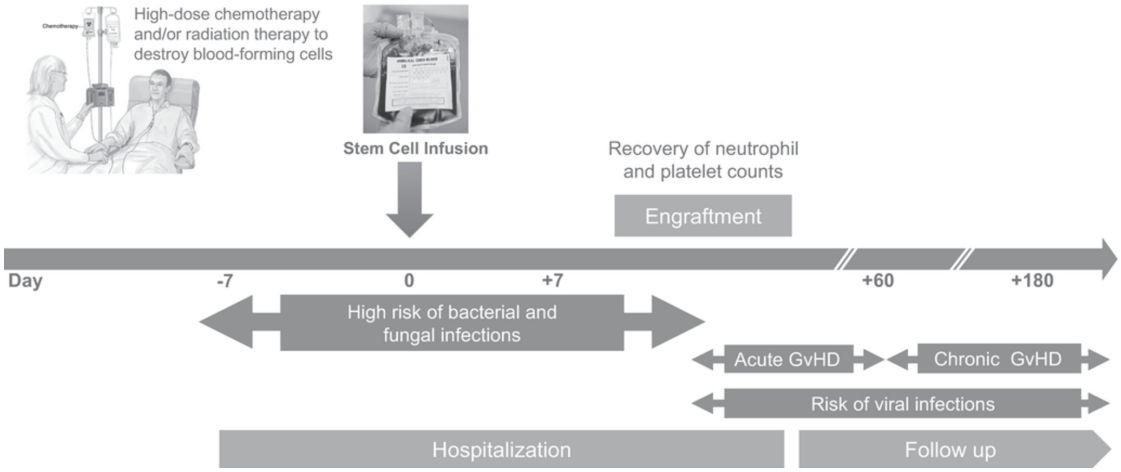
Based on the preclinical results, we advanced NiCord into the clinic. We have also applied NAM-based technology for our second product candidate, NAM-NK, and plan to explore this technology for other cells with therapeutic potential.

Allogeneic HSCT

Overview

Allogeneic hematopoietic stem cell transplantation, or HSCT, is the transplantation of hematopoietic stem cells, derived from a donor's bone marrow, peripheral blood or standard umbilical cord blood. HSCT involves reconstituting a person's entire blood and bone marrow from a seed population of cells. In some clinical settings, autologous HSCT may be performed, in which cells are derived from the patient and reinfused at a later date. In leukemia and other hematologic malignancies, it is more appropriate to use allogeneic HSCT obtained from a donor, which ensures that the graft does not contain the patient's malignant cells, and leverages the ability of donor cells to fight against a patient's cancer, which is known as the "graft versus leukemia" effect.

In an HSCT procedure, a patient is treated with chemotherapy and/or radiation to destroy the residual cancerous or defective cells that reside in the bone marrow. This procedure, called myeloablation, also destroys the hematopoietic stem cells that are responsible for forming red blood cells, platelets and white blood cells. Stem cells from a donor are then infused into a patient who is now in remission, migrate and home to the bone marrow and begin to proliferate and differentiate into various types of blood cells, eventually leading to a full reconstitution of the bone marrow and immune system.



Dosing patients with stem cell graft

The intent of HSCT is to cure patients of their hematologic malignancies. As of 2016, more than 500,000 allogeneic HSCT procedures have been performed worldwide over the past 50 years with over 30,000 being performed per year, of which 8,500 are in the United States. Approximately half of such patients are cured of their hematologic malignancies. From 2006 to 2016, the number of patients

receiving an allogeneic HSCT procedure increased by approximately 5% per year in the United States due to multiple factors, including an aging population and new transplant modalities. Approximately 90% of HSCT procedures performed in the United States are for patients with various hematologic malignancies.

Although the number of allogeneic HSCT procedures performed is growing and there are new modalities for the procedure, HSCT continues to have a number of limitations. There are two major areas of unmet need. First, of those who receive a transplant, there is concomitant morbidity and mortality associated with the treatment. Second, a significant number of patients who are candidates for transplant do not receive one in a timely fashion. We believe that NiCord can address significant limitations.

Current Sources of Donor Cells for Allogeneic HSCT

There are multiple potential sources of donor cells for transplants. For each donor, there are various baseline requirements including age and overall health. In general, younger donors produce more and better cells for HSCT than older donors. The optimal source of donor cells is a sibling who is a MRD, but the chances of having a sibling match are only 25% to 30%. An alternate source of donor cells is a MUD, but only 30% of patients requiring a transplant have a good to intermediate probability of finding a MUD. Furthermore, it takes approximately four months on average to identify an appropriate MUD who is medically suitable and willing to donate. During this lengthy time period, there is a risk of disease recurrence. Over time, the patient may also become ineligible due to other health complications. Moreover, prolonged donor searches heighten anxiety for patients and their families. The ability to find a match through this process is particularly challenging for individuals of ethnic backgrounds that are not well represented in donor databases.

Donor matching is determined by human leukocyte antigens, or HLA, which are proteins present on most cells and inherited genetically. HLA are recognized by the immune system, and “foreign” or nonmatching HLA may be rejected. Therefore, matching of HLA between bone marrow donor and recipient is needed for a successful transplant outcome. There are rules for the minimum, or lowest, HLA match needed between a donor and recipient. In general, patients have better transplant outcomes with a closely matched donor. Research has found that a donor must match a minimum of six HLA markers. In some centers, eight markers are tested. In transplantation with a matched related donor or matched unrelated donor, there must be a six of six or eight of eight HLA match with the recipient.

If a matched donor cell source is not identified, there are two alternatives for transplant candidates: haploidentical donors and umbilical cord donors. Haploidentical, or “half-matched” donors, are only partially compatible with the recipient. Because of the immune incompatibility in a haploidentical transplant, there is a high risk of GvHD, infection and other complications. There are two types of GvHD. Acute GvHD primarily affects the skin, the liver and the gastrointestinal tract (stomach, intestines and colon). Chronic GvHD begins later after transplant and lasts longer. It can be associated with damage to the liver, joints, skin and lungs. An approach to reduce these complications is to reduce the number of immune cells by giving cyclophosphamide after the transplant. However, this treatment modality may be associated with a decreased graft versus leukemia effect resulting in a higher rate of relapse, delayed time to engraftment associated with increased risk of infections and other complications.

Alternatively, donor cells can be obtained from umbilical cord blood. There are over a million publicly available cord blood units, making this a readily available source of cells. In contrast to matched unrelated donor transplants, which require a greater degree of matching, cord blood transplantation can be performed successfully with a match of four of six, five of six, or six of six HLA. Because cord blood requires a less stringent degree of genetic matching than other graft sources, it is suitable in approximately 95% of all patients. This obviates the need to go through a prolonged search process with uncertain outcomes in order to find a donor and arrange for the collection of donor cells. Because the donor T cells in cord blood are naïve, meaning that they have not matured, they readily adapt to the recipient and are associated with a low risk of a patient developing GvHD, in particular chronic GvHD. Furthermore, transplantation with cord blood reduces the risk of potential transmission of infections from the donor.

Limitations of Allogeneic HSCT

There are three critical limitations to successful HSCT:

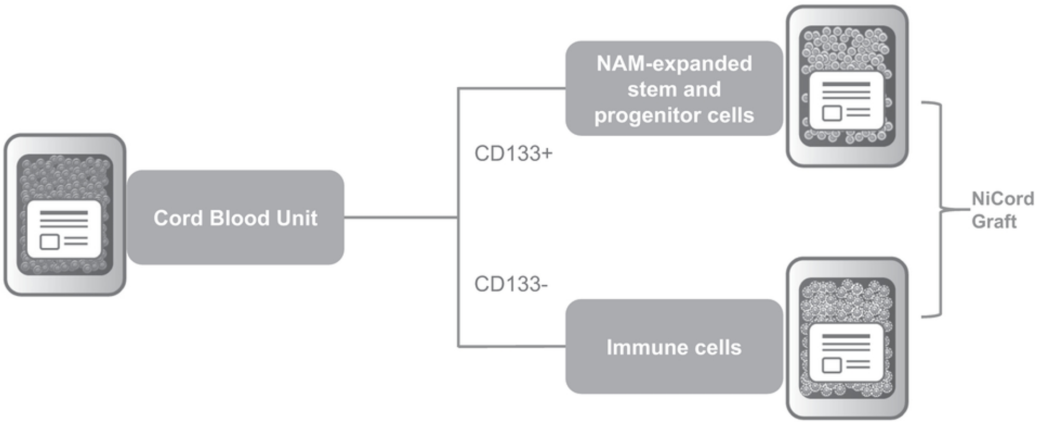
- delays in finding a suitable match, during which disease progression may make patients ineligible for a transplant;
- insufficient number or delayed engraftment of donor cells, leaving patients without a functioning immune system and leading to potentially life threatening immune deficiency following transplant; and
- lack of long-term compatibility between the donor cells and the patient's own cells, resulting in potentially fatal GvHD.

NiCord is Designed to Address the Limitations of HSCT

NiCord is designed as a universal stem cell graft to address the limitations of allogeneic HSCT. NiCord utilizes the NAM-based cell expansion technology, to expand the number of donor cord blood stem cells while maintaining the cells' functional therapeutic characteristics.

NiCord consists of two fractions of a unit of cord blood separated based on the expression of a marker on the surface of individual cells known as CD133. A cell's CD133 status reflects its "stem cell" properties. Those cells that express CD133 represent a pool of stem or progenitor cells, cells that are capable of generating blood cells that can differentiate into a variety of cell subtypes. The CD133-positive stem or progenitor cells are also capable of reproducing themselves. Once we have isolated cells bearing this marker, we then culture them using our proprietary technology to expand their number while maintaining their regenerative properties. After approximately three weeks, we harvest and cryopreserve these cultured cells.

Those cells that do not express CD133 represent other types of more mature, differentiated cells, including essential components of the immune system such as T cells. These mature cells cannot engraft, but can provide immunological support until T cells derived from the stem cell graft recover. We cryopreserve the CD133-negative cells at the outset of manufacturing and retain them for use as the second component of NiCord.



The NiCord production process

The cryopreserved NiCord product is shipped cryogenically to transplant centers where both components are thawed and infused to patients on the day of transplantation. The thawing process occurs in a closed system and can also be performed at the patient's bedside for ease of administration. Our cryopreserved product resulted in engraftment results similar to those obtained with non-cryopreserved product in the pilot study at Duke University.

NiCord is designed to address the limitations of the current standard of care for HSCT. The NAM-expanded portion is designed to provide a therapeutically effective dose of stem cells to drive rapid engraftment, reconstitution of the entire immune system and long-term graft survival while the CD133-negative portion provides an immediate immune system benefit by supplying T cells.

- ***NiCord is a universal stem cell graft, intended to reduce problems with donor matching.*** If approved, this will provide a pharmaceutical grade option for the patients who have lengthy searches to find a suitable match and the 40% of patients who are candidates for HSCT and never receive one.
- ***NiCord is designed to deliver a therapeutic dose of stem cells which leads to rapid engraftment and immune reconstitution.***
- ***NiCord provides a compatible graft, observed to reduce morbidities including GvHD and infections.***

Given these characteristics, NiCord may serve as a reliable alternative to existing sources of donor cells as well as expand the transplant market for those who are unable to find a match.

NiCord for HSCT and Hematologic Malignancies

NiCord is in an international, multicenter, randomized, pivotal Phase 3 clinical trial in 120 patients for the treatment of hematologic malignancies. We anticipate reporting top-line data from this trial in the first half of 2020. In our completed Phase 1/2 clinical trials, patients who were transplanted with NiCord achieved rapid engraftment and immune reconstitution, which are key indicators of clinical benefits. Based on these results, we received Breakthrough Therapy Designation from the FDA for NiCord. In addition, we received orphan drug designation from both the FDA and the EMA.

Overview: Hematologic Malignancies

Hematologic malignancies are characterized by an abnormal and excessive proliferation of malignant blood cells that replace normal blood cells in the bone marrow and the circulation. In some patients, these cancerous cells proliferate rapidly, requiring urgent treatment. Patients are initially treated with chemotherapy in order to destroy the malignant cells in a rapid manner. However, in most patients, remission is temporary and the disease will return after initial treatment. One of the most effective treatment options for these patients is HSCT, where the blood forming cells in the patient are destroyed using chemotherapy, radiation or a combination of both. These patients then receive new bone marrow stem cells from a healthy donor.

NiCord: Phase 1/2 Clinical Trial Results

After an initial safety evaluation of NiCord in a pilot study at Duke University, an international, multi-center open-label study was conducted. This single-arm Phase 1/2 trial of NiCord enrolled 36 adolescent and adult patients with hematologic malignancies who did not have a suitably matched donor. All patients in the trial had been previously treated for various hematologic malignancies, including ALL, AML, MDS, CML and lymphoma. These patients were deemed to be in remission and at high risk of subsequent relapse.

The main objective of the study was to evaluate the safety and efficacy of NiCord treatment in patients with hematologic malignancies following myeloablative conditioning therapy. Myeloablative conditioning therapy is a combination of chemotherapy agents, and in some cases radiotherapy, that is expected to produce low blood counts and is administered in order to reduce the tumor burden, suppress the patient's immune system, and allow engraftment of donor stem cells. The study compared outcomes against a group of historic controls that were identified from data collected by the Center for International Blood and Marrow Transplant Research, or CIBMTR, which tracks all allogeneic transplants conducted in the United States. From the CIBMTR database, we identified 146 age and disease matched patients who received standard cord blood transplants and served as historic controls.

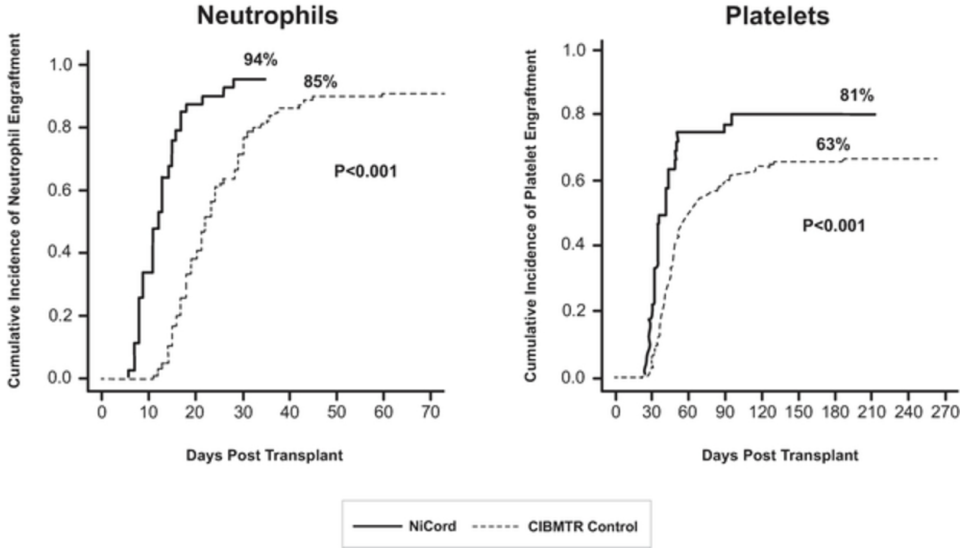
In this study, NiCord was administered via central venous catheter after thawing and reconstitution of the two infusion bags, the first containing the Nicord-cultured fraction and the second the noncultured fraction. The Nicord-cultured fraction contains at least 8.0×10^8 total nucleated cells, or TNC, while the noncultured fraction contains at least 4.0×10^8 TNC. The final volume of the Nicord-cultured fraction is 100 milliliters and the final volume of the noncultured fraction is 50 milliliters.

The study's primary endpoint was time to neutrophil engraftment, and was met based on recovery of neutrophils. Patients treated with NiCord recovered their neutrophils (500 cells per microliter) with a

median recovery of 11.5 days after transplantation, which is significantly shorter than the 21 days observed in the historic controls (p<0.001). Platelet counts recovered within a median time period of 34 days in the NiCord treated patients, compared to 46 days in the historic controls (p<0.001). For both neutrophils and platelets, the percentage of patients who achieved engraftment was higher than in the historic controls.

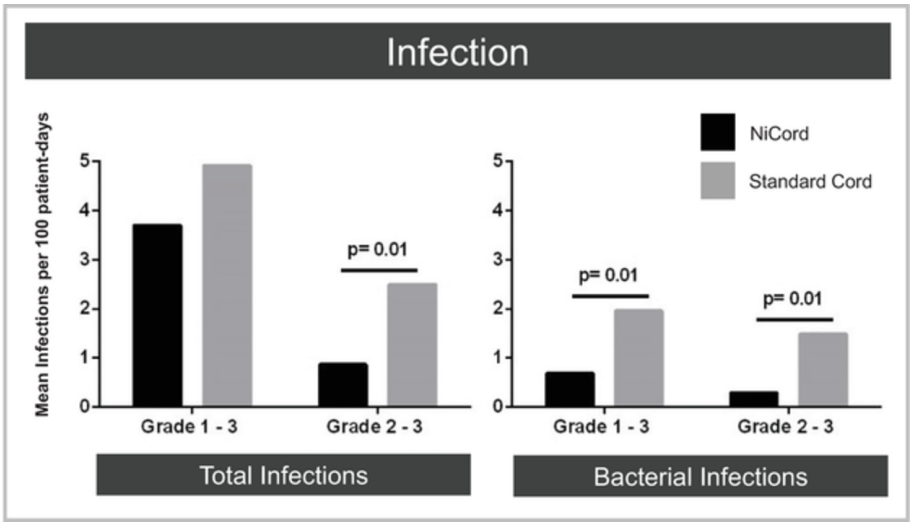
Neutrophils are infection-fighting white blood cells circulating in healthy individuals. A minimum neutrophil count, or ANC, of 0.5 x 10^9 cells per liter is necessary to prevent life-threatening infections. In all NiCord clinical trials, neutrophil engraftment is defined as achieving an ANC $\geq$ 0.5 x 10^9 per liter on three consecutive measurements on different days. The day of neutrophil engraftment is designated as the first of the three consecutive measurements and must occur on or before 42 days post-transplant.

Platelets are required for normal blood clotting. Low platelet counts are associated with life-threatening hemorrhage. Platelet counts of >20 x 109 per liter are the minimum needed for the prevention of serious bleeding. Patients who have platelet counts lower than 20 x 109 per liter are usually given platelet transfusions in order to maintain their blood clotting function. In all NiCord clinical trials, platelet engraftment is defined as achieving a platelet count >20 x 109 per liter on three consecutive measurements on different days, with no platelet transfusions in the preceding seven days. The first day of the three measurements is designated the day of platelet engraftment.



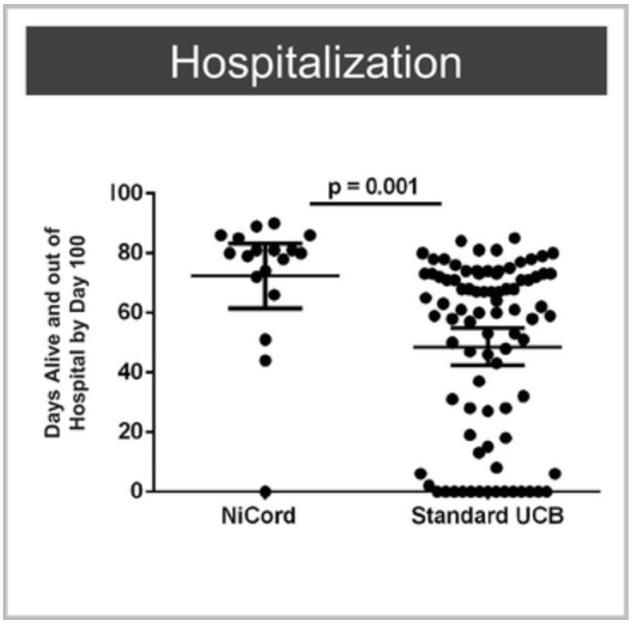
Additional endpoints included rates of acute GvHD, chronic GvHD, infections, hospitalization and overall survival. In the Phase 1/2 trial of NiCord, rates of high grade acute GvHD were 11% in patients treated with NiCord and 27% in the CIBMTR cohort (p=0.05 by Fine-Gray analysis). For chronic GVHD, the cumulative incidence of all grades (including mild, moderate, and severe) was 40% for NiCord recipients and 30% for the CIBMTR comparator cohort (p = 0.1 by Fine-Gray analysis). Rates of the most clinically serious grades of chronic GVHD, moderate and severe, were 10% in both the NiCord and CIBMTR groups. The two-year estimates of disease-free survival, or DFS, were 43% in the NiCord group and 45% in the CIBMTR group, while overall survival rates, or OS, were 48% and 51%, respectively; neither DFS or OS were significantly different between the two groups. The age-adjusted cumulative incidence of neutophil engraftment at 42 days following transplantation was 94% for NiCord recipients and 85% for the CIBMTR comparator cohort. Other serious adverse events attributed to NiCord hypertension (3%), infusion reaction (3%), thrombocytopenia, or low platelets (3%), and transaminitis, or elevated liver enzymes (3%).

The clinical impact associated with rapid engraftment was assessed in 18 patients treated with NiCord at Duke University. The patients who received NiCord had a decreased frequency of infections compared to 86 patients who received a standard cord blood transplant at the same institution. In particular, serious, Grade 2 and Grade 3 infections were significantly reduced (p<0.01).



NiCord treated patients have significantly lower rates of serious infections than standard cord blood controls.

The speed and robustness of the immune system reconstitution also likely contributed to an observed reduction of 20 days in the number of days, post-transplant, that patients were hospitalized when compared to the length of hospital stays for similar patients treated with standard cord blood also at Duke University.

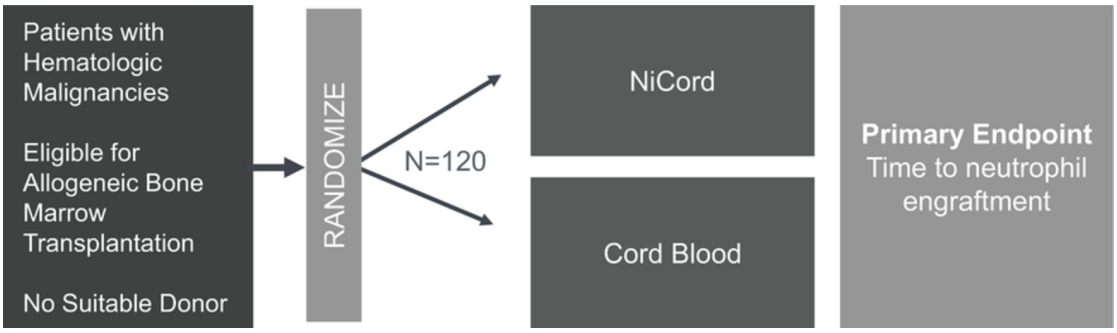


Patients with hematologic malignancies treated with NiCord had significantly fewer days of hospitalization than comparable patients receiving standard umbilical cord blood.

NiCord: Ongoing Phase 3 Clinical Trial for Hematologic Malignancies

Based on the results of our Phase 1/2 trials, we received Breakthrough Therapy Designation from the FDA for NiCord; and we are currently enrolling an international, multicenter, randomized, pivotal Phase 3 clinical trial of transplantation of NiCord versus transplantation of one or two standard cord blood units in

120 patients with ALL, AML, MDS, CML or lymphoma. We are conducting the Phase 3 clinical trial with the same eligibility criteria and endpoints as our Phase 1/2 trials to confirm NiCord's superiority over HSCT using standard cord blood. All patients enrolled in this trial are candidates for allogeneic HSCT. The primary endpoint of this trial is time to neutrophil engraftment. We anticipate completing enrollment by the end of 2019, and we anticipate reporting top-line data from this trial in the first half of 2020. Additional endpoints include platelet engraftment, and rates of acute and chronic GvHD, infections, hospitalization and overall survival.



Ongoing Phase 3 trial of NiCord for HSCT in patients with hematologic malignancies.

NiCord: Health Economic Implications

The potential clinical advantages of NiCord could lead to societal benefits such as enabling patients to return to work, spend time with loved ones and enjoy improved quality of life. NiCord may also reduce the costs to the healthcare system versus standard cord HSCT due to potentially shortened isolation and intensive care hospital stays, reduced re-admission rates and decreased severity and rates of infections and GvHD. In the ongoing Phase 3 clinical trial, we are collecting data to assess these endpoints. In parallel, we are conducting a "real world" outcomes data study that is a prospective observational study designed to capture clinical and economic endpoints for haploidentical, mismatched unrelated, and matched unrelated transplant. The data we collect from these efforts will inform a Health Economics Outcomes Research study that will be used to inform pricing and reimbursement.

We expect private payers to cover NiCord, and we plan to apply for an add-on reimbursement code for NiCord in HSCT under private insurance. We also plan to pursue reimbursement for NiCord under the NTAP program. NTAP provides Medicare and Medicaid beneficiaries timely access to breakthrough therapies that, absent any additional payments, would be inadequately covered under the existing Diagnosis Related Group payment system. Notably, two companies who are commercializing advanced cell therapy products for the treatment of hematologic malignancies – Gilead (Yescarta) and Novartis (Kymriah) – recently received NTAP status.

NiCord for the Treatment of Other Hematologic Disorders

In addition to hematologic malignancies, we are pursuing the development of NiCord for the treatment of bone marrow failure disorders. The goal in treating these diseases is to replace defective bone marrow cells with cells derived from cord blood donors. NiCord is currently being evaluated in a Phase 1/2 NIH-sponsored clinical trial for the same investigational development candidate as NiCord, under an IND for the brand name CordIn. In this trial, NiCord is administered in combination with a reduced conditioning preparative protocol, which is designed to minimize toxicity, in up to 62 patients with severe aplastic anemia or hypoplastic myelodysplastic syndrome, another bone marrow failure disease. This research protocol is designed to evaluate the safety and effectiveness of transplantation with CordIn to overcome the high incidence of graft rejection associated with standard cord blood HSCT in severe aplastic anemia patients, where graft rejection occurs in up to 50% of subjects. We expect to report preliminary data from our Phase 1/2 clinical trial in 2019.

Overview of Severe Aplastic Anemia

Severe aplastic anemia is a rare disease, with an estimated incidence in the United States of 600-900 patients per year. Underlying causes include autoimmune disease, certain medications or toxic

substances, and inherited conditions. However, the cause is unknown in approximately half of all cases of severe aplastic anemia. The disease is characterized by stem cells in the bone marrow that are damaged and unable to produce enough new blood cells. This leads to extremely low blood cell counts and platelet levels, and often requires patients to be immediately hospitalized for treatment.

Allogeneic HSCT is the treatment of choice for patients with severe aplastic anemia who have an available matched sibling donor. Among the 2,471 patients with severe aplastic anemia receiving HSCT with a matched sibling donor between 2005 and 2015, the three-year probability of survival was 91% for those younger than 18 years, and 78% for patients 18 years of age or older. Among the 1,751 recipients of HSCT with an MUD during the same period, the probabilities of survival were 78% and 68% for severe aplastic anemia patients under 18 years and greater than or equal to18 years, respectively. Unfortunately, because of the severity of the disease, some patients cannot wait to find an ideal match and use haploidentical matches that have a lower survival rate. Among those who are able to find a matched donor in a timely manner, the survival rates are very good. We believe NiCord can provide a treatment option for those patients who are unable to locate such a donor in time.

NAM-NK: Our Immuno-Oncology Product Candidate

NAM-NK is our cell therapy product candidate generated by the expansion of NK cells using the NAM-based technology platform. NAM-NK addresses a key limitation in the therapeutic potential of NK cells by increasing the cytotoxicity and *in vivo* retention and proliferation in the bone marrow and lymphoid organs of NK cells expanded in culture conditions. NAM-NK is currently in an investigator-sponsored Phase 1 trial for the treatment of MM and NHL. We believe that NAM-NK has broad potential in both hematologic and solid tumors.

Limitations of Therapeutic Antibodies in Cancer Treatment

NHL is the most common malignancy of B cells. An estimated 74,680 new cases of NHL will be diagnosed in the United States in 2018. The five-year survival rate for those with NHL is approximately 70%. The combination of an antibody such as rituximab and chemotherapy is the standard of care for patients with NHL. However, many patients develop resistance to rituximab, and when used as monotherapy, only 15% of patients respond. One mechanism that contributes to this resistance is the inability of patient or autologous NK cells to locate and kill tumor cells that rituximab has bound to. Treatment with donor-derived NK cells may overcome this resistance.

MM is a hematologic malignancy characterized by the proliferation of monoclonal plasma cells in the bone marrow. It is more common in elderly patients, with a median age at diagnosis of 65 to 74 years. The National Cancer Institute estimates that there will be approximately 30,770 new cases of myeloma diagnosed in the United States in 2018. The preferred treatment for myeloma is an autologous stem cell transplant, but due to other pre-existing conditions, not all patients are eligible for this. These, and the majority of patients who relapse following initial treatment, are then treated with various chemotherapy and antibody-based therapies that have significant anti-cancer activity when used in combination. However, there is still a large unmet clinical need as the five-year survival rate for patients with myeloma is approximately 50%.

NK Cells: Broad Anti-Cancer Potential

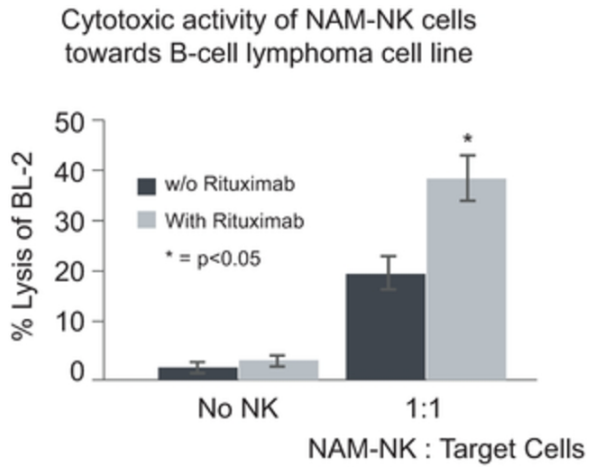
Extensive research efforts are ongoing to generate cellular products for the treatment of cancer patients. There is much interest in the field in the potential of NK cells because they have potent anti-tumor properties. In contrast to other immune cell therapies, NK cells can be used independently from genetic matching, potentially enabling NK cells to serve as a universal donor-based therapy when combined with certain antibodies.

NK cells' tumor killing activity is greatly enhanced by antibodies that recognize tumor cells, which trigger antibody-dependent cellular toxicity, or ADCC. In ADCC, the binding of an antibody to a cell marks it for destruction by NK cells. A number of antibody products have been approved by the FDA as therapeutics in oncology, each of which has limited efficacy as monotherapy. The effectiveness of these antibodies can potentially be enhanced through co-administration with NK cells. A key limitation in the application of NK cells in cell therapy has been the traditionally challenging task of generating sufficient numbers of highly functional NK cells in culture.

Our Solution: NAM-NK

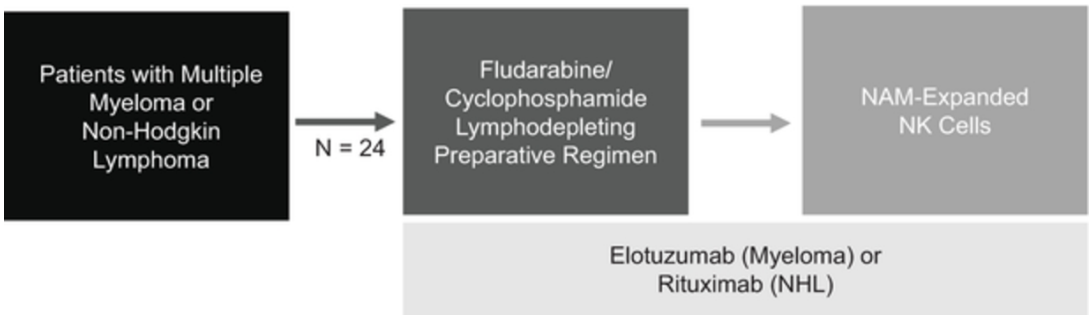
We have developed NAM-NK, a cell therapy product candidate generated by expansion of NK cells using our NAM-based technology. We believe that NAM-NK has potential application in boosting the innate immune response to cancer. Functional studies have shown that our NAM-NK cells expanded in culture with our NAM technology and the cytokine IL-15 display increased tumor killing activity over NK cells expanded with IL-15 but without NAM. Our pre-clinical studies have demonstrated the potential of NAM-NK product to eradicate tumor cells to increase survival rates.

Further, we have demonstrated that NAM-NK cells can kill B cell lymphoma in culture. The efficacy of this killing is further enhanced by the addition of rituximab, which drives ADCC. In a cell lysis experiment, NAM-NK cell-dependent killing of B cells was enhanced by rituximab. No killing was obtained in the groups treated with rituximab and without NK cells.



Rituximab enhanced lysis of lymphoma by NAM-NK

An investigator-sponsored Phase 1 trial of NAM-treated NK cells in up to 24 patients with MM or NHL was launched in 2017 at the University of Minnesota. These patients have refractory NHL or MM, meaning that they are not responding to standard therapy for their disease. The initial patients have been treated with a dose of 2 x 10^7 cells per kilogram. Dose escalation to 2 x 10^8 cells kilogram is underway. In combination with NAM-NK cells, these patients also receive therapeutic antibodies, which, in the case of MM, include elotuzumab, and in the case of NHL, rituximab.



Phase 1 trial of NAM-NK in patients with MM or NHL

The results of this study will provide the basis for further exploration in solid tumors.

NiCord for the Treatment of Non-Malignant Disorders

NiCord has also been tested in patients with sickle cell disease, or SCD, for which HSCT is currently the only clinically established cure. In Phase 1/2 clinical trials, 14 patients with SCD were treated with a standard unit of cord blood followed by NiCord, administered via central venous catheter after thawing and reconstitution of the infusion bags. The standard cord blood unit was infused first, with the dose consisting of the entire unit, or one infusion bag. The NiCord infusion consisted of two infusion bags, the first containing the NiCord cultured fraction and the second, the non-cultured fraction. The NiCord-cultured fraction contained at least 8.0 x 10^8 TNC, while the non-cultured fraction contained at least 4.0 x 10^8 TNC. The final volume of the NiCord-cultured fraction was 100 milliliters and the final volume of the non-cultured fraction was 50 milliliters. All patients initially engrafted at a median of seven days. Twelve patients had long-term engraftment and were disease free after 22 months. Two of the patients died, one due to chronic GvHD and the other due to secondary graft failure. There were no other serious adverse events attributed to NiCord in patients with SCD. These results are favorable when compared to those from a study of 29 patients with SCD who underwent HSCT with cells from an MUD donor. In that study, 27 of the patients had neutrophil engraftment, and the median time to engraftment was 12 days. There were eight deaths, seven due to GvHD and one due to graft rejection; 19 of 29 were disease-free at two years. The SCD trial is still enrolling under the leadership of an academic investigator at Duke University, who is currently exploring the use of NiCord as a standalone graft in this setting. We are investigating a modification of NiCord with the intent to reduce GvHD in this population.

We plan to continue to work with our academic collaborators to enroll patients in our SCD clinical trial to evaluate the potential of NiCord to provide therapeutic benefit. We believe that NiCord has potential to replace other allogeneic HSCT procedures in other hematologic diseases and some metabolic disorders.

The following table illustrates the annual incidence of certain non-malignant diseases in the United States, according to the U.S. National Marrow Donor Program.

Bone Marrow Diseases	Approximate Annual Incidence (US)
Severe aplastic anemia	600 - 900
Fanconi anemia	50
Paroxysmal nocturnal hemoglobinuria (PNH)	350
Inherited Immune System Disorders	
Severe combined immunodeficiency (SCID)	100
Wiskott-Aldrich syndrome (WAS)	25
Hemoglobinopathies	
Beta thalassemia major	3,000
Sickle cell disease (SCD)	1 in 365 African American births
Inherited Metabolic Disorders	
Krabbe disease (GLD)	40
Hurler syndrome (MPS-IH)	40
Adrenoleukodystrophy (ALD)	200
Metachromatic leukodystrophy (MLD)	10

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that our technology platform, development experience and scientific knowledge provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

We anticipate intensifying competition in the field of cell therapies as new therapies are approved and advanced technologies become available. Many of our competitors will have substantially greater financial, technical and human resources. Competitors may also have more experience developing,

obtaining approval for, and marketing novel treatments in the indications we are pursuing. These factors could give our competitors an advantage over us in recruiting and retaining qualified personnel, completing clinical development, and commercializing their products. Competitors that are able to obtain FDA or other regulatory approval for their products more rapidly than we can for our products may also establish a stronger market position, diminishing our commercial opportunity. Key considerations that would impact our capacity to effectively compete include the efficacy, safety, ease of use, as well as pricing and reimbursement of our products.

There are several clinical-stage development programs that seek to improve human umbilical cord blood transplantation through the use of an allogeneic HSCT graft. In addition, there are clinical-stage development programs that focus on natural killer cells. Companies active in these areas include, but are not limited to:

- **Allogeneic HSCT Graft**: Nohla Therapeutics, Inc., Magenta Therapeutics, Inc., Fate Therapeutics, Inc., ExCellThera Inc., Aldagen, Inc., a wholly-owned subsidiary of Cytomedix, Inc., Angiocrine Bioscience Inc., Medipost Co., Ltd., Kiadis Pharma NV, MolMed S.p.A., Bellicum Pharmaceuticals, Inc.; and
- **Natural Killer Cell product**: AbbVie Inc., Affimed N.V., Innate Pharma SA, Agilent Technologies Inc., Altor Bioscience Corp., Bayer HealthCare Pharmaceuticals LLC, Bellicum Pharmaceuticals, Inc., Bristol-Myers Squibb, Celgene Corporation, Celularity Inc., Fortress Biotech, Inc., Fate Therapeutics, Inc., Genexine Inc., Sanofi Genzyme, Glycostem Therapeutics B.V., Green Cross Lab Cell Corporation, Incyte Corporation, Ivy Life Sciences, Co., Ltd., Takeda Pharmaceutical Company Limited, Miltenyi Biotec GmbH, multimmune GmbH, NantKwest, Inc., Nkarta Therapeutics, Inc., NKBio Co., Ltd., PersonGen BioTherapeutics Suzhou Co. Ltd., United Therapeutics Corporation, Y-mAbs Therapeutics, Inc., Ziopharm Oncology, Inc.

Manufacturing

Our product candidates are currently manufactured at our Jerusalem, Israel facility using a scalable self-assembly process with well-defined unit operations. This highly specialized and precisely controlled manufacturing process enables us to manufacture product candidates reproducibly and efficiently for clinical and commercial applications. We are constructing a cGMP manufacturing facility for the commercial-scale production of our product candidates in Kiryat Gat, Israel, for which we intend to use a portion of the net proceeds of this offering.

We currently rely on a third party, Lonza Walkersville, Inc., or Lonza, to conduct a material portion of our product manufacturing for NiCord, to include CordIn, and intend to do so at Lonza or a Lonza affiliate, at least until our manufacturing facility is expected to be completed. In February 2016, and as amended, we entered into a Manufacturing Services Agreement, or the Manufacturing Agreement, with Lonza for the production of products containing human cells intended for therapeutic use in humans. Under the terms of the Manufacturing Agreement, Lonza manufactures, packages, ships, and handles quality assurance and control products, based on statements of work, which we submit with respect to each development of a process or product and as may be further be amended by change orders. Each statement of work describes the activities to be performed by the parties and is subject to the terms of the Manufacturing Agreement unless the parties have agreed otherwise.

The term of the Manufacturing Agreement is five years, unless terminated earlier pursuant to its terms. The Manufacturing Agreement may be terminated in the event of an uncured material breach by one of the parties. In addition, the Manufacturing Agreement or any statement of work thereunder may be terminated by us by providing six months prior written notice or by Lonza by providing 12 months prior written notice. In addition, the Manufacturing Agreement may be terminated if either NiCord or Cordin, which are being produced thereunder, has been or will be suspended or terminated by the FDA due to the failure of the product candidate, by providing two months prior written notice. Further, the Manufacturing Agreement may be terminated by either party upon notice in the event of dissolution, termination of existence, liquidation or business failure of the other party, the uncured appointment of a custodian or receiver to the other party or un-dismissed institution of insolvency, reorganization or bankruptcy proceedings.

As of the date of this prospectus, we have paid Lonza an aggregate of approximately $ million pursuant to the Manufacturing Agreement.

Marketing, Sales and Distribution

Given our stage of development, we do not currently have any internal sales, marketing or distribution infrastructure or capabilities. We have recently formed a U.S. subsidiary, Gamida Cell Inc., to support our U.S. development and potential commercialization efforts.

In the event that we receive regulatory approvals for our products in markets outside of the United States, we intend, where appropriate, to pursue commercialization relationships, including strategic alliances and licensing, with pharmaceutical companies and other strategic partners, which are equipped to market or sell our products through their well-developed sales, marketing and distribution organizations in such countries.

Intellectual Property

We strive to protect and enhance the proprietary technologies, inventions, products and product candidates, methods of manufacture, methods of using our products and product candidates, and improvements thereof that are commercially important to our business. We protect our proprietary intellectual property by, among other things, filing patent applications in the United States and in jurisdictions outside of the United States covering our proprietary technologies, inventions, products and product candidates, methods, and improvements that are important to the development and implementation of our business.

As of April 30, 2018, we own 36 issued patents and 17 pending patent applications worldwide, including 11 U.S. issued patents, three pending U.S. non-provisional patent applications, two pending U.S. provisional patent applications and one pending PCT application. We own two issued patents in the United States and 16 issued foreign patents related to our NiCord product candidate. The patents that we own outside of the United States are granted in Australia, Canada, Europe, Hong Kong, Israel, Japan, Singapore, and South Africa. In addition, we own one pending U.S. non-provisional patent application, one pending U.S. provisional patent application and one pending PCT application related to our NiCord product candidate. These patents and pending patent applications contain composition-of-matter claims to our NiCord product candidate, and claims to methods of producing and methods of treatment using our NiCord product candidate. Not accounting for any patent term adjustment, regulatory extension or terminal disclaimers, and assuming that all annuity and/or maintenance fees are paid timely, these patents, and if granted, these patent applications, will expire from 2023 to 2038. In particular, U.S. Patent No. 7,955,852, EP Patent No. 1576089, EP Patent No. 2206773, JP Patent No. 4738738, and IL Patent No. 163180, which relate to methods of expanding a population of hematopoietic stem cells by culturing the cells with nicotinamide or nicotinamide analogs, and transplantable cell populations produced by these methods, expire in 2023, not accounting for any patent term adjustment, regulatory extension or terminal disclaimers, and assuming that all annuity and/or maintenance fees are paid timely and U.S. Patent No. 8,846,393, EP Patent No. 1974012, JP Patent No. 5102773 and IL Patent No. 191669, which relate to methods of enhancing cell homing and engraftment potential of hematopoietic stem cells by expansion in the presence of nicotinamide, expire in 2026, not accounting for any patent term adjustment, regulatory extension or terminal disclaimers, and assuming that all annuity and/or maintenance fees are paid timely.

We own five issued foreign patents related to our NAM-NK product candidate. The patents that we own outside of the United States are granted in Australia, Europe, Hong Kong, and Japan. In addition, we own one pending U.S. non-provisional patent application, one pending U.S. provisional application and five pending foreign patent applications related to our NAM-NK product candidate. These patents and pending patent applications contain composition-of-matter claims to our NAM-NK product candidate, and claims to methods of producing and methods of treatment using our NAM-NK product candidate. Not accounting for any patent term adjustment, regulatory extension or terminal disclaimers, and assuming that all annuity and/or maintenance fees are paid timely, these patents, and if granted, these patent applications, will expire from 2030 to 2038. In particular, EP Patent No. 2519239, JP Patent No. 5943843 and JP Patent No. 6215394, which relate to methods of expanding a population of natural killer cells by

culturing the cells with nicotinamide or nicotinamide analogs, and transplantable cell populations produced by these methods, expire in 2030, not accounting for any patent term adjustment, regulatory extension or terminal disclaimers, and assuming that all annuity and/or maintenance fees are paid timely.

In addition, we filed for and obtained trademark registration in the United States, China, Europe, Hong Kong and Israel for “NiCord”. We also rely upon trade secrets, know-how and continuing technological innovation to develop, strengthen and maintain our competitive position.

The term of individual patents depends upon the legal term for patents in the countries in which they are obtained. In most countries in which we have filed, including the U.S., the patent term is 20 years from the earliest filing date of a non-provisional patent application. In the U.S., a patent’s term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over an earlier filed patent. The term of a patent that covers a drug or biological product may also be eligible for patent term extension when FDA approval is granted for a portion of the term effectively lost as a result of the FDA regulatory review period, subject to certain limitations and provided statutory and regulatory requirements are met. Any such patent term extension can be for no more than five years, only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval, and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. We may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. In the future, if and when our product candidates receive approval from the FDA or foreign regulatory authorities, we expect to apply for patent term extensions on issued patents we may obtain in the future covering those products, depending upon the length of the clinical trials for each product and other factors. There can be no assurance that any of our pending patent applications will issue or that we will benefit from any patent term extension or favorable adjustment to the term of any of our patents.

Provisional patent applications are not eligible to become issued patents until, among other things, we file a non-provisional patent application within 12 months of filing of one or more of our related provisional patent applications. If we do not timely file any non-provisional patent applications, we may lose our priority date with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications.

As with other biotechnology and pharmaceutical companies, our ability to establish and maintain our proprietary and intellectual property position for our product candidates will depend on our success in obtaining effective patent claims and enforcing those claims if granted. There can be no assurance that any of our current or future patent applications will result in the issuance of patents or that any of our current or future issued patents will provide any meaningful protection of our product candidates or technology. For more information regarding the risks related to our intellectual property, see the section entitled “Risk Factors—Risks Related to Our Intellectual Property”.

Research Grants

Grants under the Innovation Law

Under the Encouragement of Research, Development and Technological Innovation in the Industry Law 5744-1984, and the provisions of the applicable regulations, rules, procedures and benefit tracks, (collectively, the “Innovation Law”), research and development programs that meet specified criteria and are approved by a committee of the IIA are eligible for grants. The grants awarded are typically up to 50% of the project’s expenditures, as determined by the research committee and subject to the benefit track under which the grant was awarded. A company that receives a grant from the IIA, or a grant recipient, is typically required to pay royalties to the IIA on income generated from products incorporating know-how developed using such grants (including income derived from services associated with such products), until 100% of the U.S. dollars-linked grant plus annual LIBOR interest is repaid. The rate of royalties to be paid may vary between different benefits tracks, as shall be determined by the IIA. Under the regular

benefits tracks the rate of royalties varies between 3% to 5% of the income generated from the IIA-supported products. The obligation to pay royalties is contingent on actual income generated from such products and services. In the absence of such income, no payment of such royalties is required.

The terms of the grants under the Innovation Law also generally require that the products developed as part of the programs under which the grants were given be manufactured in Israel and that the know-how developed thereunder may not be transferred outside of Israel, unless a prior written approval is received from the IIA (such approval is not required for the transfer of a portion of the manufacturing capacity which does not exceed, in the aggregate, 10% of the portion declared to be manufactured outside of Israel in the applications for funding, in which case only notification is required) and additional payments are required to be made to the IIA. It should be noted, that this does not restrict the export of products that incorporate the funded know-how. See “Risk Factors — Risks Related to Our Operations in Israel” for additional information.

Since our incorporation, we have received grants from the IIA relating to various projects. No royalties have been paid to the IIA in respect of any grant. Our total outstanding obligation to the IIA, respectively, including the interest accrued through June 30, 2018 and December 31, 2017, amounts to approximately $31.7 million and $30.8 million.

Government Regulation

The FDA and other regulatory authorities at federal, state, and local levels, as well as in non-U.S. countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring, and post-approval reporting of biologics such as those we are developing. We, along with third-party contractors, will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our product candidates.

The process required by the FDA before biologic product candidates may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA’s current Good Laboratory Practices (“GLP”) regulation;
- submission to the FDA of an IND, which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent Institutional Review Board (“IRB”) or ethics committee at each clinical site before the trial is commenced;
- performance of adequate and well-controlled human clinical trials to establish the safety, purity and potency of the proposed biologic product candidate for its intended purpose;
- preparation of and submission to the FDA of a Biologics License Application, or BLA after completion of all pivotal clinical trials;
- satisfactory completion of an FDA Advisory Committee review, if applicable;
- a determination by the FDA within 60 days of its receipt of a BLA to file the application for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the proposed product is produced to assess compliance with cGMP and to assure that the facilities, methods and controls are adequate to preserve the biological product’s continued safety, purity and potency, and of selected clinical investigation sites to assess compliance with Good Clinical Practices, or GCP; and
- FDA review and approval of the BLA to permit commercial marketing of the product for particular indications for use in the United States.

Preclinical and Clinical Development

Prior to beginning the first clinical trial with a product candidate, we must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational product. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

In addition to the IND submission process, sponsors of certain clinical studies of cells containing recombinant or synthetic nucleic acid molecules, including human gene transfer studies, must comply with the NIH Guidelines for Research Involving Recombinant or Synthetic Nucleic Acid Molecules, or NIH Guidelines. Although compliance with the NIH Guidelines is mandatory for research conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them. The NIH Guidelines set forth the principles and requirements for NIH and institutional oversight of research with recombinant or synthetic nucleic acid molecules, including the standards for investigators and institutions to follow to ensure the safe handling and containment of such molecules. A subset of human gene transfer protocols are subject to review by the NIH Recombinant DNA Advisory Committee, or RAC, a federal advisory committee that provides recommendations regarding research involving recombinant or synthetic nucleic acid molecules. Specifically, RAC review of a protocol is required in exceptional cases where (1) an oversight body such as an Institutional Biosafety Committee, or IBC, which provides local review and oversight of research utilizing recombinant or synthetic nucleic acid molecules, or an IRB determines that the protocol would significantly benefit from RAC review, and (2) the protocol (a) uses a new vector, genetic material, or delivery methodology that represents a first-in-human experience and thus presents an unknown risk, and/or (b) relies on preclinical safety data that were obtained using a new preclinical model system of unknown and unconfirmed value, and/or (c) involves a proposed vector, gene construct, or method of delivery associated with possible toxicities that are not widely known and that may render it difficult for oversight bodies to evaluate the protocol rigorously. The RAC review proceedings are public, and reports are posted publicly to the website for the NIH's Office of Biotechnology Activities. Independent of RAC review, the NIH Guidelines also require all human gene transfer protocols subject to the NIH Guidelines to be registered with NIH, with limited exemptions. A study subject to the NIH Guidelines may not begin until the IBC approves the protocol, and the IBC cannot approve the protocol until confirmation from the NIH that such registration is complete. In the event that RAC review is warranted, the protocol registration process cannot be completed until RAC review has taken place. Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, which provides authorization for whether or not a study may move forward at

designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. There are also requirements governing the reporting of ongoing clinical studies and clinical study results to public registries.

For purposes of BLA approval, human clinical trials are typically conducted in three sequential phases that may overlap.

- Phase 1—The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.
- Phase 2—The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval.

In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These so- called Phase 4 studies may be made a condition to approval of the BLA. Concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate, and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product, or for biologics, the safety, purity and potency. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

BLA Submission and Review

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, nonclinical studies and clinical trials are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications. The BLA must include all relevant data available from pertinent preclinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. The submission of a BLA requires payment of a substantial application user fee to FDA, unless a waiver or exemption applies.

Once a BLA has been submitted, the FDA's goal is to review standard applications within ten months after it accepts the application for filing, or, if the application qualifies for priority review, six months after the FDA accepts the application for filing. In both standard and priority reviews, the review process is often significantly extended by FDA requests for additional information or clarification. The FDA reviews a BLA to determine, among other things, whether a product is safe, pure and potent and the facility in which it is manufactured, processed, packed, or held meets standards designed to assure the product's continued safety, purity and potency. The FDA may convene an advisory committee to provide clinical insight on application review questions. Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally,

before approving a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the investigational product and/or its drug substance will be produced, the FDA may issue an approval letter or a Complete Response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A Complete Response letter will describe all of the deficiencies that the FDA has identified in the BLA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the Complete Response letter without first conducting required inspections, testing submitted product lots, and/or reviewing proposed labeling. In issuing the Complete Response letter, the FDA may recommend actions that the applicant might take to place the BLA in condition for approval, including requests for additional information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the BLA with a Risk Evaluation and Mitigation Strategy, or REMS, to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more Phase 4 post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies.

Post-Approval Requirements

Any products manufactured or distributed by us pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing user fee requirements, under which FDA assesses an annual program fee for each product identified in an approved BLA. Biologic manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP, which impose certain procedural and documentation requirements upon us and our third-party manufacturers. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to

assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing product approvals;
- product seizure or detention, or refusal of the FDA to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA closely regulates the marketing, labeling, advertising and promotion of biologics. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. Failure to comply with these requirements can result in, among other things, adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available products for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturer's communications on the subject of off-label use of their products.

Other Healthcare Regulations

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers, may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. These laws may constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute our product candidates, if approved. Such laws include those described below.

The federal Anti-Kickback Statute prohibits, among other things, any person or entity, from knowingly and willfully offering, paying, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, the referral of an individual for, or purchasing, leasing, ordering, or arranging for the purchase, lease or order of, any good, facility, item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other hand. The term remuneration has been interpreted broadly to include anything of value. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. The exceptions and safe harbors are drawn narrowly and practices that involve remuneration that may be alleged to be intended to induce prescribing, purchasing or recommending may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the federal Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances. Additionally, the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the PPACA, amended the intent requirement of the federal Anti-Kickback Statute, and other healthcare criminal fraud statutes, so that a person or entity no longer needs to have actual knowledge of the federal Anti-Kickback Statute, or the specific intent to violate it, to have violated the statute. The PPACA also provided that a violation of the federal Anti-Kickback Statute is grounds for the government or a whistleblower to assert that a claim for payment of items or services resulting from such violation constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

The federal civil and criminal false claims laws, including the federal civil False Claims Act, or FCA, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented,

a false claim for payment to, or approval by, the U.S. federal government, including the Medicare and Medicaid programs, or knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim or to avoid, decrease or conceal an obligation to pay money to the federal government. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes “any request or demand” for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. The FCA also permits a private individual acting as a “whistleblower” to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery. FCA liability is potentially significant in the healthcare industry because the statute provides for treble damages and mandatory penalties. Government enforcement agencies and private whistleblowers have investigated pharmaceutical companies for or asserted liability under the FCA for a variety of alleged impermissible promotional and marketing activities, such as providing free product to customers with the expectation that the customers would bill federal programs for the product; providing consulting fees and other benefits to physicians to induce them to prescribe products; engaging in promotion for “off-label” uses; and submitting inflated best price information to the Medicaid Rebate Program.

The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created additional federal criminal statutes that prohibits, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of whether the payor is public or private, knowingly and willfully embezzling or stealing from a health care benefit program, willfully obstructing a criminal investigation of a health care offense and knowingly and willfully falsifying, concealing or covering up by any trick, scheme or device a material fact or making any materially false, fictitious or fraudulent statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Additionally, the PPACA amended the intent requirement of some of these criminal statutes under HIPAA so that a person or entity no longer needs to have actual knowledge of the statute, or the specific intent to violate it, to have committed a violation.

Additionally, the federal Open Payments program pursuant to the Physician Payments Sunshine Act, created under Section 6002 of the PPACA and its implementing regulations, require some manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with specified exceptions) to report annually information related to specified payments or other transfers of value provided to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals and to report annually specified ownership and investment interests held by physicians and their immediate family members. Failure to submit timely, accurately and completely the required information for all payments, transfers of value and ownership or investment interests may result in civil monetary penalties.

In addition, we may be subject to data privacy and security regulation of both the federal government and the states in which we conduct our business. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their implementing regulations, impose requirements relating to the privacy, security and transmission of individually identifiable health information held by covered entities subject to the law, such as health plans, healthcare clearinghouses, and certain healthcare providers, and their business associates, defined as independent contractors or agents of covered entities that create, receive, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. Among other things, HITECH created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties and HIPAA’s security standards directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys’ fees and costs associated with pursuing federal civil actions.

Many states have also adopted laws similar to each of the above federal laws, which may be broader in scope and apply to items or services reimbursed by any third-party payor, including commercial insurers. We may also be subject to state laws that require pharmaceutical companies to comply with the

pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, state and local laws that require the registration of pharmaceutical sales representatives, state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information, and/or state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Ensuring that our internal operations and business arrangements with third parties comply with applicable healthcare laws and regulations will likely be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from government funded healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and curtailment of our operations, any of which could substantially disrupt our operations. If the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Coverage and Reimbursement

Our ability to successfully commercialize any products for which we receive approval will depend in part on the extent to which coverage and adequate reimbursement for the procedures utilizing our products will be available to health care providers from third-party payors, such as government health administration authorities, private health insurers and other organizations. Third-party payors determine which procedures, and the products utilized in such procedures, they will cover and establish reimbursement levels. Assuming coverage is obtained for procedures utilizing a given product, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who undergo procedures for the treatment of their conditions, and their treating physicians, generally rely on third-party payors to reimburse all or part of the costs associated with the procedures which utilize our products. Treating physicians are unlikely to use and order our products unless coverage is provided and the reimbursement is adequate to cover all or a significant portion of the cost of the procedures which utilize our products. Therefore, coverage and adequate reimbursement for procedures, which utilize new products, is critical to the acceptance of such new products. Coverage decisions may depend upon clinical and economic standards that disfavor new products when more established or lower cost therapeutic alternatives are already available or subsequently become available.

Government authorities and other third-party payors are developing increasingly sophisticated methods of cost containment, such as price controls, restrictions on coverage and reimbursement and requirements for substitution of less expensive products and procedures. Increasingly, government and other third-party payors are increasingly challenging the prices charged for health care products and procedures, examining the cost effectiveness of procedures, and the products used in such procedures, in addition to their safety and efficacy, and limiting or attempting to limit both coverage and the level of reimbursement. Further, no uniform policy requirement for coverage and reimbursement exists among third-party payors in the United States, which causes significant uncertainty related to the insurance coverage and reimbursement of newly approved products, and the procedures which may utilize such newly approved products. Therefore, coverage and reimbursement can differ significantly from payor to payor and health care provider to health care provider. As a result, the coverage determination process is often a time-consuming and costly process that requires the provision of scientific and clinical support for the use of new products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

There may be significant delays in obtaining coverage and reimbursement for newly approved products, and coverage may be more limited than the purposes for which the product is approved by the FDA. Moreover, eligibility for coverage and reimbursement does not imply that a product, or the procedures which utilize such product, will be paid for in all cases or at a rate which the health care providers who purchase those products will find cost effective.

Healthcare Reform Measures

The United States and some non-U.S. jurisdictions are considering or have enacted a number of legislative and regulatory proposals designed to change the healthcare system. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives.

For example, the pharmaceutical industry in the United States has been affected by the passage of PPACA, which, among other things: imposed new fees on entities that manufacture or import certain branded prescription drugs; expanded pharmaceutical manufacturer obligations to provide discounts and rebates to certain government programs; implemented a licensure framework for follow-on biologic products; expanded health care fraud and abuse laws; revised the methodology by which rebates owed by manufacturers to the state and federal government under the Medicaid Drug Rebate Program are calculated for certain drugs and biologics, including products that are inhaled, infused, instilled, implanted or injected; imposed an additional rebate similar to an inflation penalty on new formulations of drugs; extended the Medicaid Drug Rebate Program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; expanded the 340B program which caps the price at which manufacturers can sell covered outpatient pharmaceuticals to specified hospitals, clinics and community health centers; and provided incentives to programs that increase the federal government's comparative effectiveness research.

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the PPACA, as well as recent efforts by the Trump administration to repeal or replace certain aspects of the PPACA. Since January 2017, President Trump has signed two Executive Orders and other directives designed to delay the implementation of certain provisions of the PPACA or otherwise circumvent some of the requirements for health insurance mandated by the PPACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the PPACA. While Congress has not passed comprehensive repeal legislation, two bills affecting the implementation of certain taxes under the PPACA have been signed into law. The Tax Cuts and Jobs Act of 2017 includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the PPACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate". Additionally, on January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain PPACA-mandated fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans and the annual fee imposed on certain health insurance providers based on market share. Further, the Bipartisan Budget Act of 2018, or the BBA, among other things, amends the PPACA, effective January 1, 2019, to increase from 50 percent to 70 percent the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D and to close the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole". Congress will likely consider other legislation to replace elements of the PPACA.

Other legislative changes have been proposed and adopted in the United States since the PPACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers of 2.0% per fiscal year, which went into effect in April 2013, and due to subsequent legislative amendments, including the BBA, will remain in effect through 2027, unless additional U.S. Congressional action is taken. In addition, in January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several categories of healthcare providers and increased the statute of limitations period for

the government to recover overpayments to providers from three to five years. Additional changes that may affect our business include new quality and payment programs such as Medicare payment for performance initiatives for physicians under the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, which will be fully implemented in 2019.

In addition, there has been particular and increasing legislative and enforcement interest in the United States with respect to drug pricing practices in recent years, particularly with respect to drugs that have been subject to relatively large price increases over relatively short time periods. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, reduce the cost of prescription drugs under Medicare and reform government program reimbursement methodologies for pharmaceutical products. The Trump administration's budget proposal for fiscal year 2019 contains further drug price control measures that could be enacted during the 2019 budget process or in other future legislation, including, for example, measures to permit Medicare Part D plans to negotiate the price of certain drugs under Medicare Part B, to allow some states to negotiate drug prices under Medicaid, and to eliminate cost sharing for generic drugs for low-income patients. Further, the Trump administration released a blueprint to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase drug manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products, and reduce the out of pocket costs of drug products paid by consumers. While any proposed measures may require authorization through additional legislation to become effective, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. In addition, individual states in the United States have become increasingly active in passing legislation and implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In the future, there will likely continue to be proposals relating to the reform of the U.S. healthcare system, some of which could further limit coverage and reimbursement of products.

The Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act, or FCPA, prohibits any U.S. individual or business from paying, offering or authorizing payment or offering of anything of value, directly or indirectly, to any non-U.S. official, political party or candidate for the purpose of influencing any act or decision of the non-U.S. entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring the companies to maintain books and records that accurately and fairly reflect all transactions of the companies, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Non-U.S. Government Regulation

To the extent that any of our product candidates, once approved, are sold in a country outside of the United States, we may be subject to similar non-U.S. laws and regulations, which may include, for instance, applicable post-marketing requirements, including safety surveillance, anti-fraud and abuse laws and implementation of corporate compliance programs and reporting of payments or other transfers of value to healthcare professionals.

In order to market our future products in the EEA (which is comprised of the 28 Member States of the European Union plus Norway, Iceland and Liechtenstein) and many other jurisdictions, we must obtain regulatory approvals from such jurisdictions. More precisely, in the EEA, medicinal products can only be commercialized after obtaining a Marketing Authorization, or MA. There are two types of marketing authorizations:

- the Community MA, which is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use of the

European Medicines Agency, or EMA, and which is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products and medicinal products indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune and viral diseases. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the European Union; and

- National MAs, which are issued by the competent authorities of the Member States of the EEA and only cover their respective territory, are available for products not falling within the mandatory scope of the Centralized Procedure. Where a product has already been authorized for marketing in a Member State of the EEA, this National MA can be recognized in another Member State through the Mutual Recognition Procedure. If the product has not received a National MA in any Member State at the time of application, it can be approved simultaneously in various Member States through the Decentralized Procedure.

Under the above described procedures, before granting the MA, the EMA or the competent authorities of the Member States of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

Data and Marketing Exclusivity

In the EEA, new products authorized for marketing, or reference products, qualify for eight years of data exclusivity and an additional two years of market exclusivity upon marketing authorization. The data exclusivity period prevents generic or biosimilar applicants from relying on the pre-clinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar marketing authorization in the European Union during a period of eight years from the date on which the reference product was first authorized in the European Union. The market exclusivity period prevents a successful generic or biosimilar applicant from commercializing its product in the European Union until 10 years have elapsed from the initial authorization of the reference product in the European Union. The 10-year market exclusivity period can be extended to a maximum of eleven years if, during the first eight years of those 10 years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies.

Pediatric Investigation Plan

In the EEA, marketing authorization applications for new medicinal products not authorized have to include the results of studies conducted in the pediatric population, in compliance with a pediatric investigation plan, or PIP, agreed with the EMA's Pediatric Committee, or PDCO. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the drug for which marketing authorization is being sought. The PDCO can grant a deferral of the obligation to implement some or all of the measures of the PIP until there are sufficient data to demonstrate the efficacy and safety of the product in adults. Further, the obligation to provide pediatric clinical trial data can be waived by the PDCO when these data is not needed or appropriate because the product is likely to be ineffective or unsafe in children, the disease or condition for which the product is intended occurs only in adult populations, or when the product does not represent a significant therapeutic benefit over existing treatments for pediatric patients. Once the marketing authorization is obtained in all Member States of the European Union and study results are included in the product information, even when negative, the product is eligible for six months' supplementary protection certificate extension.

Orphan Drug Designation

In the EEA, a medicinal product can be designated as an orphan drug if its sponsor can establish that the product is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the European Union when the application is made, or that the product is intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition in the European Community and

that without incentives it is unlikely that the marketing of the drug in the EU would generate sufficient return to justify the necessary investment. For either of these conditions, the applicant must demonstrate that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the EU or, if such method exists, the drug will be of significant benefit to those affected by that condition.

In the EEA, an application for designation as an orphan product can be made any time prior to the filing of an application for approval to market the product. Marketing authorization for an orphan drug leads to a ten-year period of market exclusivity. During this market exclusivity period, the EMA or the member state competent authorities, cannot accept another application for a marketing authorization, or grant a marketing authorization, for a similar medicinal product for the same indication. The period of market exclusivity is extended by two years for medicines that have also complied with an agreed PIP.

This period may, however, be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan drug designation, for example because the product is sufficiently profitable not to justify market exclusivity. Market exclusivity can be revoked only in very selected cases, such as consent from the marketing authorization holder, inability to supply sufficient quantities of the product, demonstration of “clinical superiority” by a similar medicinal product, or, after a review by the Committee for Orphan Medicinal Products, requested by a member state in the fifth year of the marketing exclusivity period (if the designation criteria are believed to no longer apply). Medicinal products designated as orphan drugs pursuant are eligible for incentives made available by the European Union and its Member States to support research into, and the development and availability of, orphan drugs.

Breakthrough Therapy Designation

A sponsor may seek FDA designation of a product candidate as a “breakthrough therapy” if the product is intended, alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation allows more intensive FDA interaction and guidance. The breakthrough therapy designation is a distinct status from both accelerated approval and priority review, which can also be granted to the same drug if relevant criteria are met. If a product is designated as breakthrough therapy, the FDA will work to expedite the development and review of such drug.

Employees

As of June 30, 2018, we had 52 full-time employees and one part-time employee, 46 of whom are based in Israel and seven of whom are based in the United States. Of these employees, 41 are primarily engaged in research and development activities and 12 are primarily engaged in general and administrative matters. A total of seven employees have an M.D. or Ph.D. degree. None of our employees is represented by a labor union. We have never experienced any employment-related work stoppages and believe our relationships with our employees are good.

Israeli labor laws govern the length of the workday and workweek, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, advance notice of termination, payments to the National Insurance Institute, and other conditions of employment and include equal opportunity and anti-discrimination laws. While none of our employees is party to any collective bargaining agreements, certain provisions of the collective bargaining agreements between the Histadrut (General Federation of Labor in Israel) and the Coordination Bureau of Economic Organizations (including the Industrialists’ Associations) are applicable to our employees in Israel by order of the Israeli Ministry of Economy and Industry. These provisions primarily concern pension fund benefits for all employees, insurance for work-related accidents, recuperation pay and travel expenses. We generally provide our employees with benefits and working conditions beyond the required minimums.

Facilities

Our principal executive offices are located at 5 Nahum Heftsadie Street, Givaat Shaul, Jerusalem 91340, Israel, where we lease an approximately 1,300 square foot facility. This facility houses our

administrative headquarters, research and development laboratories and pilot manufacturing facility. We also maintain an office at 673 Boylston Street, Boston, Massachusetts which serves as the executive headquarters for our U.S. subsidiary. We believe that our existing facilities are adequate to meet our current needs, and that suitable additional or alternative spaces will be available in the future on commercially reasonable terms.

We have also entered into a lease agreement for an approximately 52,000 square foot facility in Kiryat Gat, Israel, where we intend to build a commercial-grade cGMP manufacturing facility.

Environmental, Health and Safety Matters

We are subject to extensive environmental, health and safety laws and regulations in a number of jurisdictions, primarily Israel, governing, among other things: the use, storage, registration, handling, emission and disposal of chemicals, waste materials and sewage; chemicals, air, water and ground contamination; air emissions and the cleanup of contaminated sites, including any contamination that results from spills due to our failure to properly dispose of chemicals, waste materials and sewage. Our operations use chemicals and produce waste materials and sewage and require permits from various governmental authorities including, local municipal authorities, the Ministry of Environmental Protection and the Ministry of Health. The Ministry of Environmental Protection and the Ministry of Health, local authorities and the municipal water and sewage company conduct periodic inspections in order to review and ensure our compliance with the various regulations. These laws, regulations and permits could potentially require the expenditure by us of significant amounts for compliance or remediation. If we fail to comply with such laws, regulations or permits, we may be subject to fines and other civil, administrative or criminal sanctions, including the revocation of permits and licenses necessary to continue our business activities. In addition, we may be required to pay damages or civil judgments in respect of third-party claims, including those relating to personal injury (including exposure to hazardous substances we use, store, handle, transport, manufacture or dispose of), property damage or contribution claims. Some environmental, health and safety laws allow for strict, joint and several liability for remediation costs, regardless of comparative fault. We may be identified as a responsible party under such laws. Such developments could have a material adverse effect on our business, financial condition and results of operations. In addition, laws and regulations relating to environmental, health and safety matters are often subject to change. In the event of any changes or new laws or regulations, we could be subject to new compliance measures or to penalties for activities that were previously permitted.

Legal Proceedings

From time to time, we may become party to litigation or other legal proceedings that we consider to be part of the ordinary course of business. We are not currently party to any material legal proceedings.

MANAGEMENT

Executive officers, directors and director nominees

The following table sets forth information concerning our executive officers, directors and director nominees, including their ages, as of the date of this prospectus:

Name	Age	Position
Dr. Julian Adams	63	Director and Chief Executive Officer
Shai Lankry	42	Chief Financial Officer
Joshua Hamermesh	45	Chief Business Officer
Dr. Tony Peled	65	Chief Scientific Officer and Vice President of Research & Development
Dr. Ronit Simantov	54	Chief Medical Officer
Robert I. Blum*	55	Chairman of the Board of Directors
Ofer Gonen*	45	Director
Boaz Lifshitz*	49	Director
Kenneth I. Moch*	64	Director
Dr. Michael S. Perry*	59	Director
Dr. Roger Kornberg*	71	Director

* Non-management director

Executive Officers

Julian Adams, Ph.D., joined our board of directors in August 2016 and has served as our Chief Executive Officer since November 2017. Dr. Adams has more than 35 years of experience in drug discovery and development. Prior to joining Gamida Cell, Dr. Adams served as a Senior Vice President at Millenium Pharmaceuticals, where he led the development of bortezomib, also known as Velcade®. He has served on the boards of directors of numerous biotechnology companies, and currently serves as the Chairman of the board of directors of Vedantra Pharmaceuticals, and on the boards of directors of Warp Drive Bio, Pieris Pharmaceuticals and Neon Therapeutics. Dr. Adams received a B.S. from McGill University and a Ph.D. from the Massachusetts Institute of Technology in the field of synthetic organic chemistry.

Josh Hamermesh has served as our Chief Business Officer since April 2018. Mr. Hamermesh has more than two decades of experience in corporate strategy and commercialization for pharmaceutical and biotechnology companies. Mr. Hamermesh is currently a director of Neurohealing Pharmaceuticals, a biopharmaceutical company. He earned his undergraduate degree from Amherst College and received an M.B.A. from Harvard Business School.

Shai Lankry has served as our Chief Financial Officer since April 2018. Mr. Lansky has more than a decade of senior management experience in finance. Mr. Lankry is a licensed Israeli CPA and earned an M.B.A. in Finance from Tel-Aviv University.

Tony Peled is the co-founder of the Company and the researcher whose discoveries have led to Gamida Cell's key clinical achievements. Ms. Peled has served as our Chief Scientific Officer and Vice President of Research & Development since 2000. Prior to founding Gamida Cell, Ms. Peled was a scientist in the hematology department at Hadassah University Hospital, and she has more than 30 years of experience in hematopoiesis and stem cell research. She received her undergraduate degree from Hebrew University, Jerusalem.

Ronit Simantov, M.D., has served as our Chief Medical Officer since June 2017. Dr. Simantov has more than 20 years of experience in research, development, registration, and launch of hematology and oncology drugs. Prior to joining Gamida Cell, she served as the Vice President and Head of Global Medical Affairs at Pfizer Oncology. Dr. Simantov holds a B.A. from Johns Hopkins University and an M.D. from New York University School of Medicine.

Non-Employee Directors

Robert I. Blum joined our board of directors as Chairman in September 2018. Mr. Blum has served as the President and Chief Executive Officer of Cytokinetics, Inc. since January 2007. Mr. Blum has held positions of increasing responsibility at Cytokinetics since 1998. Prior to joining Cytokinetics, Mr. Blum served as in senior positions in business development and marketing at COR Therapeutics, Inc. and in various roles at Marion Laboratories, Inc. and Syntex Corporation. Mr. Blum received B.A. degrees in Human Biology and Economics from Stanford University and an M.B.A. from Harvard Business School.

Roger Kornberg, Ph.D., has served on our board of directors since May 2017. Professor Kornberg won the Nobel Prize for Chemistry in 2006 and has been a Professor of Structural Biology at Stanford Medical School since 1978. He currently serves as the chairman of the board of directors for Sensor Kinesis and for Cognos, and he has served as a director of Xenetic Biosciences since 2016. Professor Kornberg earned his B.S. in chemistry from Harvard University in 1967 and his Ph.D. in chemical physics from Stanford in 1972.

Michael S. Perry, Ph.D., has served on our board of directors since May 2017. Dr. Perry has served as the Chief Executive Officer of Avita Medical Ltd since June 2017 and as a member of its board of directors since February 2013. He also served as a Managing Director of Bioscience Managers since April 2017. He has served as director of Arrowhead Pharmaceuticals since December 2011 and as a director of Ampliphi Biosciences Corporation since 2005. Dr. Perry received a Doctor of Veterinary Medicine (DVM), a Ph.D. in Biomedical Science-pharmacology and a B.Sc. in physics from the University of Guelph and is also a graduate of the Harvard Business School International Management Program.

Ofer Gonen has served on our board of directors since January 2015. Mr. Gonen has served as the Chief Executive Officer of Clal Biotechnology Industries since 2016 and as its director since 2003. He has served as a director of MediWound since 2013. Previously, Mr. Gonen served as the general manager of Biomedical Investments and as an Academic Aide to the Governor of the Bank of Israel. Mr. Gonen holds a B.Sc. in Physics, Mathematics and Chemistry from the Hebrew University of Jerusalem and an M.A. in Economics and Finance from Tel Aviv University.

Kenneth I. Moch has served on our board since July 2016. Mr. Moch serves as the President and Chief Executive Officer of Cognition Therapeutics. He has served as a director of Zynerba Pharmaceuticals and as a director of the Biotechnology Innovation Association. Mr. Moch more than 30 years of experience in building private and public life science companies. He holds an A.B. in biochemistry from Princeton University and an M.B.A. from the Stanford University Graduate School of Business.

Boaz Lifschitz has served on our board of directors since November 2014. He is a General Partner and Co-Founder of Peregrine Ventures. Mr. Lifschitz serves as a director of Magneto, Eve Pharma, PayzDay, Elbit Imaging and Elbit Imaging Technologies. Mr. Lifschitz holds a B.Sc. from Bar-Ilan University and as a M.Sc. from Boston University jointly with Ben Gurion University.

Compensation of Executive Officers and Directors

The aggregate compensation paid by us to our executive officers and directors for the year ended December 31, 2017, was approximately $4.3 million, including share based compensation expenses of approximately $1.9 million. This amount includes approximately $0.6 million set aside or accrued to provide pension, severance, retirement or similar benefits or expenses, but does not include business travel, relocation, professional and business association dues and expenses reimbursed to officers, and other benefits commonly reimbursed or paid by companies in Israel.

Foreign Private Issuer

Under the Companies Law, companies incorporated under the laws of the State of Israel whose shares are publicly traded, including companies with shares listed on The Nasdaq Global Market, are considered public companies under Israeli law and are required to comply with various corporate governance requirements under Israeli law relating to matters such as external directors, the audit committee, the compensation committee and an internal auditor. This is the case even if our shares are not listed on a stock exchange in Israel. These requirements are in addition to the corporate governance

requirements imposed by the Listing Rules of the Nasdaq Stock Market and other applicable provisions of U.S. securities laws to which we are subject (as a foreign private issuer).

After the consummation of this offering, we will be a "foreign private issuer" under the U.S. securities laws and the Nasdaq corporate governance rules. We would cease to be a foreign private issuer at such time as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is administered principally in the United States. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. Also, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information. However, we are required to file with the SEC, within 120 days after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm, and to submit to the SEC from time to time, on Form 6-K, reports of information that would likely be material to an investment decision in our ordinary shares.

As a foreign private issuer, we are permitted to follow certain Israeli corporate governance practices instead of the Nasdaq corporate governance rules, provided that we disclose which requirements we are not following and the equivalent Israeli requirement. Pursuant to the "foreign private issuer exemption":

- we intend to establish a quorum requirement such that the quorum for any meeting of shareholders is two or more shareholders holding at least 25% of our voting rights and if the meeting is adjourned for lack of quorum, the quorum for such adjourned meeting will be any number of shareholders, instead of 25% of our voting rights;
- we intend to adopt and approve material changes to equity incentive plans in accordance with the Companies Law, which does not impose a requirement of shareholder approval for such actions. In addition, we intend to follow Israeli corporate governance practice in lieu of Nasdaq Marketplace Rule 5635(c), which requires shareholder approval prior to an issuance of securities in connection with equity based compensation of officers, directors, employees or consultants;
- with the exception of directors elected by our board of directors, our directors are elected by an annual meeting of our shareholders to hold office until the next annual meeting following one year from his or her election. The nominations for directors, which are presented to our shareholders by our board of directors, are generally made by the board of directors itself, in accordance with the provisions of our amended and restated articles of association and the Companies Law. Nominations need not be made by a nominating committee of our board of directors consisting solely of independent directors, as required under the Nasdaq Marketplace Rules;
- as opposed to making periodic reports to shareholders and proxy solicitation materials available to shareholders in the manner specified by the Nasdaq corporate governance rules, the Companies Law does not require us to distribute periodic reports directly to shareholders, and the generally accepted business practice in Israel is not to distribute such reports to shareholders but to make such reports available through a public website. We will only mail such reports to shareholders upon request; and
- we will follow Israeli corporate governance practice instead of Nasdaq requirements to obtain shareholder approval for certain dilutive events (such as issuances that will result in a change of control, certain transactions other than a public offering involving issuances of a 20% or greater interest in us and certain acquisitions of the stock or assets of another company).

Otherwise, we intend to comply with the rules generally applicable to U.S. domestic companies listed on The Nasdaq Global Market. We may in the future decide to use the foreign private issuer exemption with respect to some or all of the other Nasdaq corporate governance rules. Following the closing of this offering, we also intend to comply with Israeli corporate governance requirements under the Companies Law applicable to public companies.

Board Practices

Our amended and restated articles of association provide that we may have between and directors. Our board of directors currently consists of seven directors. We intend to appoint at least one additional director prior to the completion of this offering. Our directors are divided into three classes with staggered three-year terms. Each class of directors consists, as nearly as possible, of one-third of the total number of directors constituting the entire board of directors. At each annual general meeting of our shareholders, the election or re-election of directors following the expiration of the term of office of the directors of that class of directors will be for a term of office that expires on the third annual general meeting following such election or re-election, such that from 2019 and after, at each annual general meeting the term of office of only one class of directors will expire. Each director will hold office until the annual general meeting of our shareholders in which his or her term expires, unless they are removed by a vote of 65% of the total voting power of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events, in accordance with the Israeli Companies Law and our amended and restated articles of association.

Our directors will be divided among the three classes as follows:

(i) the Class I directors will be and , and their terms will expire at the annual general meeting of the shareholders to be held in 2019 and when their successors are elected and qualified;

(ii) the Class II directors will be and , and their terms will expire at the first annual general meeting of the shareholders following the meeting referred to in clause (i) above and when their successors are elected and qualified; and

(iii) the Class III directors will be , and , and their terms will expire at the first annual general meeting of the shareholders following the meeting referred to in clause (ii) above and when their successors are elected and qualified.

Because our ordinary shares do not have cumulative voting rights in the election of directors, the holders of a majority of the voting power represented at a shareholders meeting have the power to elect all of our directors up for election or re-election.

In addition, if a director's office becomes vacant, the remaining serving directors may continue to act in any manner, provided that their number is of the minimal number specified in our amended and restated articles of association. If the number of serving directors is lower than three, then our board of directors shall not be permitted to act, other than for the purpose of convening a general meeting of the Company's shareholders for the purpose of appointing additional directors. In addition, the directors may appoint, immediately or of a future date, additional director(s) to serve until the subsequent annual general meeting of our shareholders, provided that the total number of directors in office shall not exceed directors.

Pursuant to the Companies Law and our amended and restated articles of association, a resolution proposed at any meeting of our board of directors at which a quorum is present is adopted if approved by a vote of a majority of the directors present and eligible to vote. A quorum of the board of directors requires at least a majority of the directors then in office who are lawfully entitled to participate in the meeting.

Under the Companies Law, the chief executive officer of a public company may not serve as the chairman of the board of directors of the company unless approved by the holders of a majority of the shares of the company represented at the meeting in person or by proxy or written ballot, provided that:

- at least two-thirds of the shares of non-controlling shareholders or shareholders that do not have a personal interest in the approval voted at the meeting are voted in favor (disregarding abstentions); or
- the total number of shares of non-controlling shareholders or shareholders that do not have a personal interest in the approval voted against the proposal does not exceed two percent of the aggregate voting rights in the company.

In addition, under the Companies Law, our board of directors must determine the minimum number of directors who are required to have financial and accounting expertise. Under applicable regulations, a director with financial and accounting expertise is a director who, by reason of his or her education, professional experience and skill, has a high level of proficiency in and understanding of business accounting matters and financial statements. He or she must be able to thoroughly comprehend the financial statements of the listed company and initiate debate regarding the manner in which financial information is presented. In determining the number of directors required to have such expertise, the board of directors must consider, among other things, the type and size of the company and the scope and complexity of its operations. Our board of directors has determined that we require at least one director with the requisite financial and accounting expertise. has such financial and accounting expertise.

Observers

Each of Shavit Capital Funds, Smartmix Limited and Novartis Pharma A.G. have the right to appoint a non-voting observer to our board of directors, or an Observer. The right of each of Shavit Capital Funds and Smartmix Limited to appoint an Observer is subject to them holding at least three percent (3%) of the issued and outstanding share capital of the Company and the right of Novartis Pharma A.G. to appoint an Observer is subject to them holding at least four percent (4%) of the issued and outstanding share capital of the Company.

Alternate Directors

Our amended and restated articles of association provide, as allowed by the Companies Law, that any director may, by written notice to us, appoint another person who is qualified to serve as a director to serve as an alternate director. The alternate director will be regarded as a director. Under the Companies Law, a person who is not qualified to be appointed as a director, a person who is already serving as a director or a person who is already serving as an alternate director for another director, may not be appointed as an alternate director. Nevertheless, a director who is already serving as a director may be appointed as an alternate director for a member of a committee of the board of directors as long as he or she is not already serving as a member of such committee. The term of appointment of an alternate director may be for one meeting of the board of directors or until notice is given of the cancellation of the appointment.

External directors

Under the Companies Law, companies incorporated under the laws of the State of Israel that are “public companies,” including companies with shares listed on The Nasdaq Global Market, are required to appoint at least two external directors.

Pursuant to regulations promulgated under the Companies Law, companies with shares traded on a U.S. stock exchange, including The Nasdaq Global Market, may, subject to certain conditions, “opt out” from the Companies Law requirements to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors. In accordance with these regulations, we elected to “opt out” from the Companies Law requirement to appoint external directors and related Companies Law rules concerning the composition of the audit committee and compensation committee of the board of directors.

Under these regulations, the exemptions from such Companies Law requirements will continue to be available to us so long as: (i) we do not have a “controlling shareholder” (as such term is defined under the Companies Law), (ii) our shares are traded on a U.S. stock exchange, including The Nasdaq Global Market, and (iii) we comply with the director independence requirements, the audit committee and the compensation committee composition requirements, under U.S. laws (including applicable Nasdaq Rules) applicable to U.S. domestic issuers.

Audit committee

Under the Companies Law, the board of directors of any public company must appoint an audit committee, comprised of at least three directors.

Nasdaq requirements

Under the Nasdaq Rules, we are required to maintain an audit committee consisting of at least three independent directors, all of whom are financially literate and one of whom has accounting or related financial management expertise.

Our audit committee will consist of , and , who will serve as Chairman of the committee. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq corporate governance rules and are independent directors under such rules. Our board of director has determined that is an "audit committee financial expert" as defined by the SEC rules and has the requisite financial experience as defined by the Nasdaq Rules. Our board of directors has determined that each member of our audit committee is independent as such term is defined in Rule 10A-3 under the Exchange Act, and that each member of our audit committee satisfies the additional requirements applicable under the Nasdaq Rules to members of audit committees.

Approval of transactions with related parties

Under the Companies Law, the approval of the audit committee is required to effect specified actions and transactions with office holders and controlling shareholders and their relatives, or in which they have a personal interest. See "Management—Fiduciary duties and approval of specified related party transactions under Israeli law." The term "controlling shareholder" means any shareholder with the ability to direct the activities of the company, other than by virtue of being an office holder. A shareholder is presumed to be a controlling shareholder if the shareholder holds 50% or more of the voting rights in a company or has the right to appoint the majority of the directors of the company or its chief executive officer. For the purpose of approving transactions with controlling shareholders, the term "controlling shareholder" also includes any shareholder that holds 25% or more of the voting rights of the company if no other shareholder holds more than 50% of the voting rights in the company. For purposes of determining the holding percentage stated above, two or more shareholders who have a personal interest in a transaction that is brought for the company's approval are deemed as joint holders. As of the date of this annual report on Form 20-F, we do not have a controlling shareholder as defined under the Companies Law.

Audit committee role

Our board of directors has adopted an audit committee charter setting forth the responsibilities of the audit committee consistent with the rules of the SEC and the Nasdaq Rules, which include, among others:

- retaining and terminating our independent auditors, subject to the ratification of the board of directors, and in the case of retention, to that of the shareholders;
- pre-approving of audit and non-audit services and related fees and terms, to be provided by the independent auditors;
- overseeing the accounting and financial reporting processes of our company and audits of our financial statements, the effectiveness of our internal control over financial reporting and making such reports as may be required of an audit committee under the rules and regulations promulgated under the Exchange Act;
- reviewing with management and our independent auditor our annual and quarterly financial statements prior to publication or filing (or submission, as the case may be) to the SEC;
- recommending to the board of directors the retention and termination of the internal auditor, and the internal auditor's engagement fees and terms, in accordance with the Companies Law as well as approving the yearly or periodic work plan proposed by the internal auditor;
- reviewing with our general counsel and/or external counsel, as deem necessary, legal and regulatory matters that could have a material impact on the financial statements;
- identifying irregularities in our business administration, inter alia, by consulting with the internal auditor or with the independent auditor, and suggesting corrective measures to the board of directors; and

- reviewing policies and procedures with respect to transactions (other than transactions related to the compensation or terms of services) between the company and officers and directors, or affiliates of officers or directors, or transactions that are not in the ordinary course of the Company's business and deciding whether to approve such acts and transactions if so required under the Companies Law.

The audit committee charter states that in fulfilling its obligations, the committee is entitled to demand from us any document, file, report or any other information that is required for the fulfillment of its roles and duties and to interview any of our employees or any employees of our subsidiaries in order to receive more details about his or her line of work or other issues that are connected to the roles and duties of the audit committee.

Compensation committee

Under the Companies Law, the board of directors of any public company must appoint a compensation committee.

The compensation committee, which will consist of , and , will assist the board of directors in determining compensation for our directors and officers. will serve as Chairman of the committee. Our board of directors has determined that each member of our compensation committee is independent under the Nasdaq Rules, including the additional independence requirements applicable to the members of a compensation committee.

In accordance with the Companies Law, the roles of the compensation committee are, among others, as follows:

- recommending to the board of directors with respect to the approval of the compensation policy for office holders and, once every three years, regarding any extensions to a compensation policy that was adopted for a period of more than three years;
- reviewing the implementation of the compensation policy and periodically recommending to the board of directors with respect to any amendments or updates of the compensation plan;
- resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- exempting, under certain circumstances, a transaction with our chief executive officer from the approval of the general meeting of our shareholders.

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee consistent with the Nasdaq Rules, which include among others:

- recommending to the our board of directors for its approval a compensation policy in accordance with the requirements of the Companies Law as well as other compensation policies, incentive-based compensation plans and equity-based compensation plans, and overseeing the development and implementation of such policies and recommending to our board of directors any amendments or modifications to the committee deems appropriate, including as required under the Companies Law;
- reviewing and approving the granting of options and other incentive awards to the chief executive officer and other executive officers, including reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer and other executive officers, including evaluating their performance in light of such goals and objectives;
- approving and exempting certain transactions regarding office holders' compensation pursuant to the Companies Law; and
- administer the our equity-based compensation plans, including without limitation to approve the adoption of such plans, to amend and interpret such plans and the awards and agreements issued pursuant thereto, and to make awards to eligible persons under the plans and determine the terms of such awards.

In general, under the Companies Law, a public company must have a compensation policy approved by the board of directors after receiving and considering the recommendations of the compensation

committee. In addition, our compensation policy must be approved at least once every three years, first, by our board of directors, upon recommendation of our compensation committee, and second, by a simple majority of the ordinary shares present, in person or by proxy, and voting at a shareholders meeting, provided that either:

- such majority includes at least a majority of the shares held by shareholders who are not controlling shareholders and do not have a personal interest in such compensation arrangement and who are present and voting (excluding abstentions); or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation arrangement and who vote against the arrangement, does not exceed 2% of the company's aggregate voting rights.

We refer to this as the Special Approval for Compensation. Under the Companies Law, subject to certain conditions, the board of directors may ratify the compensation policy even if it is not ratified by the shareholders.

Under special circumstances, the board of directors may approve the compensation policy despite the objection of the shareholders on the condition that the compensation committee and then the board of directors decide, on the basis of detailed arguments and after discussing again the compensation policy, that approval of the compensation policy, despite the objection of the meeting of shareholders, is for the benefit of the company.

If a company that initially offers its securities to the public, like us, adopts a compensation policy in advance of its initial public offering, and describes it in its prospectus for such offering, then such compensation policy shall be deemed a validly adopted policy in accordance with the Companies Law requirements described above. Furthermore, if the compensation policy is established in accordance with the aforementioned relief, then it will remain in effect for term of five years from the date such company becomes a public company.

The compensation policy must be based on certain considerations, include certain provisions and needs to reference certain matters as set forth in the Companies Law.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must relate to certain factors, including advancement of the company's objectives, business plan and long-term strategy, and creation of appropriate incentives for office holders. It must also consider, among other things, the company's risk management, size and the nature of its operations. The compensation policy must furthermore consider the following additional factors:

- the education, skills, experience, expertise and accomplishments of the relevant office holder;
- the office holder's position, responsibilities and prior compensation agreements with him or her;
- the ratio between the cost of the terms of employment of an office holder and the cost of the employment of other employees of the company, including employees employed through contractors who provide services to the company, in particular the ratio between such cost, the average and median salary of the employees of the company, as well as the impact of such disparities on the work relationships in the company;
- if the terms of employment include variable components — the possibility of reducing variable components at the discretion of the board of directors and the possibility of setting a limit on the value of non-cash variable equity-based components; and
- if the terms of employment include severance compensation — the term of employment or office of the office holder, the terms of his or her compensation during such period, the company's performance during the such period, his or her individual contribution to the achievement of the company goals and the maximization of its profits and the circumstances under which he or she is leaving the company.

The compensation policy must also include, among others:

- with regards to variable components:
  - with the exception of office holders who report directly to the chief executive officer, determining the variable components on long-term performance basis and on measurable criteria; however, the company may determine that an immaterial part of the variable components of the compensation package of an office holder's shall be awarded based on non-measurable criteria, if such amount is not higher than three monthly salaries per annum, while taking into account such office holder contribution to the company;
  - the ratio between variable and fixed components, as well as the limit of the values of variable components at the time of their grant.
- a condition under which the office holder will return to the company, according to conditions to be set forth in the compensation policy, any amounts paid as part of his or her terms of employment, if such amounts were paid based on information later to be discovered to be wrong, and such information was restated in the company's financial statements;
- the minimum holding or vesting period of variable equity-based components to be set in the terms of office or employment, as applicable, while taking into consideration long-term incentives; and
- a limit to retirement grants.

Our compensation policy, which will become effective immediately after the pricing of this offering, is designed to promote retention and motivation of directors and executive officers, incentivize superior individual excellence, align the interests of our directors and executive officers with our long-term performance and provide a risk management tool. To that end, a portion of an executive officer compensation package is targeted to reflect our short and long-term goals, as well as the executive officer's individual performance. On the other hand, our compensation policy includes measures designed to reduce the executive officer's incentives to take excessive risks that may harm us in the long-term, such as limits on the value of cash bonuses and equity-based compensation, limitations on the ratio between the variable and the total compensation of an executive officer and minimum vesting periods for equity-based compensation.

Our compensation policy also addresses our executive officer's individual characteristics (such as his or her respective position, education, scope of responsibilities and contribution to the attainment of our goals) as the basis for compensation variation among our executive officers, and considers the internal ratios between compensation of our executive officers and directors and other employees. Pursuant to our compensation policy, the compensation that may be granted to an executive officer may include: base salary, annual bonuses and other cash bonuses (such as a signing bonus and special bonuses with respect to any special achievements, such as outstanding personal achievement, outstanding personal effort or outstanding company performance), equity-based compensation, benefits and retirement and termination of service arrangements. All cash bonuses are limited to a maximum amount linked to the executive officer's base salary. In addition, the total variable compensation components (cash bonuses and equity based compensation) may not exceed % of each executive officer's total compensation package with respect to any given calendar year.

An annual cash bonus may be awarded to executive officers upon the attainment of pre-set periodic objectives and individual targets. The annual cash bonus that may be granted to our executive officers other than our chief executive officer will be based on performance objectives and a discretionary evaluation of the executive officer's overall performance by our chief executive officer and subject to minimum thresholds. The annual cash bonus that may be granted to executive officers other than our chief executive officer may be based entirely on a discretionary evaluation. Furthermore, our chief executive officer will be entitled to recommend performance objectives, and such performance objectives will be approved by our compensation committee (and, if required by law, by our board of directors).

The performance measurable objectives of our chief executive officer will be determined annually by our compensation committee and board of directors, will include the weight to be assigned to each

achievement in the overall evaluation. A less significant portion of the chief executive officer's annual cash bonus may be based on a discretionary evaluation of the chief executive officer's overall performance by the compensation committee and the board of directors based on quantitative and qualitative criteria.

The equity-based compensation under our compensation policy for our executive officers (including members of our board of directors) is designed in a manner consistent with the underlying objectives in determining the base salary and the annual cash bonus, with its main objectives being to enhance the alignment between the executive officers' interests with our long-term interests and those of our shareholders and to strengthen the retention and the motivation of executive officers in the long term. Our compensation policy provides for executive officer compensation in the form of share options or other equity-based awards, such as restricted shares and restricted share units, in accordance with our share incentive plan then in place. All equity-based incentives granted to executive officers shall be subject to vesting periods in order to promote long-term retention of the awarded executive officers. The equity-based compensation shall be granted from time to time and be individually determined and awarded according to the performance, educational background, prior business experience, qualifications, role and the personal responsibilities of the executive officer.

In addition, our compensation policy contains compensation recovery provisions which allows us under certain conditions to recover bonuses paid in excess, enables our chief executive officer to approve an immaterial change in the terms of employment of an executive officer (provided that the changes of the terms of employment are in accordance our compensation policy) and allows us to exculpate, indemnify and insure our executive officers and directors subject to certain limitations set forth thereto.

Our compensation policy also provides for compensation to the members of our board of directors either (i) in accordance with the amounts provided in the Companies Regulations (Rules Regarding the Compensation and Expenses of an External Director) of 2000, as amended by the Companies Regulations (Relief for Public Companies Traded in Stock Exchange Outside of Israel) of 2000, as such regulations may be amended from time to time, or (ii) in accordance with the amounts determined in our compensation policy.

Our compensation policy, which was approved by our board of directors and shareholders on , 2018, will become effective upon the pricing of this offering and is filed as an exhibit to the registration statement of which this prospectus forms a part.

Internal auditor

Under the Companies Law, the board of directors of a public company must appoint an internal auditor based on the recommendation of the audit committee. The role of the internal auditor is, among other things, to examine whether a company's actions comply with applicable law and orderly business procedure. Under the Companies Law, the internal auditor cannot be an interested party or an office holder or a relative of an interested party or an office holder, nor may the internal auditor be the company's independent auditor or its representative. An "interested party" is defined in the Companies Law as: (i) a holder of 5% or more of the issued share capital or voting power in a company, (ii) any person or entity who has the right to designate one or more directors or to designate the chief executive officer of the company, or (iii) any person who serves as a director or as a chief executive officer of the company. As of the date of this prospectus, we have not yet appointed our internal auditor.

Fiduciary duties and approval of specified related party transactions under Israeli law

Fiduciary duties of office holders

The Companies Law imposes a duty of care and a duty of loyalty on all office holders of a company.

The duty of care of an office holder is based on the duty of care set forth in connection with the tort of negligence under the Israeli Torts Ordinance (New Version), 5728-1968. The duty of care requires an office holder to act with the degree of proficiency with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of care includes, among others, a duty to use reasonable means, in light of the circumstances, to obtain:

- information on the advisability of a given action brought for his or her approval or performed by virtue of his or her position; and

- all other important information pertaining to these actions.

The duty of loyalty requires an office holder to act in good faith and for the benefit of the company, and includes, among others, the duty to:

- refrain from any act involving a conflict of interest between the performance of his or her duties in the company and his or her other duties or personal affairs;
- refrain from any activity that is competitive with the business of the company;
- refrain from exploiting any business opportunity of the company for the purpose of gaining a personal benefit for himself or herself or for others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his or her position as an office holder.

We may approve an act specified above that would otherwise constitute a breach of the duty of loyalty of an office holder, provided, that the office holder acted in good faith, the act or its approval does not harm the company, and the office holder discloses his or her personal interest, including any related material information or document, a sufficient time before the approval of such act. Any such approval is subject to the terms of the Companies Law, setting forth, among other things, the organs of the company entitled to provide such approval, and the methods of obtaining such approval.

Disclosure of personal interests of an office holder and approval of acts and transactions

The Companies Law requires that an office holder promptly disclose to the company any personal interest that he or she may have and all related material information or documents relating to any existing or proposed transaction with the company. An interested office holder's disclosure must be made promptly and in any event no later than the first meeting of the board of directors at which the transaction is considered. An office holder is not obliged to make such disclosure if the personal interest of the office holder derives solely from the personal interest of his or her relative in a transaction that is not considered as an extraordinary transaction.

Under the Companies Law, once an office holder has complied with the above disclosure requirements, a company may approve a transaction between the company and the office holder or a third-party in which the office holder has a personal interest, or approve an action by the office holder that would otherwise be deemed a breach of duty of loyalty, however, a company may not approve a transaction or action that is not performed by the office holder in good faith or unless it is in the company's interest.

Under the Companies Law, unless the articles of association of a company provide otherwise, a transaction with an office holder or a transaction with a third party in which the office holder has a personal interest and an action of an office holder that would otherwise be deemed a breach of duty of loyalty, which is not an extraordinary transaction, requires approval of the board of directors. Our amended and restated articles of association do not provide otherwise.

Under the Companies Law, an extraordinary transaction in which an office holder has a personal interest requires approval first by the company's audit committee and subsequently by the board of directors. The compensation of, or an undertaking to indemnify or insure, an office holder who is not a director requires approval first by the company's compensation committee, then by the company's board of directors, and, if such compensation arrangement or an undertaking to indemnify or insure is inconsistent with the company's stated compensation policy or if the office holder is the chief executive officer (apart from a number of exceptions), then such arrangement is subject to a Special Approval for Compensation. Arrangements regarding the compensation, indemnification or insurance of a director or the chief executive officer of the company, require the approval of the compensation committee, board of directors and, subject to certain exceptions, shareholders by an ordinary majority, in that order, and in the case of the chief executive officer or under certain circumstances, a Special Approval for Compensation.

A director who has a personal interest in a matter that is considered at a meeting of the board of directors or the audit committee may generally not be present at the meeting or vote on the matter unless a majority of the directors or members of the audit committee have a personal interest in the matter, or

unless the chairman of the audit committee or board of directors (as applicable) determines that he or she should be present to present the transaction that is subject to approval. If a majority of the directors have a personal interest in the matter, such matter also requires approval of the shareholders of the company.

Under the Companies Law, the definition of a "personal interest" includes the personal interest of a person in an action or a transaction of a company, including the personal interest of such person's relative or the interest of any corporation in which the person and/or such person's relative is a director or chief executive officer, a 5% or more shareholder or holds 5% or more of the voting rights, or has the right to appoint at least one director or the chief executive officer, but excluding a personal interest stemming solely from the fact of holding shares in the company. A personal interest also includes (1) a personal interest of a person who votes according to a proxy of another person, including in the event that the other person has no personal interest, and (2) a personal interest of a person who gave the proxy to another person to vote on his or her behalf, regardless of whether the proxy holder has discretion how to vote on the matter.

Under the Companies Law, an "extraordinary transaction" which requires approval is defined as any of the following:

- a transaction other than in the ordinary course of business;
- a transaction that is not on market terms; or
- a transaction that may have a material impact on the company's profitability, assets or liabilities.

An extraordinary transaction in which an office holder has a personal interest requires approval of the company's audit committee followed by the approval of the board of directors.

Disclosure of personal interests of a controlling shareholder and approval of transactions

Under the Companies Law, the disclosure requirements that apply to an office holder also apply to a controlling shareholder of a public company. See "Management — Audit committee — Approval of transactions with related parties" for a definition of controlling shareholder. Unless exempted under the Companies Law, extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest, which includes transactions for the provision of services by a controlling shareholder or his or her relative, whether directly or indirectly, including through a company controlled by such controlling shareholder, and if such controlling shareholder or relative thereof is an office holder in the company, any transactions regarding his or her terms of office, require the approval of the audit committee, the board of directors and a majority of the shares voted by the shareholders of the company participating and voting on the matter in a shareholders' meeting. In addition, the shareholder approval must fulfill one of the following requirements, which we refer to as a Special Majority:

- at least a majority of the shares held by shareholders who do not have a personal interest in the transaction and are voting at the meeting must be voted in favor of approving the transaction, excluding abstentions; or
- the shares voted by shareholders who do not have a personal interest in the transaction who vote against the transaction represent no more than two percent (2%) of the voting rights in the company.

In addition, any extraordinary transaction with a controlling shareholder or in which a controlling shareholder has a personal interest with a term of more than three years requires approval once every three years, unless, with respect to certain transactions that are not related to provision of services or terms of office, the audit committee determines that the longer duration of the transaction is reasonable given the circumstances related thereto.

Arrangements regarding the compensation, indemnification or insurance of a controlling shareholder in his or her capacity as an office holder require the approval of the compensation committee, board of directors and shareholders by a Special Majority and the terms thereof may not be inconsistent with the company's stated compensation policy.

Pursuant to regulations promulgated under the Companies Law, certain transactions and arrangements with a controlling shareholder or his or her relative, or with directors or office holders, which would otherwise require approval of a company's shareholders, may be exempt from shareholder approval under certain conditions.

Disclosure of Compensation of Executive Officers

For so long as we qualify as a foreign private issuer, we are not required to comply with the proxy rules applicable to U.S. domestic companies, including the requirement applicable to emerging growth companies to disclose the compensation of our chief executive officer and other two most highly compensated executive officers on an individual, rather than an aggregate, basis. Nevertheless, regulations promulgated under the Companies Law will require us, after we become a public company, to disclose the annual compensation of our five most highly compensated office holders on an individual basis, rather than on an aggregate basis. This disclosure will not be as extensive as that required of a U.S. domestic issuer. We intend to commence providing such disclosure, at the latest, in the proxy statement for our first annual general meeting of shareholders following this offering, which will be furnished under cover of a Form 6-K and we may elect to provide such information at an earlier date.

Compensation of Directors and Executive Officers

Directors. Under the Companies Law, the compensation of our directors requires the approval of our compensation committee, the subsequent approval of the board of directors and, unless exempted under regulations promulgated under the Companies Law, the approval of the shareholders at a general meeting. If the compensation of our directors is inconsistent with our stated compensation policy, then, those provisions that must be included in the compensation policy according to the Companies Law must have been considered by the compensation committee and board of directors, and shareholder approval will also be required, provided that:

- at least a majority of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such matter, present and voting at such meeting, are voted in favor of the compensation package, excluding abstentions; or
- he total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in such matter voting against the compensation package does not exceed two percent (2%) of the aggregate voting rights in the company.

Executive officers other than the chief executive officer. The Companies Law requires the approval of the compensation of a public company's executive officers (other than the chief executive officer) in the following order: (i) the compensation committee, (ii) the company's board of directors, and (iii) if such compensation arrangement is inconsistent with the company's stated compensation policy, the company's shareholders (by a special majority vote as discussed above with respect to the approval of director compensation). However, if the shareholders of the company do not approve a compensation arrangement with an executive officer that is inconsistent with the company's stated compensation policy, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide detailed reasons for their decision.

Chief executive officer. Under the Companies Law, the compensation of a public company's chief executive officer is required to be approved by: (i) the company's compensation committee; (ii) the company's board of directors, and (iii) the company's shareholders (by a special majority vote as discussed above with respect to the approval of director compensation). However, if the shareholders of the company do not approve the compensation arrangement with the chief executive officer, the compensation committee and board of directors may override the shareholders' decision if each of the compensation committee and the board of directors provide a detailed report for their decision. The approval of each of the compensation committee and the board of directors should be in accordance with the company's stated compensation policy; however, in special circumstances, they may approve compensation terms of a chief executive officer that are inconsistent with such policy provided that they have considered those provisions that must be included in the compensation policy according to the Companies Law and that shareholder approval was obtained (by a special majority vote as discussed above with respect to the approval of director compensation). In addition, the compensation committee

may waive the shareholder approval requirement with regards to the approval of the engagement terms of a candidate for the chief executive officer position, if they determine that the compensation arrangement is consistent with the company's stated compensation policy, and that the chief executive officer did not have a prior business relationship with the company or a controlling shareholder of the company and that subjecting the approval of the engagement to a shareholder vote would impede the company's ability to employ the chief executive officer candidate.

Duties of shareholders

Under the Companies Law, a shareholder has a duty to refrain from abusing its power in the company and to act in good faith and in an acceptable manner in exercising its rights and performing its obligations to the company and other shareholders, including, among other things, when voting at general meetings of shareholders on the following matters:

- an amendment to the articles of association;
- an increase in the company's authorized share capital;
- a merger; and
- the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from discriminating against other shareholders.

The remedies generally available upon a breach of contract will also apply to a breach of the above mentioned shareholder duties, and in the event of discrimination against other shareholders, additional remedies are available to the injured shareholder.

In addition, any controlling shareholder, any shareholder that knows that its vote can determine the outcome of a shareholder vote and any shareholder that, under a company's articles of association, has the power to appoint or prevent the appointment of an office holder, or any other power with respect to the company, has a duty to act with fairness towards the company. The Companies Law does not describe the substance of this duty, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty to act with fairness, taking the shareholder's position in the company into account.

Approval of private placements

Under the Companies Law and the regulations promulgated thereunder, a private placement of securities does not require approval at a general meeting of the shareholders of a company; provided however, that in special circumstances, such as a private placement completed in lieu of a special tender offer (see "Description of Share Capital—Acquisitions under Israeli law") or a private placement which qualifies as a related party transaction (see "Management—Board practices—Fiduciary duties and approval of specified related party transactions under Israeli law"), approval at a general meeting of the shareholders of a company is required.

Exculpation, Insurance and Indemnification of Office Holders

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. A company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of the duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our amended and restated articles of association include such a provision. An Israeli company may not exculpate a director from liability arising out of a breach of the duty of care with respect to a dividend or distribution to shareholders.

Under the Companies Law and the Securities Law, 5738—1968, or the Securities Law, a company may indemnify an office holder in respect of the following liabilities, payments and expenses incurred for acts performed as an office holder, either pursuant to an undertaking made in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- a monetary liability incurred by or imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such undertaking must be limited to certain events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the foreseen events and described above amount or criteria;
- reasonable litigation expenses, including reasonable attorneys' fees, incurred by the office holder as (1) a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; or (2) in connection with a monetary sanction; a monetary liability imposed on him or her in favor of an injured party at an Administrative Procedure (as defined below) pursuant to Section 52(54)(a)(1)(a) of the Securities Law;
- expenses incurred by an office holder in connection with an Administrative Procedure under the Securities Law, including reasonable litigation expenses and reasonable attorneys' fees; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent.

"Administrative Procedure" is defined as a procedure pursuant to chapters H3 (Monetary Sanction by the Israeli Securities Authority), H4 (Administrative Enforcement Procedures of the Administrative Enforcement Committee) or I1 (Arrangement to prevent Procedures or Interruption of procedures subject to conditions) to the Securities Law.

Under the Companies Law and the Securities Law, a company may insure an office holder against the following liabilities incurred for acts performed by him or her as an office holder if and to the extent provided in the company's articles of association:

- a breach of duty of care to the company or to a third party, to the extent such a breach arises out of the negligent conduct of the office holder;
- a breach of duty of loyalty to the company, provided that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a monetary liability imposed on the office holder in favor of a third party;
- a monetary liability imposed on the office holder in favor of an injured party at an Administrative Procedure pursuant to Section 52(54)(a)(1)(a) of the Securities Law; and
- expenses incurred by an office holder in connection with an Administrative Procedure, including reasonable litigation expenses and reasonable attorneys' fees.

Under the Companies Law, a company may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to the company to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders. See “Management—Board practices—Fiduciary duties and approval of specified related party transactions under Israeli law.”

Our amended and restated articles of association permit us to, exculpate, indemnify and insure our office holders as permitted under the Companies Law. Our office holders are currently covered by a directors and officers’ liability insurance policy. As of the date of this registration statement, no claims for directors’ and officers’ liability insurance have been filed under this policy, we are not aware of any pending or threatened litigation or proceeding involving any of our directors or officers in which indemnification is sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

We have entered into agreements with each of our directors and executive officers exculpating them, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care, and undertaking to indemnify them to the fullest extent permitted by law. The insurance is subject to our discretion depending on its availability, effectiveness and cost. Effective as of the consummation of this offering, the maximum amount set forth in such agreements is (1) with respect to indemnification in connection with a public offering of our securities, the gross proceeds raised by us and/or any selling shareholder in such public offering, and (2) with respect to all permitted indemnification, the greater of (i) an amount equal to % of our shareholders’ equity on a consolidated basis, based on our most recent financial statements made publicly available before the date on which the indemnity payment is made and (ii) $ million. In the opinion of the SEC, indemnification of directors and executive officers for liabilities arising under the Securities Act however, is against public policy and therefore unenforceable.

Equity Incentive Plans

Employee Share and Option Plan (1998)

In 1998, our board of directors adopted our Employee Share and Option Plan (1998), or the 1998 Plan. There are currently no options outstanding or options available for issuance under the 1998 Plan. There are currently 152,809 ordinary shares, which resulted from the exercise of certain options granted under the 1998 Plan, held in trust in favor of the employees who exercised such options. We will maintain the 1998 Plan following the offering in order to allow our employees to enjoy certain tax benefits under Israeli tax law.

Stock Option Plan (1999)

In 1999, our board of directors adopted our Stock Option Plan (1999), or the 1999 Plan. There are currently no options outstanding or options available for issuance under the 1999 Plan. There are currently 3,300 ordinary shares, which resulted from the exercise of certain options granted under the 1999 Plan, held in trust in favor of the employees who exercised such options. We will maintain the 1999 Plan following the offering in order to allow our employees to enjoy certain tax benefits under Israeli tax law.

2003 Israeli Share Option Plan

In July 2003, our board of directors adopted our 2003 Israeli Share Option Plan, or the 2003 Plan. There are currently no options outstanding or options available for issuance under the 2003 Plan. There are currently 73,888 ordinary shares, which resulted from the exercise of certain options granted under the 2003 Plan, held in trust in favor of the employees who exercised such options. We will maintain the 2003 Plan following the offering in order to allow our employees to enjoy certain tax benefits under Israeli tax law.

2014 Share Incentive Plan

In November 2014 and December 2014, respectively, our board of directors adopted and our shareholders approved our 2014 Israeli Share Incentive Plan, or the 2014 Plan. The 2014 Plan replaced our 2003 Plan. We are no longer granting options under the 2014 Plan because it was superseded by the 2017 Plan, although previously granted awards remain outstanding. As of May 2018, we had options to purchase Ordinary C shares outstanding under the 2014 Plan with a weighted-average exercise price of .

The 2014 Plan provides for the grant of options to the Company's and affiliates' directors, employees, officers, consultants, advisors and service providers, and any other person whose services are considered valuable to us or our affiliates, to encourage a sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company by providing them with opportunities to purchase shares in the Company.

The 2014 Plan is administered by our board of directors directly or upon recommendation of a committee designated by the board of directors, which determines, subject to Israeli law, the grantees of awards and the terms of the grant, including, exercise prices, vesting schedules, acceleration of vesting and the other matters necessary in the administration of the 2014 Plan. The 2014 Plan enables us to issue awards under various tax regimes, including, without limitation, pursuant to Section 102 of the Ordinance as discussed under "2003 Israeli Share Option Plan" above, and under Section 3(i) of the Ordinance.

The 2014 Plan provides that options granted to our employees, directors and officers who are not controlling shareholders and who are considered Israeli residents may be intended to qualify for special tax treatment under the "capital gain track" provisions of Section 102(b) of the Ordinance as detailed above. Our Israeli non-employee service providers and controlling shareholders may only be granted options under Section 3(i) of the Ordinance, which does not provide for similar tax benefits.

The options granted under the 2014 Plan are currently fully vested.

Options expiry is determined by the specific option agreement or at the end of an extended period following the termination of the grantee's employment or service. In the event of the death of a grantee while employed by or performing service for us or a subsidiary, or in the event of termination of a grantee's employment or services for reasons of disability, the grantee, or in the case of death, his or her legal successor, may exercise options that have vested prior to termination within the twelve (12) month period from the date of disability or death. If a grantee's employment or service is terminated by reason of retirement in accordance with applicable law, the grantee may exercise his or her vested options within the twelve (12) month period after the date of such retirement. If we terminate a grantee's employment or service for cause, all of the grantee's vested and unvested options will expire on the date of termination. If a grantee's employment or service is terminated for any other reason, the grantee may generally exercise his or her vested options within 90 days of the date of termination.

Options may not be assigned, transferred or given as collateral nor may any right with respect to the options be given to a third party. As long as options and/or shares are held by the Section 102 trustee, all rights of the grantee over the shares may not be transferred, assigned, pledged or mortgaged, except by will or the laws of descent and distribution.

In the event of a merger, acquisition or reorganization of our company, or a sale of all, or substantially all, of our shares or assets or other transaction having a similar effect on us, then without the consent of the option holder, our board of directors or its designated committee, as applicable, may but is not required to (i) cause any outstanding options to be assumed or an equivalent award to be substituted by

such successor corporation, or (ii) in case the successor corporation does not assume or substitute the award (a) if provided for in the relevant option agreement – all unvested options of the applicable grantee shall become vested and such grantee shall have the right to exercise such options in connection with such transaction or (b) cancel the options and substitute for any other type of asset or property determined by the board of directors or the committee as fair under the circumstances.

2017 Israeli Share Incentive Plan

In January 2017 and February 2018, respectively, our board of directors adopted and our shareholders approved our 2017 Israeli Share Incentive Plan, or the 2017 Plan. The 2017 Plan replaced our 2014 Plan. We are no longer granting options under the 2014 Plan because it was superseded by the 2017 Plan, although previously granted awards remain outstanding. As of , 2018, we had options to purchase ordinary shares outstanding under the 2017 Plan with a weighted-average exercise price of .

The 2017 Plan provides for the grant of awards, including options, restricted shares and RSUs, to the Company's and affiliates' directors, employees, officers, consultants, advisors, and any other person whose services are considered valuable to us or our affiliates, to increase their efforts on our and our affiliates' behalf, and to promote the success of the Company's business by providing them with opportunities to acquire a proprietary interest in the Company.

The 2017 Plan is administered by a committee designated by the board of directors, which determines, subject to Israeli law, the grantees of awards and the terms of the grant, including, exercise prices, vesting schedules, acceleration of vesting and conditions and restrictions applicable to an award, as well other matters necessary in the administration of the 2017 Plan. In the event that the Board does not appoint or establish a committee, the 2017 Plan shall be administered by the Board. The 2017 Plan enables us to issue awards under various tax regimes, including, without limitation, pursuant to Section 102 of the Ordinance as discussed under "2003 Israeli Share Option Plan" above, and under Section 3(i) of the Ordinance and Section 422 of the United States Internal Revenue Code of 1986, as amended, or the Code.

The 2017 Plan provides that awards granted to our employees, directors and officers who are not controlling shareholders and who are considered Israeli residents are intended to qualify for special tax treatment under the "capital gain track" provisions of Section 102(b) of the Ordinance as detailed above. Our Israeli non-employee service providers and controlling shareholders may only be granted awards under Section 3(i) of the Ordinance, which does not provide for similar tax benefits.

Awards granted under the 2017 Plan to U.S. residents may qualify as "incentive stock options" within the meaning of Section 422 of the Code, or may be non-qualified. The exercise price for "incentive stock options" must not be less than the fair market value on the date on which an option is granted, or 110% of the fair market value if the option holder holds more than 10% of our share capital.

The vesting schedule of options granted under the 2017 Plan is set forth in each grantee's grant letter.

Awards terminate upon the date set out in the grantee's specific award agreement or at the end of an extended period following the termination of the grantee's employment or service. In the event of the death of a grantee while employed by or performing service for us or an affiliate, or within the three (3) month period after the termination, or in the event of termination of a grantee's employment or services for reasons of disability, the grantee (or his or her estate or legal successor (in the case of death) or the person who acquired legal rights to exercise such awards (in the case of death or disability)), may exercise awards that have vested prior to termination within a period of one (1) year from the date of disability or death but in any event no later than the expiration date of the awards. If a grantee's employment or service is terminated by reason of retirement in accordance with applicable law, the grantee may exercise his or her vested awards within the three (3) month period after the date of such retirement. If we terminate a grantee's employment or service for cause, all of the grantee's vested and unvested awards will expire on the date of termination. If a grantee's employment or service is terminated for any other reason, all unvested awards shall expire and the grantee may exercise his or her vested awards within three (3) months after the date of termination. Any expired or unvested awards return to the pool and become available for reissuance.

Options may not be assigned or transferred other than by will or laws of descent, unless otherwise determined by the committee.

In the event of a merger or consolidation of our company, or a sale of all, or substantially all, of our shares or assets or other transaction having a similar effect on us, or liquidation or dissolution, or such other transaction or circumstances that the Board determines to be a relevant transaction, then without the consent of the grantee, our board of directors or its designated committee, as applicable, may but is not required to (i) cause any outstanding award to be assumed or substituted by such successor corporation, or (ii) regardless of whether or not the successor corporation assumes or substitutes the award (a) provide the grantee with the option to exercise the award as to all or part of the shares, and may provide for an acceleration of vesting of unvested awards, or (b) cancel the award and pay in cash, shares of the company, the acquirer or other corporation which is a party to such transaction or other property as determined by the board of directors or the committee as fair in the circumstances. Notwithstanding the foregoing, our board of directors or its designated committee may upon such event amend, modify or terminate the terms of any award as the board of directors or the committee shall deem, in good faith, appropriate.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of June 30, 2018 by:

- each person, or group of affiliated persons, known to us to be the beneficial owner of more than 5% of our outstanding ordinary shares;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group.

The beneficial ownership of our ordinary shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power, or the right to receive the economic benefit of ownership. For purposes of the table below, we deem ordinary shares issuable pursuant to options that are currently exercisable or exercisable within 60 days of June 30, 2018 to be outstanding and to be beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person.

The percentage of shares beneficially owned has been computed on the basis of ordinary shares outstanding as of June 30, 2018, which reflects the conversion of all of our preferred shares into ordinary shares.

As of June 30, 2018 and based on their reported registered office, five of our shareholders were U.S. persons, holding in aggregate approximately 1.08% of our outstanding ordinary shares immediately prior to this offering. We have also set forth below information known to us regarding any significant change in the percentage ownership of our ordinary shares by any major shareholders during the past three years. Except where otherwise indicated, we believe, based on information furnished to us by such owners, that the beneficial owners of the ordinary shares listed below have sole investment and voting power with respect to such shares.

Following the closing of this offering, all of our shareholders, including the shareholders listed below, will have the same voting rights attached to their ordinary shares, and neither our principal shareholders nor our directors and executive officers will have different or special voting rights with respect to their ordinary shares. See “Description of Share Capital — Voting Rights.” A description of any material relationship that our principal shareholders have had with us or any of our predecessors or affiliates within the past three years is included under “Certain Relationships and Related Party Transactions.”

Unless otherwise noted below, the address of each shareholder, director and executive officer is c/o Gamida Cell Ltd., 5 Nahum Heftsadie St., Givaat Shaul, Jerusalem 91340, Israel.

	No. of Shares Beneficially Owned Prior to this Offering[1]	Percentage Owned Before this Offering[2]	Percentage Owned After this Offering[3]
Holders of more than 5% of our voting securities:			
Novartis Pharma AG[4]	3,336,921	21.6%	
Clal Biotechnology Industries Ltd.[5]	2,789,669	18.6%	
Elbit Cord Blood Limited Partnership[6]	2,665,501	17.9%	
Shavit Capital Funds[7]	2,019,067	12.9%	
Israel HealthCare Ventures 2 LP Incorporated (IHCV II)[8]	1,762,051	11.3%	
Smartmix Limited[9]	1,694,915	10.9%	
Directors and executive officers who are not 5% holders:			
Dr. Julian Adams	*	*	
Shai Lankry	*	*	
Josh Hamermesh	*	*	
Tony Peled[10]	332,499	2.2%	
Dr. Ronit Simantov	*	*	
Robert I. Blum	*	*	
Ofer Gonen	*	*	
Boaz Lifshitz	*	*	
Kenneth I. Moch	*	*	
Michael S. Perry	*	*	
Roger Kornberg	*	*	
All directors and executive officers as a group (11 persons)[11]	1,160,679	7.2%	

* Indicates beneficial ownership of less than 1% of the total ordinary shares outstanding.

(1) The percentages shown are based on 14,913,672 ordinary shares issued and outstanding as of June 30, 2018.

(2) Includes warrants to purchase ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares, exercisable within 60 days as of June 30, 2018.

(3) Does not include warrants to purchase ordinary shares exercisable within 60 days as of June 30, 2018, which will expire immediately prior to the closing of this offering.

(4) Consist of 2,828,446 ordinary shares issuable upon conversion of preferred shares and 508,475 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Novartis AG. The principal address of Novartis AG is Lichtstrasse 35 4056 Basel, Switzerland.

(5) Consists of: (i) 1,326,528 ordinary shares issuable upon conversion of preferred shares and 95,339 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Clal Biotechnology Industries Ltd., or CBI; and (ii) 1,367,802 ordinary shares ordinary shares issuable upon conversion of preferred shares held by Bio Medical Investment (1997) Ltd., or Bio Medical, a wholly owned subsidiary of CBI. Clal Industries Ltd. owns the majority of the outstanding shares of, and controls, CBI. The controlling shareholder of Clal Industries Ltd. is Access Industries Holdings LLC, which is wholly owned by AI Diversified Holdings S.à r.l. (“Diversified Holdings”), which is wholly owned by AI Diversified Parent S.à r.l. (“Diversified Parent”), which is wholly owned by AI Diversified Holdings Ltd. (“Holdings Limited”). AI SMS L.P. (“AI SMS”) controls Holdings Limited. AI International GP Limited is the general partner of AI SMS and AIPH/AISMS Holdings LLC (“AIPH/AISMS”) owns a majority of the voting interests in AI SMS. Access Industries Holdings LLC (“AIH LLC”) controls AIPH/AISMS. Access Industries Management, LLC (“AIM LLC”) controls AIH LLC and Len Blavatnik controls AIM LLC. The address of each of Clal Industries Ltd., CBI and Bio Medical is the Triangular Tower, 3 Azrieli Center, Tel Aviv 67023, Israel and the address of each of foregoing other than Bio Medical, CBI, and Clal Industries Ltd. is 730 Fifth Avenue, 20th Floor, New York, NY 10019.

(6) Consist of 2,665,501 ordinary shares issuable upon conversion of preferred shares held by Elbit Cord Blood Limited Partnership (“ECB”). The controlling interest holder of ECB is Elbit Medical Technologies Ltd. The controlling shareholder of Elbit Medical Technologies Ltd. is Elbit Imaging Ltd. The principal address of each of the foregoing is 3 Shimshon, Olympia A Tower, Petach Tikva, Israel.

(7) Consists of (i) 557,990 ordinary shares issuable upon conversion of preferred shares and 334,794 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Shavit Capital Fund III (US), L.P. (ii) 77,603 ordinary shares issuable upon conversion of preferred shares and 46,562 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Shavit Capital Fund 3 (Israel), L.P., (iii) 275,916 ordinary shares issuable upon conversion of preferred shares and 165,550 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Shavit Capital Fund IV (US), L.P., (iv) 147,812 ordinary shares issuable upon conversion of preferred shares and 88,687 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Shavit Capital Fund 4 (Israel), L.P., (v) 42,375 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Mr. Gary Libler, and (vi) 169,491 ordinary shares issuable upon conversion of preferred shares and 112,287 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Shavit Capital Fund III (US), L.P as a proxy holder of such shareholders. The general partner of Shavit Capital Fund III (US), L.P. and Shavit Capital Fund 3 (Israel), L.P. is Shavit Capital Fund 3 GP, L.P., which is managed by Shavit Capital Management 3 (GP) Ltd. in its capacity as the general partner. The general partner of Shavit Capital Fund VI (US), L.P. and Shavit Capital Fund 4 (Israel), L.P. is Shavit Capital Fund 4 GP, L.P., which is managed by Shavit Capital Management 4 (GP) Ltd. in its capacity as the general partner. The controlling shareholder of Shavit Capital Management 3 (GP) Ltd. and Shavit Capital Management 4 (GP) Ltd. is Rosigal Consultancy and Investments Ltd., or Rosigal. The controlling shareholder of Rosigal is Gary Leibler. The address of each of foregoing other than Rosigal and Gary Leibler is Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem, 96951 Israel. The address of each of Rosigal and Gary Leibler is 4a Gidon Street, Jerusalem 9350604 Israel.

(8) Consists of 1,698,492 ordinary shares issuable upon conversion of preferred shares and warrants to purchase up to 63,559 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by Israel HealthCare Ventures 2 LP Incorporated (IHCV II) (“IHCV 2”). The general partner of IHCV2 is IHCV2 General Partner Limited, which is controlled by its directors Fort Limited and Elton Limited. The controlling shareholder of Fort Limited and Elton Limited is Fort Management Services Limited. The controlling shareholder of Fort Management Services Limited is Mr. Jos Ensink. The address of each of the foregoing is Bordage House, Le Bordage, St Peter Port, Guernsey, GY1 1BU.

(9) Consists of 1,059,322 ordinary shares issuable upon conversion of preferred shares and 635,593 ordinary shares issuable upon exercise of outstanding warrants to purchase preferred shares and the automatic conversion thereof into ordinary shares held by SMARTMIX LIMITED. The controlling shareholder of SMARTMIX LIMITED is VMS Investment Fund II, L.P. VMS Investment Fund II, L.P. is managed by VMS Investment Management GP II Limited in its capacity as the general partner. The controlling shareholder of VMS Investment Management GP II Limited is VMS Investment Management Inc. The controlling shareholder of VMS Investment Management Inc. is VMS Financial Services Group Limited. The controlling shareholder of VMS Financial Services Group Limited is VMS Holdings Limited. The controlling shareholder of VMS Holdings Limited is MAK Siu Hang Viola. The address of each of foregoing other than VMS Investment Fund II, L.P., VMS Investment Management GP II Limited and MAK Siu Hang Viola is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The address of each of VMS Investment Fund II, L.P. and VMS Investment Management GP II Limited is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The address of MAK Siu Hang Viola is 4/F, No. 24 Belleview Drive, Repulse Bay Garden, Hong Kong.

(10) Consists of 23,600 ordinary shares and options to purchase 308,899 ordinary shares, which are currently exercisable or will become exercisable within 60 days of June 30, 2018.

(11) Consists of 23,600 ordinary shares and options to purchase 1,137,029 ordinary shares, which are currently exercisable or will become exercisable within 60 days of June 30, 2018.

Record Holders

As of June 30, 2018, there were 58 holders of record of our ordinary shares.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our policy is to enter into transactions with related parties on terms that, on the whole, are no more favorable, or no less favorable than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred. The following is a description of material transactions, or series of related material transactions since May 1, 2015, to which we were or will be a party and in which the other parties included or will include our directors, executive officers, holders of more than 5% of our voting securities or any member of the immediate family of any of the foregoing persons.

Agreements with Shareholders

Investors' Rights Agreement

We are party to an investors' rights agreement, dated July 3, 2017, or the Investors' Rights Agreement, with certain of our shareholders. The Investors' Rights Agreement provides that certain holders of our shares and the holders of our Series F Preferred Shares have the right to demand, 180 days following the consummation of this offering that we file a registration statement or request that their ordinary shares be covered by a registration statement that we are otherwise filing. The rights of any shareholder who is a party to the Investors' Rights Agreement to request registration or inclusion of registrable securities in any registration pursuant hereunder shall terminate when all such shareholder's registrable securities could be sold without restriction pursuant to Rule 144 under the Securities Act. The Investors' Rights Agreement also includes certain information rights, which will terminate upon the completion of this offering. The registration rights are described in more detail under "Description of Share Capital—Registration Rights."

Series F-1 Preferred Share Purchase Agreements

In June 2017, pursuant to that certain Series F Preferred Share Purchase Agreement, we issued to investors a total of 4,274,363 Series F-1 Preferred Shares and warrants to purchase up to 2,564,619 Series F-2 Preferred Shares for an aggregate investment amount of $40,350,000. Under the Series F Preferred Share purchase Agreement we issued to Novartis a total of 847,458 Series F-1 Preferred Shares and warrants to purchase 508,475 Series F-2 Preferred Shares for an aggregate investment amount of $8,000,000, to Israel HealthCare Ventures 2 LP Incorporated a total of 105,898 Series F-1 Preferred Shares and warrants to purchase 63,559 Series F-2 Preferred Shares for an aggregate investment amount of $1,000,000, to Smartmix Limited, a total of 1,059,322 Series F-1 Preferred Shares and warrants to purchase 635,593 Series F-2 Preferred Shares for an aggregate investment amount of $10,000,000, to Shavit Capital Funds a total of 1,059,321 Series F-1 Preferred Shares and warrants to purchase 635,593 Series F-2 Preferred Shares for an aggregate investment amount of $10,000,000, and to Clal Biotechnology Industries Ltd. a total of 158,898 Series F-1 Preferred Shares and warrants to purchase 95,339 Series F-2 Preferred Shares for an aggregate investment amount of $1,500,000.

Novartis Investment Agreements

In October 2015, following the execution of an investment agreement, we issued a total of 286,396 Series C Preferred Shares to Novartis Pharma A.G. for an aggregate investment amount of $5,000,000. In addition, pursuant to the agreement we granted Novartis the right to appoint a non-voting observer to our board of directors subject to them holding at least four percent (4%) of the issued and outstanding share capital of the Company.

Agreements and Arrangements with Directors and Executive Officers

Chairman Letter Agreement

We have entered into a chairman letter agreement with Mr. Robert I. Blum, the chairman of our board of directors, dated September 13, 2018. This agreement sets forth Mr. Blum's entitlement to receive an annual fixed cash fee of $50,000 plus value added tax, if applicable, an initial grant of 30,000 options to purchase ordinary shares of the Company upon the closing of this offering or the four month anniversary

of the agreement and annual grants thereafter of 15,000 options to purchase ordinary shares of the Company. The agreement also contains customary provisions regarding non-competition, confidentiality of information and assignment of inventions. However, the enforceability of the non-competition provisions may be limited under applicable law.

Executive Director Agreement

We entered into a letter agreement with Dr. Julian Adams, our director and chief executive officer, dated January 7, 2017, as amended on November 20, 2017. The agreement contains customary provisions regarding non-competition, confidentiality of information and assignment of inventions. However, the enforceability of the non-competition provisions may be limited under applicable law.

Director Letter Agreements

We have entered into written board member letter agreements with each of our directors. These agreements set forth the directors entitlement to receive an annual fixed cash fee equal to $50,000 plus value added tax, if applicable, and annual grants of equity-based compensation. These agreements also contain customary provisions regarding non-competition, confidentiality of information and assignment of inventions. However, the enforceability of the non-competition provisions may be limited under applicable law.

Executive Officers Employment Agreements

We have entered into written employment agreements with each of our executive officers. These agreements provide for notice periods of varying duration for termination of the agreement by us or by the relevant executive officer, during which time the executive officer will continue to receive base salary and benefits (except for the accrual of vacation days). These agreements also contain customary provisions regarding non-competition, confidentiality of information and assignment of inventions. However, the enforceability of the non-competition provisions may be limited under applicable law.

Options

Since our inception we have granted options to purchase our ordinary shares and ordinary c shares to our officers and certain of our directors. Such option agreements may contain acceleration provisions upon certain merger, acquisition, or change of control transactions. We describe our option plans under “Management—Share Incentive Plans”. “ If the relationship between us and an executive officer or a director is terminated, except for cause (as defined in the option plans), all options that are vested will generally remain exercisable for ninety days after such termination.

Indemnification Agreements

Our amended and restated articles of association permit us to exculpate, indemnify and insure each of our directors and office holders to the fullest extent permitted by Israeli law. We have entered into indemnification agreements with each of our directors and executive officers, undertaking to indemnify them to the fullest extent permitted by Israeli law, including with respect to liabilities resulting from a public offering of our shares, to the extent that these liabilities are not covered by insurance. We have also obtained directors and officers insurance for each of our executive officers and directors. For further information, see “Management—Exculpation, Insurance and Indemnification of Directors and Officers.”

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital and provisions of our amended and restated articles of association which will be effective upon the completion of this offering are summaries and do not purport to be complete.

General

Upon the closing of this offering, our authorized share capital will consist of ordinary shares, par value NIS per share, of which will be issued and outstanding (assuming that the underwriters do not exercise their option to purchase additional ordinary shares).

All of our outstanding ordinary shares are validly issued, fully paid and non-assessable. Our ordinary shares are not redeemable and do not have any preemptive rights.

Registration Number and Purposes of the Company

We are registered with the Israeli Registrar of Companies. Our registration number is 51-260120-4. Our purpose as set forth in our amended and restated articles of association to be effective upon completion of this offering is to engage in any lawful act or activity.

Voting Rights and Conversion

All ordinary shares will have identical voting and other rights in all respects.

Transfer of shares

Our fully paid ordinary shares are issued in registered form and may be freely transferred under our amended and restated articles of association to be effective upon completion of this offering, unless the transfer is restricted or prohibited by another instrument, applicable law or the rules of a stock exchange on which the shares are listed for trade. The ownership or voting of our ordinary shares by non-residents of Israel is not restricted in any way by our amended and restated articles of association or the laws of the State of Israel, except for ownership by nationals of some countries that are, or have been, in a state of war with Israel.

Election of directors

Under our amended and restated articles of association to be effective upon completion of this offering, our board of directors must consist of not less than but no more than directors. Pursuant to our amended and restated articles of association, each of our directors will be appointed by a simple majority vote of holders of our voting shares, participating and voting at an annual general meeting of our shareholders. In addition, our directors are divided into three classes, one class being elected each year at the annual general meeting of our shareholders, and serve on our board of directors until they are removed by a vote of 65% of the total voting power of our shareholders at a general meeting of our shareholders or upon the occurrence of certain events, in accordance with the Israeli Companies Law and our amended and restated articles of association. In addition, our amended and restated articles of association allow our board of directors to fill vacancies on the board of directors or to appoint new directors up to the maximum number of directors permitted under our amended and restated articles of association. Such directors serve for a term of office equal to the remaining period of the term of office of the directors(s) whose office(s) have been vacated or in the case of new directors, for a term of office according to the class to which such director was assigned upon appointment.

Dividend and Liquidation Rights

We may declare a dividend to be paid to the holders of our ordinary shares in proportion to their respective shareholdings. Under the Israeli Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company's articles of association provide otherwise. Our amended and restated articles of association do not require shareholder approval of a dividend distribution and provide that dividend distributions may be determined by our board of directors.

Pursuant to the Israeli Companies Law, the distribution amount is limited to the greater of retained earnings or earnings generated over the previous two years, according to our then last reviewed or audited financial statements, provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution. If we do not meet such criteria, then we may distribute dividends only with court approval. In each case, we are only permitted to distribute a dividend if our board of directors and the court, if applicable, determines that there is no reasonable concern that payment of the dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of our liquidation, after satisfaction of liabilities to creditors, our assets will be distributed to the holders of our ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

Exchange Controls

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, or have been, in a state of war with Israel.

Shareholder meetings

Under Israeli law, we are required to hold an annual general meeting of our shareholders once every calendar year that must be held no later than 15 months after the date of the previous annual general meeting. All meetings other than the annual general meeting of shareholders are referred to in our amended and restated articles of association as special general meetings. Our board of directors may call special general meetings whenever it sees fit, at such time and place, within or outside of Israel, as it may determine. In addition, the Israeli Companies Law provides that our board of directors is required to convene a special general meeting upon the written request of (i) any two or more of our directors or one-quarter or more of the members of our board of directors or (ii) one or more shareholders holding, in the aggregate, either (a) 5% or more of our outstanding issued shares and 1% or more of our outstanding voting power or (b) 5% or more of our outstanding voting power.

Subject to the provisions of the Israeli Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings are the shareholders of record on a date to be decided by the board of directors, which may generally be between four and 21 days prior to the date of the meeting, and in certain circumstances, between four and 40 days prior to the date of the meeting. Furthermore, the Israeli Companies Law requires that resolutions regarding the following matters must be passed at a general meeting of our shareholders:

- amendments to our articles of association;
- appointment or termination of our auditors;
- appointment of external directors;
- approval of certain related party transactions;
- increases or reductions of our authorized share capital;
- a merger; and
- the exercise of our board of director’s powers by a general meeting, if our board of directors is unable to exercise its powers and the exercise of any of its powers is required for our proper management.

The Israeli Companies Law requires that a notice of any annual general meeting or special general meeting be provided to shareholders at least 21 days prior to the meeting and if the agenda of the meeting includes the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, or an approval of a merger, notice must be provided at least 35 days prior to the meeting. Under the Israeli Companies Law and our amended and restated articles of association, shareholders are not permitted to take action by way of written consent in lieu of a meeting.

Voting rights

Quorum

Pursuant to our amended and restated articles of association, holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote before the shareholders at a general meeting. The quorum required for our general meetings of shareholders consists of at least two shareholders present in person, by proxy or written ballot who hold or represent between them at least 25% of the total outstanding voting rights. A meeting adjourned for lack of a quorum is generally adjourned to the same day in the following week at the same time and place or to a later time or date if so specified in the notice of the meeting. At the reconvened meeting, any number of shareholders present in person or by proxy shall constitute a quorum, unless a meeting was called pursuant to a request by our shareholders, in which case the quorum required is one or more shareholders, present in person or by proxy and holding the number of shares required to call the meeting as described under "—Shareholder Meetings."

Vote Requirements

Our amended and restated articles of association provide that all resolutions of our shareholders require a simple majority vote, unless otherwise required by the Israeli Companies Law or by our amended and restated articles of association. Under the Israeli Companies Law, each of (i) the approval of an extraordinary transaction with a controlling shareholder, (ii) the terms of employment or other engagement of the controlling shareholder of the company or such controlling shareholder's relative (even if such terms are not extraordinary) requires the approval described above under "Management—Fiduciary duties and approval of specified related party transactions under Israeli law— Disclosure of personal interests of a controlling shareholder and approval of transactions" and (iii) approval of certain compensation-related matters require the approval described above under "—Board of directors and officers—Compensation Committee." Under our amended and restated articles of association, the alteration of the rights, privileges, preferences or obligations of any class of our shares requires a simple majority of the class so affected (or such other percentage of the relevant class that may be set forth in the governing documents relevant to such class), in addition to the ordinary majority vote of all classes of shares voting together as a single class at a shareholder meeting. Our amended and restated articles of association also provide that the removal of any director from office or the amendment of the provisions relating to our staggered board requires the vote of 65% of the total voting power of our shareholders. Another exception to the simple majority vote requirement is a resolution for the voluntary winding up, or an approval of a scheme of arrangement or reorganization, of the company pursuant to Section 350 of the Israeli Companies Law, which requires the approval of holders of 75% of the voting rights represented at the meeting and voting on the resolution.

Access to corporate records

Under the Companies Law, all shareholders generally have the right to review minutes of our general meetings, our shareholder register, including with respect to material shareholders, our articles of association, our financial statements, other documents as provided in the Companies Law, and any document we are required by law to file publicly with the Israeli Companies Registrar or the Israeli Securities Authority. Any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to any action or transaction with a related party which requires shareholder approval under the Companies Law. We may deny a request to review a document if we determine that the request was not made in good faith, that the document contains a commercial secret or a patent or that the document's disclosure may otherwise impair our interests.

Registration Rights

We have entered into the Investors' Rights Agreement with certain of our shareholders. Upon the closing of this offering, the holders of a total of shares of our ordinary shares, will have the right to require us to register these shares under the Securities Act under specified circumstances and will have incidental registration rights as described below. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act.

Demand Registration Rights

Beginning 180 days after the date of this prospectus, subject to any lock-up agreement entered into with the underwriters of this offering, (1) holders of a majority of the registrable securities under the Investors' Rights Agreement or (2) holders of registrable securities then outstanding and constituting the Special F Majority, as defined under the our current articles of association, may request, subject to certain exceptions, that we file a registration statement on Form F-1. Upon receipt of such registration request, we are obligated to use our reasonable commercial efforts to file the registration statement as soon as practicable, and in any event within sixty (60) days after the date such request is given by the initiating shareholders.

We have the right not to effect such filing during the period that is within 180 days after we have filed another such registration statement or completed certain other registered offerings or if we intend to file a registration statement for our own account within 90 days. We are not obligated to file more than three registration statements on Form F-1 pursuant to these demand provisions. Any other holder of registrable securities has the right to include its registrable securities in an underwritten registration pursuant to a demand registration.

Shelf Registration Rights

If we become eligible to register any of our shares on Form F-3, (1) holders of at least 25% of the registrable securities under the Investors' Rights Agreement or (2) holders of registrable securities then outstanding and constituting the Special F Majority, as defined under the our current articles of association, may, subject to certain limitation, request that we file a shelf registration statement for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act registering the resale from time to time by holders of registrable securities. In such event, we are required to give written notice of such request to all holders of registrable securities, who may elect to join in such request. Subsequently, upon receipt of such registration request, we are obligated to use our reasonable commercial efforts to file the registration statement as soon as practicable, and in any event within 45 days after the date such request is given. We are required to effect only one shelf registration statement. We are not required to effect any underwritten offering within 90 days of another underwritten offering.

Acquisitions under Israeli law

Full tender offer

A person wishing to acquire shares of a public Israeli company and who would as a result hold over 90% of the target company's issued and outstanding share capital or that of a certain class of shares is required by the Companies Law to make a tender offer to all of the company's shareholders or the shareholders who holds shares of the same class for the purchase of all of the issued and outstanding shares of the company or of the same class, as applicable.

If the shareholders who do not respond to or accept the offer hold less than 5% of the issued and outstanding share capital of the company or of the applicable class of the shares, all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law (provided that a majority of the offerees that do not have a personal interest in such tender offer shall have approved it, which condition shall not apply if offerees holding less than 2% of the company's issued and outstanding share capital failed to approve such tender offer).

Upon a successful completion of such a full tender offer, any shareholder that was an offeree in such tender offer, whether the shareholder accepted the tender offer or not, may, within six months from the date of acceptance of the tender offer, petition the Israeli court to determine whether the tender offer was for less than fair value and that the fair value should be paid as determined by the court unless the acquirer stipulated that a shareholder that accepts the offer may not seek appraisal rights. If the shareholders who did not respond or accept the tender offer hold at least 5% of the issued and outstanding share capital of the company or of the applicable class, or the shareholders who did not accept the tender offer hold 2% or more of the issued and outstanding share capital of the company (or of the applicable class), the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's issued and outstanding share capital or of the applicable class from shareholders who accepted the tender offer.

Special tender offer

The Companies Law provides that an acquisition of shares of a public Israeli company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of at least 25% of the voting rights in the company. This rule does not apply if there is already another holder of at least 25% of the voting rights in the company. Similarly, the Companies Law provides that an acquisition of shares in a public company must be made by means of a tender offer if as a result of the acquisition the purchaser would become a holder of more than 45% of the voting rights in the company, if there is no other shareholder of the company who holds more than 45% of the voting rights in the company.

These requirements do not apply if the acquisition (i) occurs in the context of a private placement, provided that the general meeting approved the acquisition as a private offering whose purpose is to give the acquirer at least 25% of the voting rights in the company if there is no person who holds at least 25% of the voting rights in the company, or as a private offering whose purpose is to give the acquirer 45% of the voting rights in the company, if there is no person who holds 45% of the voting rights in the company, (ii) was from a shareholder holding at least 25% of the voting rights in the company and resulted in the acquirer becoming a holder of at least 25% of the voting rights in the company, or (iii) was from a holder of more than 45% of the voting rights in the company and resulted in the acquirer becoming a holder of more than 45% of the voting rights in the company.

The special tender offer may be consummated only if (i) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror and (ii) the special tender offer is accepted by a majority of the votes of those offerees who gave notice of their position in respect of the offer, excluding the votes of a holder of control in the offeror, a person who has personal interest in acceptance of the special tender offer, holders of 25% or more of the voting rights in the company or anyone on their behalf, including their relatives and entities controlled by them.

In the event that a special tender offer is made, a company's board of directors is required to express its opinion on the advisability of the offer, or shall abstain from expressing any opinion if it is unable to do so, provided that it gives the reasons for its abstention. In addition, the board of directors must disclose any personal interest each member of the board of directors has in the offer or stems therefrom. An office holder in a target company who, in his or her capacity as an office holder, performs an action the purpose of which is to cause the failure of an existing or foreseeable special tender offer or is to impair the chances of its acceptance, is liable to the potential purchaser and shareholders for damages resulting from his or her acts, unless such office holder acted in good faith and had reasonable grounds to believe he or she was acting for the benefit of the company. However, office holders of the target company may negotiate with the potential purchaser in order to improve the terms of the special tender offer, and may further negotiate with third parties in order to obtain a competing offer.

If a special tender offer was accepted by a majority of the shareholders who announced their stand on such offer, then shareholders who did not respond to the special tender offer or had objected to the offer may accept the offer within four days of the last day set for the acceptance of the offer.

In the event that a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity shall refrain from making a subsequent tender offer for the purchase of shares of the target company and cannot execute a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer.

Merger

The Companies Law permits merger transactions if approved by each party's board of directors and, unless certain requirements described under the Companies Law are met, a majority of each party's shareholders and, in the case of the target company, a majority vote of each class of its shares, voted on the proposed merger at a shareholders meeting. The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, such determination taking into account the financial status of the merging

companies. If the board of directors has determined that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote, unless a court rules otherwise, the merger will not be deemed approved if a majority of the shares represented at the shareholders meeting that are held by parties other than the other party to the merger, or by any person who holds 25% or more of the outstanding shares or the right to appoint 25% or more of the directors of the other party, vote against the merger. In addition, if the non-surviving entity of the merger has more than one class of shares, the merger must be approved by each class of shareholders. If the transaction would have been approved but for the separate approval of each class or the exclusion of the votes of certain shareholders as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the value of the parties to the merger and the consideration offered to the shareholders. Pursuant to the Companies Law, if a merger is with a company's controlling shareholder or if the controlling shareholder has a personal interest in the merger, then the merger is instead subject to the same special majority approval that governs all extraordinary transactions with controlling shareholders (as described above under "Board Practices — Fiduciary duties and approval of specified related party transactions under Israeli law.").

Under the Companies Law, each merging company must send a copy of the proposed merger plan to its secured creditors. Unsecured creditors are entitled to receive notice of the merger pursuant to regulations promulgated under the Companies Law. Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations the target company. The court may further give instructions to secure the rights of creditors.

In addition, a merger may not be completed unless at least 50 days have passed from the date that a proposal for approval of the merger was filed with the Israeli Registrar of Companies and 30 days from the date that shareholder approval of both merging companies was obtained.

Anti-takeover measures

The Israeli Companies Law allows us to create and issue shares having rights different from those attached to our ordinary shares, including shares providing certain preferred rights with respect to voting, distributions or other matters and shares having preemptive rights. As of the closing of this offering, no preferred shares will be authorized under our amended and restated articles of association. In the future, if we do authorize, create and issue a specific class of preferred shares, such class of shares, depending on the specific rights that may be attached to it, may have the ability to frustrate or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of their ordinary shares. The authorization and designation of a class of preferred shares will require an amendment to our amended and restated articles of association, which requires the prior approval of the holders of a majority of the voting power attaching to our issued and outstanding shares at a general meeting. The convening of the meeting, the shareholders entitled to participate and the majority vote required to be obtained at such a meeting will be subject to the requirements set forth in the Israeli Companies Law as described above in "—Voting Rights." In addition, as disclosed under "—Election of directors" we will have a classified board structure upon completion of this offering, which will effectively limit the ability of any investor or potential investor or group of investors or potential investors to gain control of our board of directors.

Borrowing Powers

Pursuant to the Israeli Companies Law and our amended and restated articles of association, our board of directors may exercise all powers and take all actions that are not required under law or under our amended and restated articles of association to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

Changes in Capital

Our amended and restated articles of association enable us to increase or reduce our share capital. Any such changes are subject to Israeli law and must be approved by a resolution duly passed by our shareholders at a general meeting by voting on such change in the capital. In addition, transactions that have the effect of reducing capital, such as the declaration and payment of dividends in the absence of sufficient retained earnings or profits, require the approval of both our board of directors and an Israeli court.

Transfer Agent and Registrar

The transfer agent and registrar for our ordinary shares is . Its address is , and its telephone number is .

Listing

We have applied to have our ordinary shares listed on The Nasdaq Global Market under the symbol “GMDA.”

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, no public market existed for our ordinary shares. Sales of substantial amounts of our ordinary shares following this offering, or the perception that these sales could occur, could adversely affect prevailing market prices of our ordinary shares and could impair our future ability to obtain capital, especially through an offering of equity securities. Assuming that the underwriters do not exercise in full their option to purchase additional ordinary shares with respect to this offering and assuming no exercise of options outstanding following this offering, we will have an aggregate of ordinary shares outstanding upon the closing of this offering. Of these shares, the ordinary shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" (as that term is defined under Rule 144 of the Securities Act, or Rule 144), who may sell only the volume of shares described below and whose sales would be subject to additional restrictions described below.

The remaining ordinary shares will be held by our existing shareholders and will be deemed to be "restricted securities" under Rule 144. Subject to certain contractual restrictions, including the lock-up agreements described below, restricted securities may only be sold in the public market pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under Rule 144 or Rule 701 under the Securities Act. These rules are summarized below. Sales of these shares in the public market after the restrictions under the lock-up agreements lapse, or the perception that those sales may occur, could cause the prevailing market price of our ordinary shares to decrease or to be lower than it might be in the absence of those sales or perceptions.

Eligibility of Restricted Shares for Sale in the Public Market

The following indicates approximately when the ordinary shares that are not being sold in this offering, but which will be outstanding at the time at which this offering is complete, will be eligible for sale into the public market under the provisions of Rule 144 and Rule 701 (but subject to the further contractual restrictions arising under the lock-up agreements described below):

- upon the closing of this offering, ordinary shares held by non-affiliates of our company that have been held for at least one year will be available for resale under Rule 144(b)(1)(ii);
- beginning 90 days after the closing of this offering, up to approximately ordinary shares, constituting shares issuable upon exercise of outstanding options under our 2004 Plan, 2014 and 2017 Plan that have vested as of , or within 60 days of , , may be eligible for resale under Rule 701 and Rule 144, of which approximately are held by our affiliates and would therefore be subject to the volume, current public information, manner of sale and other limitations under Rule 144; and
- approximately ordinary shares will be eligible for resale pursuant to Rule 144 upon the expiration of various six month holding periods, so long as at least 90 days have elapsed after the closing of this offering, and subject to the current public information requirement under Rule 144 and, in the case of affiliates of our company, such eligibility will also be subject to the volume, manner of sale and other limitations under Rule 144.

Lock-Up Agreements

We, all of our directors and executive officers and holders of substantially all of our outstanding shares and our shares issuable upon the exercise of our preferred share options and warrants have signed lock-up agreements. Pursuant to such lock-up agreements, such persons have agreed, subject to certain exceptions, not to sell or otherwise dispose of ordinary shares or any securities convertible into or exchangeable for ordinary shares for a period of 180 days after the date of this prospectus without the prior written consent of BMO Capital Markets Corp. and RBC Capital Markets LLC. BMO Capital Markets Corp. and RBC Capital Markets LLC may, in their sole discretion, at any time, release all or any portion of the ordinary shares from the restrictions in any such agreement.

Rule 144

Shares Held for Six Months

In general, under Rule 144 as currently in effect, and subject to the terms of any lock-up agreement, commencing 90 days after the closing of this offering, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned our ordinary shares for six months or more, including the holding period of any prior owner other than one of our affiliates (*i.e.*, commencing when the shares were acquired from our company or from an affiliate of our company as restricted securities), is entitled to sell our shares, subject to the availability of current public information about us. In the case of an affiliate shareholder, the right to sell is also subject to the fulfillment of certain additional conditions, including manner of sale provisions and notice requirements, and to a volume limitation that limits the number of shares to be sold thereby, within any three-month period, to the greater of:

- 1% of the number of ordinary shares then outstanding; or
- the average weekly trading volume of our ordinary shares on The Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

The six month holding period of Rule 144 does not apply to sales of unrestricted securities. Accordingly, persons who hold unrestricted securities may sell them under the requirements of Rule 144 described above without regard to the six-month holding period, even if they were considered our affiliates at the time of the sale or at any time during the ninety days preceding such date.

Shares Held by Non-Affiliates for One Year

Under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who is not considered to have been one of our affiliates at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than one of our affiliates, is entitled to sell his, her or its shares under Rule 144 without complying with the provisions relating to the availability of current public information or with any other conditions under Rule 144. Therefore, unless subject to a lock-up agreement or otherwise restricted, such shares may be sold immediately upon the closing of this offering.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who received or purchased ordinary shares from us under our 2003 Plan, 2014 Plan or 2017 Plan or other written agreement before the closing of this offering is entitled to resell these shares.

The SEC has indicated that Rule 701 will apply to typical share options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of these options, including exercises after the closing of this offering. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above (see “Lock-Up Agreements”), may be sold beginning 90 days after the closing of this offering in reliance on Rule 144 by:

- persons other than affiliates, without restriction; and
- affiliates, subject to the manner-of-sale, current public information and filing requirements of Rule 144, in each case, without compliance with the six-month holding period requirement of Rule 144.

Options

As of December 31, 2017, options to purchase an aggregate of ordinary shares were issued and outstanding under our 2003 Plan, 2014 Plan and 2017 Plan. Of the total number of issued and outstanding options, will be vested upon the closing of this offering. See “Management — Equity Incentive Plans.” All of our ordinary shares issuable under these options are subject to contractual lock-up agreements with us or the underwriters.

Form S-8 Registration Statement

Following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register up to ordinary shares, in the aggregate, issued or reserved for issuance under the 2017 Plan. The registration statement on Form S-8 will become effective automatically upon filing.

Ordinary shares issued upon exercise of a share option and registered pursuant to the Form S-8 registration statement will, subject to vesting provisions and Rule 144 volume limitations applicable to our affiliates, be available for sale in the open market immediately unless they are subject to the 180 day lock-up period or, if subject to the lock-up, immediately after the 180 day lock-up period expires. See “Management — Equity Incentive Plans.”

Registration Rights

Beginning 180 days after the date of this prospectus, holders of a total of ordinary shares will have the right to require us to register these shares under the Securities Act under specified circumstances and will have incidental registration rights. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act. For more information on these registration rights, see “Description of Share Capital — Registration Rights.”

TAXATION

The following description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our ordinary shares. You should consult your own tax advisor concerning the tax consequences in your particular situation, as well as any tax consequences that may arise under the laws of any taxing jurisdiction.

Material Israeli Tax Considerations

The following is a summary of the material Israeli tax laws applicable to us, and some Israeli Government programs benefiting us. This section also contains a discussion of some Israeli tax consequences to persons owning our ordinary shares. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of this kind of investor include traders in securities or persons that own, directly or indirectly, 10% or more of our outstanding voting capital, all of whom are subject to special tax regimes not covered in this discussion. Some parts of this discussion are based on a new tax legislation which has not been subject to judicial or administrative interpretation. The discussion should not be construed as legal or professional tax advice and does not cover all possible tax considerations.

SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE ISRAELI OR OTHER TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR ORDINARY SHARES, INCLUDING, IN PARTICULAR, THE EFFECT OF ANY NON-U.S., STATE OR LOCAL TAXES.

General Corporate Tax Structure in Israel

Israeli resident companies are generally subject to corporate tax on their taxable income at the rate of 24% for the 2017 tax year (23% in 2018 and thereafter). However, the effective tax rate payable by a company that derives income from a Preferred Enterprise or a Technology Enterprise (as discussed below) may be considerably less. Capital gains derived by an Israeli resident company are subject to tax at the prevailing corporate tax rate.

Law for the Encouragement of Industry (Taxes), 1969

The Law for the Encouragement of Industry (Taxes), 1969, or the Industry Encouragement Law, provides certain tax benefits for an “Industrial Company”. The Industry Encouragement Law defines an “Industrial Company” as an Israeli resident company incorporated in Israel, of which 90% or more of its income in any tax year, other than income from certain government loans, is derived from an “Industrial Enterprise” owned by it and located in Israel or in the “Area”, in accordance with the definition in the section 3a of the Israeli Income Tax Ordinance (New Version) 1961, or the Ordinance. An “Industrial Enterprise” is defined as an enterprise which is held by an Industrial Company whose principal activity in any given tax year is industrial production.

The following tax benefits, among others, are available to Industrial Companies:

- amortization over an eight-year period of the cost of patents and rights to use a patent and know-how that were purchased in good faith and are used for the development or advancement of the Industrial Enterprise, commencing from the tax year where the Industrial Enterprise began to use them;
- under certain conditions, the right to elect to file consolidated tax returns with Israeli Industrial Companies controlled by it; and
- expenses related to a public offering are deductible in equal amounts over three years commencing on the year of this offering.

We believe that we qualify as an “Industrial Company” within the meaning of the Industry Encouragement Law. There can be no assurance that we will continue to qualify as an Industrial Company or that the benefits described above will be available to us in the future.

Tax Benefits under the Law for the Encouragement of Capital Investments, 1959

The Law for the Encouragement of Capital Investments, 1959, generally referred to as the "Investment Law", provides certain incentives for capital investments in production facilities (or other eligible assets).

The Investment Law was significantly amended several times over the recent years, with the three most significant changes effective as of April 1, 2005, referred to in this prospectus as the 2005 Amendment, as of January 1, 2011, referred to in this prospectus as the 2011 Amendment, and as of January 1, 2017, referred to in this prospectus as the 2017 Amendment. Pursuant to the 2005 Amendment, tax benefits granted in accordance with the provisions of the Investment Law prior to its revision by the 2005 Amendment remain in force but any benefits granted subsequently are subject to the provisions of the amended Investment Law. Similarly, the 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead, irrevocably, to forego such benefits and have the benefits of the 2011 Amendment apply. The 2017 Amendment introduces new benefits for Technological Enterprises, alongside the existing tax benefits. We did not utilize any of the benefits for which we were eligible under the Investment Law prior to the 2011 Amendment, and starting in the 2017 tax year we elected to apply for the new benefits under the 2011 Amendment.

Tax benefits under the 2011 Amendment

On December 29, 2010, the Israeli Parliament approved the 2011 Amendment. The 2011 Amendment significantly revised the tax incentive regime in Israel and commenced on January, 1 2011.

The 2011 Amendment canceled the availability of the tax benefits granted under the Investment Law prior to 2011 and, instead, introduced new tax benefits for income generated by a "Preferred Company" through its "Preferred Enterprise" (as such terms are defined in the Investment Law) as of January 1, 2011. The definition of a Preferred Company includes a company incorporated in Israel that is not fully owned by a governmental entity, and that has, among other things, Preferred Enterprise status and is controlled and managed from Israel.

A Preferred Company is entitled to a reduced corporate tax rate with respect to the income attributed to the Preferred Enterprise, at the following rates:

Tax Year	Development Region "A"	Other Areas within Israel
2011-2012	10%	15%
2013	7%	12.5%
2014-2016	9%	16%
2017 onwards(1)	7.5%	16%

(1) In December 2016, the Israeli Parliament (the Knesset) approved an amendment to the Investments Law pursuant to which the tax rate applicable to Preferred Enterprises in Development Region "A" would be reduced to 7.5% as of January 1, 2017.

The classification of income generated from the provision of usage rights in know-how or software that were developed in the Preferred Enterprise, as well as royalty income received with respect to such usage, as Preferred Enterprise income is subject to the issuance if a pre-ruling from the Israeli Tax Authority stipulates that such income is associated with the productive activity of the Preferred Enterprise in Israel.

Dividends distributed from income which is attributed to a "Preferred Enterprise" will be subject to withholding tax at source at the following rates: (i) Israeli resident corporations – 0%, (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, withholding tax at a rate of 20% or such lower rate as may be provided in an applicable tax treaty will apply (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate)) (ii) Israeli resident individuals – 20% (iii) non-Israeli residents (individuals and corporations) - 20%, subject to a reduced tax rate under the provisions of an applicable double tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate).

The 2011 Amendment also revised the grant track to apply only to the approved programs located in Development Region "A" and shall provide not only cash grants (as prior to the 2011 Amendment) but also the granting of loans. The rates for grants and loans shall not be fixed but up to 20% of the amount of the approved investment (may be increased with additional 4%). In addition, a company owning a Preferred Enterprise under the grant track may be entitled also to the tax benefits which are prescribed for a Preferred Enterprise.

New Tax benefits under the 2017 Amendment that became effective on January 1, 2017.

The 2017 Amendment was enacted as part of the Economic Efficiency Law that was published on December 29, 2016, and is effective as of January 1, 2017. The 2017 Amendment provides new tax benefits for two types of "Technology Enterprises", as described below, and is in addition to the other existing tax beneficial programs under the Investment Law.

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a "Preferred Technology Enterprise" and will thereby enjoy a reduced corporate tax rate of 12% on income that qualifies as "Preferred Technology Income", as defined in the Investment Law. The tax rate is further reduced to 7.5% for a Preferred Technology Enterprise located in Development Region "A". In addition, a Preferred Technology Company will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain "Benefitted Intangible Assets" (as defined in the Investment Law) to a related foreign company if the Benefitted Intangible Assets were acquired from a foreign company on or after January 1, 2017 for at least NIS 200 million, and the sale receives prior approval from IIA.

The 2017 Amendment further provides that a technology company satisfying certain conditions will qualify as a "Special Preferred Technology Enterprise" and will thereby enjoy a reduced corporate tax rate of 6% on "Preferred Technology Income" regardless of the company's geographic location within Israel. In addition, a Special Preferred Technology Enterprise will enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain "Benefitted Intangible Assets" to a related foreign company if the Benefitted Intangible Assets were either developed by an Israeli company or acquired from a foreign company on or after January 1, 2017, and the sale received prior approval from IIA. A Special Preferred Technology Enterprise that acquires Benefitted Intangible Assets from a foreign company for more than NIS 500 million will be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Dividends distributed by a Preferred Technology Enterprise or a Special Preferred Technology Enterprise, paid out of Preferred Technology Income, are subject to withholding tax at source at the rate of 20%, and if distributed to a foreign company and other conditions are met, the withholding tax rate will be 4%.

We are examining the impact of the 2017 Amendment and the degree to which we will qualify as a Preferred Technology Enterprise or Special Preferred Technology Enterprise, and the amount of Preferred Technology Income that we may have, or other benefits that we may receive from the 2017 Amendment.

Taxation of the Company Shareholders

Capital Gains

Capital gain tax is imposed on the disposal of capital assets by an Israeli resident, and on the disposal of such assets by a non-Israel resident if those assets are either (i) located in Israel, (ii) are shares or a right to a share in an Israeli resident corporation, or (iii) represent, directly or indirectly, rights to assets located in Israel, unless a tax treaty between Israel and the seller's country of residence provides otherwise. The Ordinance distinguishes between "Real Capital Gain" and the "Inflationary Surplus". Real Capital Gain is the excess of the total capital gain over Inflationary Surplus computed generally on the basis of the increase in the Israeli CPI between the date of purchase and the date of disposal.

The Real Capital Gain accrued by individuals on the sale of our ordinary shares (that were purchased after January 1, 2012, whether listed on a stock exchange or not) will be taxed at the rate of 25%. However, if such shareholder is a "Controlling Shareholder" (i.e., a person who holds, directly or indirectly, alone or together with such person's relative or another person who collaborates with such

person on a permanent basis, 10% or more of one of the Israeli resident company's means of control) at the time of sale or at any time during the preceding twelve (12) months period and/or claims a deduction for interest and linkage differences expenses in connection with the purchase and holding of such shares, such gain will be taxed at the rate of 30%.

The Real Capital Gain derived by corporations will be generally subject to the ordinary corporate tax (24% in 2017 and 23% in 2018 and thereafter).

Individual shareholder dealing in securities, or to whom such income is otherwise taxable as ordinary business income are taxed in Israel at their marginal tax rates applicable to business income (up to 50% in 2017 and 2018, including Excess Tax as detailed below).

Notwithstanding the foregoing, capital gain derived from the sale of our ordinary shares by a non-Israeli resident (whether an individual or a corporation) shareholder may be exempt under the Ordinance from Israeli taxation provided that such shareholders did not acquire their shares prior to January 1, 2009 or acquired their shares after the Company was listed for trading on Nasdaq provided, among other things, that (i) such gains were not derived from a permanent business or business activity that the non-Israeli resident maintains in Israel, and (ii) such shareholders are not subject to the Israeli Income Tax Law (Inflationary Adjustments) 5745-1985. These provisions dealing with capital gain are not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be business income. However, non-Israeli corporations will not be entitled to the foregoing exemptions if an Israeli resident (i) has a controlling interest of more than 25% in such non-Israeli corporation or (ii) is the beneficiary of or is entitled to 25% or more of the revenue or profits of such non-Israeli corporation, whether directly or indirectly.

In addition, the sale of shares may be exempt from Israeli capital gain tax under the provisions of an applicable tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for an exemption). For example, the U.S.-Israel Double Tax Treaty exempts U.S. resident holding the shares as a capital asset and is entitled to claim the benefits afforded to such a resident by the U.S.-Israel Double Tax Treaty, or a Treaty U.S. Resident, from Israeli capital gain tax in connection with such sale, provided (i) the U.S. resident owned, directly or indirectly, less than 10% of an Israeli resident company's voting power at any time within the 12 month period preceding such sale, subject to certain conditions; (ii) the seller, being an individual, is present in Israel for a period or periods of less than 183 days in the aggregate at the taxable year; and (iii) the capital gain from the sale, exchange or disposition was not derived through a permanent establishment that the U.S. resident maintains in Israel, (iv) the capital gains arising from such sale, exchange or disposition is not attributed to real estate located in Israel; or (v) the capital gains arising from such sale, exchange or disposition is not attributed to royalties. If any such case occurs, the sale, exchange or disposition of our ordinary shares would be subject to Israeli tax, to the extent applicable. However, under the U.S.-Israel Tax Treaty, such Treaty U.S. Resident would be permitted to claim a credit for such taxes against U.S. federal income tax imposed on any gain from such sale, exchange or disposition, under the circumstances and subject to the limitations specified in the U.S.-Israel Double Tax Treaty.

In some instances where our shareholders may be liable for Israeli tax on the sale of their ordinary shares, the payment of the consideration may be subject to withholding of Israeli tax at source. Shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding at source at the time of sale. Specifically, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the Israel Tax Authority may require from shareholders who are not liable for Israeli tax to sign declarations in forms specified by this authority or obtain a specific exemption from the Israel Tax Authority to confirm their status as non-Israeli resident, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source.

Either the purchaser, the Israeli stockbrokers or financial institution through which the shares are held is obliged, subject to the above mentioned exemptions, to withhold tax upon the sale of securities on the amount of the consideration paid upon the sale of the securities at the rate of 25% in respect of an individual, or at a rate of corporate tax, in respect of a corporation (24% in 2017 and 23% in 2018 and thereafter).

At the sale of securities traded on a stock exchange a detailed return, including a computation of the tax due, must be filed and an advanced payment must be paid on January 31 and July 31 of every tax year in respect of sales of securities made within the previous six months. However, if all tax due was withheld at source according to applicable provisions of the Ordinance and regulations promulgated thereunder the aforementioned return need not be filed and no advance payment must be paid. Capital gain is also reportable on the annual income tax return.

Dividends

A distribution of dividends from income, which is not attributed to a Preferred Enterprise to an Israeli resident individual, will generally be subject to income tax at a rate of 25%. However, a 30% tax rate will apply if the dividend recipient is a "Controlling Shareholder" (as defined above) at the time of distribution or at any time during the preceding 12 months period.

Distribution of dividends from income attributed to a Preferred Enterprise is generally subject to a tax at a rate of 20%. However, if such dividends are distributed to an Israeli company, no tax is imposed (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, withholding tax at a rate of 20% or such lower rate as may be provided in an applicable tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for an exemption) will apply). If the dividend is attributable partly to income derived from a Preferred Enterprise, and partly from other sources of income, the income tax rate will be a blended rate reflecting the relative portions of the types of income. We cannot assure you that we will designate the profits that we may distribute in a way that will reduce shareholders' tax liability.

If the recipient of the dividend is an Israeli resident corporation, such dividend will be exempt from income tax provided the income from which such dividend is distributed was derived or accrued within Israel.

The Ordinance generally provides that a non-Israeli resident (either individual or corporation) is subject to an Israeli income tax on the receipt of dividends at the rate of 25% (30% if the dividends recipient is a "Controlling Shareholder" (as defined above), at the time of distribution or at any time during the preceding 12 months period); those rates are subject to a reduced tax rate under the provisions of an applicable double tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate).

For example, under the U.S.-Israel Double Tax Treaty the following rates will apply in respect of dividends distributed by an Israeli resident company to a Treaty U.S. Resident: (i) if the Treaty U.S. Resident is a corporation which holds during that portion of the taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10% of the outstanding shares of the voting shares of the Israeli resident paying corporation and not more than 25% of the gross income of the Israeli resident paying corporation for such prior taxable year (if any) consists of certain type of interest or dividends – the maximum tax rate of withholding is 12.5%, and (ii) in all other cases, the tax rate is 25%, or the domestic rate (if such is lower). The aforementioned rates under the Israel U.S. Double Tax Treaty will not apply if the dividend income was derived through a permanent establishment that the Treaty U.S. Resident maintains in Israel. U.S. residents who are subject to Israeli withholding tax on a dividend may be entitled to a credit or deduction for United States federal income tax purposes in the amount of the taxes withheld, subject to detailed rules contained in U.S. tax legislation.

A non-Israeli resident who receives dividend income derived from or accrued from Israel, from which the full amount of tax was withheld at source, is generally exempt from the obligation to file tax returns in Israel with respect to such income, provided that (i) such income was not generated from business conducted in Israel by the taxpayer, and (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed and (iii) the taxpayer is not obliged to pay excess tax (as further explained below).

Payors of dividends on our shares, including the Israeli shareholder effectuating the transaction, or the financial institution through which the securities are held, are generally required, subject to any of the foregoing exemption, reduced tax rates and the demonstration of a shareholder of his, her or its foreign residency, to withhold taxes upon the distribution of dividends at a rate of 25%, provided that the shares are registered with a Nominee Company (for corporations and individuals).

Excess Tax

Individuals who are subject to tax in Israel are also subject to an additional tax at a rate of 3% in 2017 and thereafter, on annual income exceeding a certain threshold (NIS 640,000 for 2017 which amount is linked to the annual change in the Israeli consumer price index), including, but not limited to income derived from dividends, interest and capital gains.

Foreign Exchange Regulations

Non-residents of Israel who hold our ordinary shares are able to receive any dividends, and any amounts payable upon the dissolution, liquidation and winding up of our affairs, repayable in non-Israeli currency at the rate of exchange prevailing at the time of conversion. However, Israeli income tax is generally required to have been paid or withheld on these amounts. In addition, the statutory framework for the potential imposition of currency exchange control has not been eliminated, and may be restored at any time by administrative action.

Estate and gift tax

Israeli law presently does not impose estate or gift taxes.

Material U.S. Federal Income Tax Consequences to U.S. Holders

The following discussion describes the material U.S. federal income tax consequences relating to the ownership and disposition of our ordinary shares by U.S. Holders (as defined below). This discussion applies to U.S. Holders that purchase ordinary shares pursuant to this offering and hold such ordinary shares as capital assets within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based on the Code, U.S. Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to specific U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment under U.S. federal income tax law (such as certain financial institutions, insurance companies, broker-dealers and traders in securities or other persons that generally mark their securities to market for U.S. federal income tax purposes, tax-exempt entities, retirement plans, regulated investment companies, real estate investment trusts, certain former citizens or residents of the United States, persons who hold ordinary shares as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or integrated investment, persons who received their ordinary shares as compensatory payments, persons that have a “functional currency” other than the U.S. dollar, persons that own directly, indirectly or through attribution 10% or more of our shares by vote or value, persons who are subject to Section 451(b) of the Code, corporations that accumulate earnings to avoid U.S. federal income tax, partnerships and other pass-through entities and arrangements that are classified as partnerships for U.S. federal income tax purposes, and investors in such pass-through entities). This discussion does not address any U.S. state or local or non-U.S. tax consequences or any U.S. federal estate, gift or alternative minimum tax consequences.

As used in this discussion, the term “U.S. Holder” means a beneficial owner of ordinary shares that is, for U.S. federal income tax purposes, (1) an individual who is a citizen or resident of the United States, (2) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income tax regardless of its source or (4) a trust (x) with respect to which a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (y) that has elected under applicable U.S. Treasury regulations to be treated as a domestic trust for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds ordinary shares, the U.S. federal income tax consequences relating to an investment in the ordinary shares will depend in part upon the status and activities of such entity or arrangement and the particular partner. Any such entity or arrangement should consult its own tax advisor regarding the U.S. federal income tax consequences applicable to it and its partners of the purchase, ownership and disposition of ordinary shares.

Persons considering an investment in ordinary shares should consult their own tax advisors as to the particular tax consequences applicable to them relating to the purchase, ownership and disposition of ordinary shares, including the applicability of U.S. federal, state and local tax laws and non-U.S. tax laws.

Passive Foreign Investment Company Consequences

In general, a corporation organized outside the United States will be treated as a passive foreign investment company, or PFIC, for any taxable year in which either (1) at least 75% of its gross income is "passive income", the PFIC income test, or (2) on average at least 50% of its assets, determined on a quarterly basis, are assets that produce passive income or are held for the production of passive income, the PFIC asset test. Passive income for this purpose generally includes, among other things, dividends, interest, royalties, rents, and gains from the sale or exchange of property that gives rise to passive income. Assets that produce or are held for the production of passive income generally include cash, even if held as working capital or raised in a public offering, marketable securities, and other assets that may produce passive income. Generally, in determining whether a non-U.S. corporation is a PFIC, a proportionate share of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Our status as a PFIC will depend on the nature and composition of our income and the nature, composition and value of our assets (which, assuming we are not a "controlled foreign corporation," or a CFC, under Section 957(a) of the Internal Revenue Code of 1986, as amended, or the Code, for the year being tested, may be determined based on the fair market value of each asset, with the value of goodwill and going concern value being determined in large part by reference to the market value of our common shares, which may be volatile). Based upon the value of our assets, including any goodwill and the nature and composition of our income and assets, we do not believe that we were classified as a PFIC for the taxable year ended December 31, 2017 and we do not believe that we will be classified as a PFIC for the taxable year ending December 31, 2018 or in the immediately foreseeable future. Even if we determine that we are not a PFIC for a taxable year, there can be no assurance that the IRS will agree with our conclusion and that the IRS would not successfully challenge our position. Our status as a PFIC is a fact-intensive determination made on an annual basis after the end of each taxable year. Accordingly, our U.S. counsel expresses no opinion with respect to our PFIC status for our taxable year ended December 31, 2017, and also expresses no opinion with regard to our expectations regarding our PFIC status in the future.

If we are a PFIC in any taxable year during which a U.S. Holder owns ordinary shares, the U.S. Holder could be liable for additional taxes and interest charges under the "PFIC excess distribution regime" upon (1) a distribution paid during a taxable year that is greater than 125% of the average annual distributions paid in the three preceding taxable years, or, if shorter, the U.S. Holder's holding period for the ordinary shares, and (2) any gain recognized on a sale, exchange or other disposition, including a pledge, of the ordinary shares, whether or not we continue to be a PFIC. Under the PFIC excess distribution regime, the tax on such distribution or gain would be determined by allocating the distribution or gain ratably over the U.S. Holder's holding period for ordinary shares. The amount allocated to the current taxable year (i.e., the year in which the distribution occurs or the gain is recognized) and any year prior to the first taxable year in which we are a PFIC will be taxed as ordinary income earned in the current taxable year. The amount allocated to other taxable years will be taxed at the highest marginal rates in effect for individuals or corporations, as applicable, to ordinary income for each such taxable year, and an interest charge, generally applicable to underpayments of tax, will be added to the tax.

If we are a PFIC for any year during which a U.S. Holder holds ordinary shares, we must generally continue to be treated as a PFIC by that holder for all succeeding years during which the U.S. Holder holds the ordinary shares, unless we cease to meet the requirements for PFIC status and the U.S. Holder makes a "deemed sale" election with respect to the ordinary shares. If the election is made, the U.S. Holder will be deemed to sell the ordinary shares it holds at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain recognized from such deemed sale would be taxed under the PFIC excess distribution regime. After the deemed sale election, the U.S. Holder's ordinary shares would not be treated as shares of a PFIC unless we subsequently become a PFIC.

If we are a PFIC for any taxable year during which a U.S. Holder holds ordinary shares and one of our non-U.S. corporate subsidiaries is also a PFIC (i.e., a lower-tier PFIC), such U.S. Holder would be

treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC and would be taxed under the PFIC excess distribution regime on distributions by the lower-tier PFIC and on gain from the disposition of shares of the lower-tier PFIC even though such U.S. Holder would not receive the proceeds of those distributions or dispositions. Each U.S. Holder is advised to consult its tax advisors regarding the application of the PFIC rules to our non-U.S. subsidiaries.

If we are a PFIC, a U.S. Holder will not be subject to tax under the PFIC excess distribution regime on distributions or gain recognized on ordinary shares if such U.S. Holder makes a valid "mark-to-market" election for our ordinary shares. A mark-to-market election is available to a U.S. Holder only for "marketable stock." Our ordinary shares will be marketable stock as long as they remain listed on The Nasdaq Global Market and are regularly traded, other than in *de minimis* quantities, on at least 15 days during each calendar quarter. If a mark-to-market election is in effect, a U.S. Holder generally would take into account, as ordinary income for each taxable year of the U.S. holder, the excess of the fair market value of ordinary shares held at the end of such taxable year over the adjusted tax basis of such ordinary shares. The U.S. Holder would also take into account, as an ordinary loss each year, the excess of the adjusted tax basis of such ordinary shares over their fair market value at the end of the taxable year, but only to the extent of the excess of amounts previously included in income over ordinary losses deducted as a result of the mark-to-market election. The U.S. Holder's tax basis in ordinary shares would be adjusted to reflect any income or loss recognized as a result of the mark-to-market election. Any gain from a sale, exchange or other disposition of ordinary shares in any taxable year in which we are a PFIC would be treated as ordinary income and any loss from such sale, exchange or other disposition would be treated first as ordinary loss (to the extent of any net mark-to-market gains previously included in income) and thereafter as capital loss.

A mark-to-market election will not apply to ordinary shares for any taxable year during which we are not a PFIC, but will remain in effect with respect to any subsequent taxable year in which we become a PFIC. Such election will not apply to any non-U.S. subsidiaries that we may organize or acquire in the future. Accordingly, a U.S. Holder may continue to be subject to tax under the PFIC excess distribution regime with respect to any lower-tier PFICs that we may organize or acquire in the future notwithstanding the U.S. Holder's mark-to-market election for the ordinary shares.

The tax consequences that would apply if we are a PFIC would also be different from those described above if a U.S. Holder were able to make a valid qualified electing fund, or QEF, election. At this time, we do not expect to provide U.S. Holders with the information necessary for a U.S. Holder to make a QEF election. Prospective investors should assume that a QEF election will not be available.

Each U.S. person that is an investor of a PFIC is generally required to file an annual information return on IRS Form 8621 containing such information as the U.S. Treasury Department may require. The failure to file IRS Form 8621 could result in the imposition of penalties and the extension of the statute of limitations with respect to U.S. federal income tax.

The U.S. federal income tax rules relating to PFICs are very complex. Prospective U.S. investors are strongly urged to consult their own tax advisors with respect to the impact of PFIC status on the purchase, ownership and disposition of ordinary shares, the consequences to them of an investment in a PFIC, any elections available with respect to the ordinary shares and the IRS information reporting obligations with respect to the purchase, ownership and disposition of ordinary shares of a PFIC.

Distributions

As described in the section entitled "— Dividend Policy," we do not anticipate declaring or paying dividends to holders of our ordinary shares in the foreseeable future. However, if we make a distribution contrary to the expectation, subject to the discussion above under "— *Passive Foreign Investment Company Consequences*," a U.S. Holder that receives a distribution with respect to ordinary shares generally will be required to include the gross amount of such distribution in gross income as a dividend when actually or constructively received to the extent of the U.S. Holder's pro rata share of our current and/or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent a distribution received by a U.S. Holder is not a dividend because it exceeds the U.S. Holder's pro rata share of our current and accumulated earnings and profits, it will be treated first as a tax-free return

of capital and reduce (but not below zero) the adjusted tax basis of the U.S. Holder's ordinary shares. To the extent the distribution exceeds the adjusted tax basis of the U.S. Holder's ordinary shares, the remainder will be taxed as capital gain. Because we may not account for our earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect all distributions to be reported to them as dividends.

Distributions on ordinary shares that are treated as dividends generally will constitute income from sources outside the United States for foreign tax credit purposes and generally will constitute passive category income. Subject to certain complex conditions and limitations, Israeli taxes withheld on any distributions on ordinary shares may be eligible for credit against a U.S. Holder's federal income tax liability. The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit in their particular circumstances and the possibility of claiming an itemized deduction (in lieu of the foreign tax credit) for any foreign taxes paid or withheld.

Dividends paid by a "qualified foreign corporation" are eligible for taxation to non-corporate U.S. Holders at a reduced capital gains rate rather than the marginal tax rates generally applicable to ordinary income provided that certain requirements are met. Each U.S. Holder is advised to consult its tax advisors regarding the availability of the reduced tax rate on dividends with regard to its particular circumstances. Each U.S. Holder is advised to consult its tax advisors regarding the availability of the reduced tax rate on dividends with regard to its particular circumstances. Distributions on ordinary shares that are treated as dividends generally will not be eligible for the "dividends received" deduction generally allowed to corporate shareholders with respect to dividends received from U.S. corporations.

A non-United States corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) generally will be considered to be a qualified foreign corporation (a) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information provision, or (b) with respect to any dividend it pays on shares that are readily tradable on an established securities market in the United States. Our ordinary shares will generally be considered to be readily tradable on an established securities market in the United States if they are listed on The Nasdaq Global Market, as we intend our common shares will be. We believe that we qualify as a resident of Israel for purposes of, and are eligible for the benefits of, the U.S.-Israel Double Tax Treaty, although there can be no assurance in this regard. Further, the IRS has determined that the U.S.-Israel Double Tax Treaty is satisfactory for purposes of the qualified dividend rules and that it includes an exchange of information provision. Therefore, subject to the discussion above under "— *Passive Foreign Investment Company Consequences*," if the U.S.-Israel Double Tax Treaty is applicable, or if our ordinary shares are readily tradable on an established securities market in the United States, such dividends will generally be "qualified dividend income" in the hands of individual U.S. Holders, provided that certain conditions are met, including holding period and the absence of certain risk reduction transaction requirements. Each U.S. Holder is advised to consult its tax advisors regarding the availability of the reduced tax rate on dividends with regard to its particular circumstances.

Sale, Exchange or Other Disposition of Ordinary Shares

Subject to the discussion above under "— *Passive Foreign Investment Company Consequences*," a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes upon the sale, exchange or other disposition of ordinary shares in an amount equal to the difference, if any, between the amount realized (i.e., the amount of cash plus the fair market value of any property received) on the sale, exchange or other disposition and such U.S. Holder's adjusted tax basis in the ordinary shares. Such capital gain or loss generally will be long-term capital gain taxable at a reduced rate for non-corporate U.S. Holders or long-term capital loss if, on the date of sale, exchange or other disposition, the ordinary shares were held by the U.S. Holder for more than one year. Any capital gain of a non-corporate U.S. Holder that is not long-term capital gain is taxed at ordinary income rates. The deductibility of capital losses is subject to limitations. Any gain or loss recognized from the sale or other disposition of ordinary shares will generally be gain or loss from sources within the United States for U.S. foreign tax credit purposes.

Medicare Tax

Certain U.S. Holders that are individuals, estates or trusts and whose income exceeds certain thresholds generally are subject to a 3.8% tax on all or a portion of their net investment income, which may include their gross dividend income and net gains from the disposition of ordinary shares. If you are a United States person that is an individual, estate or trust, you are encouraged to consult your tax advisors regarding the applicability of this Medicare tax to your income and gains in respect of your investment in ordinary shares.

Information Reporting and Backup Withholding

U.S. Holders may be required to file certain U.S. information reporting returns with the IRS with respect to an investment in ordinary shares, including, among others, IRS Form 8938 (Statement of Specified Foreign Financial Assets). As described above under "*Passive Foreign Investment Company Consequences*", each U.S. Holder who is a shareholder of a PFIC must file an annual report containing certain information. U.S. Holders paying more than US$100,000 for ordinary shares may be required to file IRS Form 926 (Return by a U.S. Transferor of Property to a Foreign Corporation) reporting this payment. Substantial penalties may be imposed upon a U.S. Holder that fails to comply with the required information reporting.

Dividends on and proceeds from the sale or other disposition of ordinary shares may be reported to the IRS unless the U.S. Holder establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the holder (1) fails to provide an accurate United States taxpayer identification number or otherwise establish a basis for exemption (usually on IRS Form W-9), or (2) is described in certain other categories of persons. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability if the required information is furnished by the U.S. Holder on a timely basis to the IRS.

U.S. Holders should consult their own tax advisors regarding the backup withholding tax and information reporting rules.

EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN ORDINARY SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement, dated the date of this prospectus, with respect to our ordinary shares (the "shares") being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the respective number of shares shown opposite its name in the following table. BMO Capital Markets Corp., which is located at 3 Times Square, New York, New York 10036, and RBC Capital Markets, LLC, which is located at 200 Vesey Street, Three World Financial Center, New York, New York 10281, are the representatives of the underwriters (the "representatives").

Underwriters	Number of Shares
BMO Capital Markets Corp.	
RBC Capital Markets, LLC.	
Needham & Company, LLC.	
Oppenheimer & Co. Inc.	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until that option is exercised. If an underwriter fails or refuses to purchase any of its committed shares, the purchase commitments of the non-defaulting underwriters may be increased or this offering may be terminated.

The underwriters have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise this option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above, and the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriters propose to offer the shares directly to the public at the initial public offering price set forth on the cover of this prospectus and to certain dealers at such offering price less a concession not in excess of $ per share. After the initial public offering of the shares, the offering price and the selling concession may be changed by the underwriters.

The following table shows the per share and the total underwriting discount to be paid by us to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discount, will be approximately $, all of which will be paid by us. We have agreed to reimburse the underwriters for up to $ of their expenses incurred in connection with the clearance of this offering with the Financial Industry Regulatory Authority, Inc.

We and our officers and directors and the holders of substantially all of our ordinary shares and options have agreed with the underwriters that, for a period of 180 days after the date of this prospectus (the "lock-up period"), subject to certain exceptions, we and they will not (1) offer, sell, pledge, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition of), directly or indirectly, including the filing (or participation in the filing) with the SEC of a registration statement under the Securities Act to register, any of our shares or any securities convertible into or exercisable or exchangeable for our shares or warrants or other rights to acquire shares of which such officer, director or holder is now, or may in the future become, the beneficial owner (within the meaning of Rule 13d-3 under

the Exchange Act), or (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, directly or indirectly, any of the economic benefits or risks of ownership of such shares, securities, warrants or other rights to acquire shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of our shares or other securities, in cash or otherwise, or (3) publicly disclose the intention to enter into any transaction described in clause (1) or (2) above, except with the prior written consent of the representatives.

In addition, with respect to any release or waiver of the foregoing restrictions granted to one of our officers or directors, the representatives, on behalf of the underwriters, have agreed to notify us at least three business days before the effective date of such release or waiver, and we have agreed to announce the impending release or waiver by issuing a press release through a major news service at least two business days before the effective date of the release or waiver.

The restrictions above do not apply to the following:

- transfers of securities as a *bona fide* gift;
- transfers or dispositions of securities to any trust for the direct or indirect benefit of the lock-up signatory or any member of the immediate family of the lock-up signatory;
- transfers or dispositions of securities to affiliates (within the meaning set forth in Rule 405 under the Securities Act), limited partners, general partners, limited liability company members or shareholders;
- transfers of securities by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of the lock-up signatory;
- transfers or dispositions of securities to satisfy tax withholding obligations upon exercise or vesting of options or equity awards;
- transfers of securities made by operation of law (including pursuant to divorce settlements);
- the exercise of options, warrants, restricted share or restricted share units granted pursuant to our equity incentive plans and outstanding on the date of this prospectus;
- transactions relating to securities acquired in this offering or in open market transactions after the final prospectus for this offering (*provided* that (i) the lock-up signatory is not a director or officer of the Company and (ii) any issuer-directed securities the lock-up signatory may purchase in this offering are excluded from this exception);
- transfers of securities made in connection with a *bona fide* third party tender offer;
- entry into any trading plan established pursuant to Rule 10b5-1 under the Exchange Act;
- transfers of securities to us in connection with the termination of the employment (or other service relationship) of the lock-up signatory; or
- transfers of securities to by the lock-up signatory to its investment manager or advisor with discretionary authority over the lock-up signatory's investments;

provided, *however*, that

- in the case of transfers or distributions made pursuant to the first, second, third, fourth, sixth, and tenth bullets above, it will be a condition of such transfer or disposition that the transferee agrees to be bound in writing by the restrictions set forth above;
- in the case of transfers or dispositions made pursuant to the first, second, third, fourth, sixth, ninth and tenth bullets above, such transfer shall not involve a disposition for value;
- in the case of transfers or distributions made pursuant to the first, second, third, fourth, fifth, seventh, eighth, and tenth bullets above, no filing by any party under the Exchange Act or other public announcement shall be required or made voluntarily during the lock-up period, other than

(x) filings made on a Form 5 made after the expiration of the lock-up period, and (y) a required filing on Schedule 13A, 13G or Form 13F if the lock-up signatory is not a director or officer of the Company, so long as such required filing includes a reasonably detailed explanation of such transfer or disposition; and

- in the case of transfers or dispositions made pursuant to the tenth bullet above, such trading plan does not provide for any sales or other dispositions of securities subject to the foregoing restrictions during the lock-up period, and no public announcement or filing under the Exchange Act or otherwise is made by or on behalf of the lock-up signatory or the Company regarding the establishment of, or sales under, such plan during the lock-up period, other than a required filing on Schedule 13D, Schedule 13G or Form 13F under the Exchange Act, if the lock-up signatory is not an officer or director of the Company, so long as such required filing includes a statement to the effect that no transfers will be made during the lock-up period.

In the event that a release is granted by the representatives to any shareholder who is a party to a lock-up agreement, other than the lock-up signatory, relating to the restrictions set forth above (each, a “release” and, collectively, “releases”), the same percentage of restricted securities held by the lock-up signatory (the “pro-rata release”) shall be immediately, fully and irrevocably released on the same terms from any remaining restrictions set forth above; *provided*, *however*, that such pro-rata release shall not be applied (a) to the extent that the aggregate holding percentage of the restricted securities subject to any such release or releases is less than or equal to 1% of the ordinary shares outstanding prior to completion of this offering (calculated on an as-converted, fully-diluted basis and as of the close of business on the date set forth on the cover page of the final prospectus used to sell the ordinary shares), or (b) in the event of any primary or secondary public offering or sale of ordinary shares that is underwritten (an “underwritten sale”) during the lock-up period set forth above; *provided*, *further*, that to the extent the lock-up signatory has a contractual right to demand or require the registration of the lock-up signatory’s ordinary shares or otherwise “piggyback” on a registration statement filed by the Company for the offer and sale of its ordinary shares, (i) the lock-up signatory shall be offered the opportunity to participate on a pro rata basis consistent with such contractual rights in such underwritten sale and on pricing terms that are no less favorable than the terms of the underwritten sale or (ii) such contractual rights shall have been waived pursuant to the terms thereof; and in the event the underwriters make the determination to cut back the number of securities to be sold by shareholders in the underwritten sale, such cut back shall be on a basis consistent with such contractual rights.

Prior to this offering, there has been no public market for our shares. The initial public offering price will be negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to have our shares listed on The Nasdaq Global Market under the symbol “GMDA.”

In connection with this offering, the underwriters may purchase and sell our shares in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of our shares than they are required to purchase in this offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created

if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of shares made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our ordinary shares, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the shares. As a result, the price of our shares may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on The Nasdaq Global Market, in the over-the-counter market or otherwise.

In connection with this offering, the underwriters may engage in passive market making transactions in the shares on The Nasdaq Global Market in accordance with Rule 103 of Regulation M under the Exchange Act during a period before the commencement of offers or sales of shares and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded. Passive market making may cause the price of our shares to be higher than the price that otherwise would exist in the open market in the absence of those transactions. The underwriters are not required to engage in passive market making and may end passive market making activities at any time.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act and to contribute to payments that the underwriters may be required to make for these liabilities.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of our shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non- financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Offer Restrictions Outside the United States

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the shares offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to this offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Australia

No prospectus or other disclosure document, as defined in the Corporations Act 2001 (“Cth”) of Australia, or Corporations Act, in relation to our shares has been or will be lodged with the Australian Securities & Investments Commission (the “ASIC”). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

  (i) a “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act;

  (ii) a “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

  (iii) a person associated with the company under section 708(12) of the Corporations Act; or

  (iv) a “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance; and

(b) you warrant and agree that you will not offer any of our shares for resale in Australia within 12 months of that security being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Canada

The shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (“NI 33-105”), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

China

The information in this document does not constitute a public offer of the shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors."

European Economic Area

Our shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (or as amended, "MiFID "II), or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the shares or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the shares or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus has been prepared on the basis that any offer of the shares in any Member State of the EEA will be made pursuant to an exemption under the PRIIPs Regulation. This prospectus has been prepared on the basis that any offer of the shares in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the shares. This prospectus is not a prospectus for the purposes of the Prospectus Directive.

MiFID II Product Governance

Any person offering, selling or recommending the shares (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the shares (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Israel

The shares offered by this prospectus have not been approved or disapproved by the Israeli Securities Authority (the "ISA"), nor have such shares been registered for sale in Israel. The shares and warrants may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus. The ISA has not issued permits, approvals or licenses in connection with this offering or publishing the prospectus; nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the shares being offered.

This document does not constitute a prospectus under the Israeli Securities Law and has not been filed with or approved by the ISA. In the State of Israel, this document is being distributed only to, and is directed only at, and any offer of the ordinary shares is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange Ltd., underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Japan

The shares offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant party which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

  securities of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

  – to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such securities of that corporation or such rights and interest in that trust are acquired at a consideration of not less than $200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

  – where no consideration is or will be given for the transfer; or

  – where the transfer is by operation of law.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering material relating to the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA").

This document is personal to the recipient only and not for general circulation in Switzerland.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of Section 85 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) has been published or is intended to be published in respect of the shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of Section 86(7) of FSMA) in the United Kingdom, and the shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances that do not require the publication of a prospectus pursuant to Section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received in connection with the issue or sale of the shares have only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which Section 21(1) of FSMA does not apply to us.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a United Kingdom relevant person should not act or rely on this document or any of its contents.

EXPENSES OF THIS OFFERING

The following table sets forth the costs and expenses, other than the underwriting discount, payable by us in connection with the sale of our ordinary shares being registered. All amounts are estimates except for the SEC registration fee, the FINRA filing fee and The Nasdaq Global Market listing fee.

Item	Amount to be Paid
SEC registration fee	$ *
FINRA filing fee	*
The Nasdaq Global Market listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

LEGAL MATTERS

The validity of the issuance of our ordinary shares offered in this prospectus and certain other matters of Israeli law will be passed upon for us by Meitar Liquornik Geva Leshem Tal, Ramat Gan, Israel. Certain matters of U.S. federal law will be passed upon for us by Cooley LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York with respect to U.S. federal law.

EXPERTS

The consolidated financial statements as of December 31, 2017 and 2016 and for each of the two years in the period ended December 31, 2017 appearing in this Prospectus and Registration Statement have been audited by Kost, Forer, Gabbay & Kasierer, a member of Ernst & Young Global, independent registered public accounting firm, as set forth in their report thereon (which contain an explanatory paragraph describing conditions that raise substantial doubt about the Company's ability to continue as a going concern as described in Note 1c to the Consolidated Financial Statements) appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing. The address of Kost, Forer, Gabbay & Kasierer is Menachem Begin 144, Tel Aviv, Israel.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the State of Israel. Service of process upon us and upon our directors and officers and the Israeli experts named in this prospectus, substantially all of whom reside outside the United States, may be difficult to obtain within the United States. Furthermore, because substantially all of our assets and substantially all of our directors and officers are located outside the United States, any judgment obtained in the United States against us or any of our directors and officers may not be collectible within the United States.

We have irrevocably appointed as our agent to receive service of process in any action against us in any U.S. federal or state court arising out of this offering or any purchase or sale of securities in connection with this offering. The address of our agent is .

We have been informed by our legal counsel in Israel, Meitar Liquornik Geva Leshem Tal, that it may be difficult to initiate an action with respect to U.S. securities law in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws reasoning that Israel is not the most appropriate forum to hear such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact by expert witnesses which can be a time-consuming and costly process. Certain matters of procedure may also be governed by Israeli law.

Subject to certain time limitations and legal procedures, Israeli courts may enforce a U.S. judgment in a civil matter which, subject to certain exceptions, is non-appealable, including judgments based upon the civil liability provisions of the Securities Act and the Exchange Act and including a monetary or compensatory judgment in a non-civil matter, provided that:

- the judgment was rendered by a court which was, according to the laws of the state of the court, competent to render the judgment;
- the obligation imposed by the judgment is enforceable according to the rules relating to the enforceability of judgments in Israel and the substance of the judgment is not contrary to public policy; and
- the judgment is executory in the state in which it was given.

Even if these conditions are met, an Israeli court will not declare a foreign civil judgment enforceable if:

- the judgment was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases);
- the enforcement of the judgment is likely to prejudice the sovereignty or security of the State of Israel;
- the judgment was obtained by fraud;
- the opportunity given to the defendant to bring its arguments and evidence before the court was not reasonable in the opinion of the Israeli court;
- the judgment was rendered by a court not competent to render it according to the laws of private international law as they apply in Israel;
- the judgment is contradictory to another judgment that was given in the same matter between the same parties and that is still valid; or
- at the time the action was brought in the foreign court, a lawsuit in the same matter and between the same parties was pending before a court or tribunal in Israel.

If a foreign judgment is enforced by an Israeli court, it generally will be payable in Israeli currency, which can then be converted into non-Israeli currency and transferred out of Israel. The usual practice in an action before an Israeli court to recover an amount in a non-Israeli currency is for the Israeli court to issue a judgment for the equivalent amount in Israeli currency at the rate of exchange in force on the date of the judgment, but the judgment debtor may make payment in foreign currency. Pending collection, the amount of the judgment of an Israeli court stated in Israeli currency ordinarily will be linked to the Israeli consumer price index plus interest at the annual statutory rate set by Israeli regulations prevailing at the time. Judgment creditors must bear the risk of unfavorable exchange rates.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act relating to this offering of our ordinary shares. This prospectus does not contain all of the information contained in the registration statement. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the registration statement. Statements made in this prospectus concerning the contents of any contract, agreement or other document are summaries of all material information about the documents summarized, but are not complete descriptions of all terms of these documents. If we filed any of these documents as an exhibit to the registration statement, you may read the document itself for a complete description of its terms.

You may read and copy the registration statement, including the related exhibits and schedules, and any document we file with the SEC without charge at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website that contains reports and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are also available to the public through the SEC's website at *http://www.sec.gov*.

Upon completion of this offering, we will be subject to the information reporting requirements of the Exchange Act that are applicable to foreign private issuers, and under those requirements will file reports with the SEC. These other reports or other information may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, although we intend to report our results of operations voluntarily on a quarterly basis.

We maintain a corporate website at *http://www.gamida-cell.com*. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus.

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
To the Shareholders and Board of Directors of
GAMIDA CELL LTD.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Gamida Cell Ltd. (the "Company") and its subsidiary as of December 31, 2017 and 2016, the related consolidated statements of comprehensive income, changes in equity, and cash flows, for each of the two years in the period ended December 31, 2017, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiary at December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2017, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board.

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1c to the consolidated financial statements, the Company has recurring losses from operations, negative cash flows from operating activities, has a net capital deficiency and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1c. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Kost Forer Gabbay & Kasierer
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

We have served as the Company's auditor since 2000.
Tel-Aviv, Israel
September 28, 2018

GAMIDA CELL LTD. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	December 31,	
	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 21,325	$ 18,059
Available-for-sale financial assets	14,758	—
Short-term deposits	5,000	—
Prepaid expenses and other current assets	2,539	377
Total current assets	43,622	18,436
NON-CURRENT ASSETS:		
Property and equipment, net	940	700
Other assets	360	43
Total non-current assets	1,300	743
Total assets	$ 44,922	$ 19,179
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 2,390	$ 926
Accrued expenses and other payables	2,186	972
	4,576	1,898
NON-CURRENT LIABILITIES:		
Liabilities presented at fair value	10,300	461
Employee benefit liabilities, net	200	139
Liability to Israel Innovation Authority (IIA)	6,890	5,718
	17,390	6,318
CONTINGENT LIABILITIES AND COMMITMENTS		
SHAREHOLDERS' EQUITY:		
Share capital -		
Ordinary shares of NIS 0.01 par value - Authorized: 23,277,000 and 18,400,073 shares at December 31, 2017 and 2016, respectively; Issued and outstanding: 689,898 shares at December 31, 2017 and 2016	2	2
Preferred shares of NIS 0.01 par value - Authorized: 16,723,000 and 12,418,837 shares at December 31, 2017 and 2016, respectively; Issued and outstanding: 14,154,743 and 9,880,380 shares at December 31, 2017 and 2016, respectively	38	26
Share premium	139,311	108,250
Capital reserve due to actuarial loss	(79)	(44)
Available for sale reserve	(34)	—
Accumulated deficit	(116,282)	(97,271)
Total shareholders' equity	22,956	10,963
Total liabilities and shareholders' equity	$ 44,922	$ 19,179

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Year ended December 31,	
	2017	2016
Operating expenses:		
Research and development expenses, net	$ 15,018	$ 19,095
General and administrative expenses	4,472	4,614
Operating loss	19,490	23,709
Financial expenses	718	155
Financial income	(1,197)	(1,193)
Net loss	19,011	22,671
Other comprehensive loss:		
Items that will be reclassified subsequently to profit or loss:		
Actuarial net loss of defined benefit plans	35	20
Changes in the fair value of available for sale financial assets	34	—
Total comprehensive loss	$ 19,080	$ 22,691
Net loss per share:		
Basic and diluted net loss per share	$ 27.56	$ 32.86
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	689,898	689,898

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Ordinary shares		Preferred shares						
	Number	Amount	Number	Amount	Share Premium	Available for sale reserve Amount	Capital reserve due to actuarial losses	Accumulated deficit	Total equity
Balance as of January 1, 2016	689,898	$ 2	9,880,380	$ 26	$ 102,408	$ —	$ (24)	$ (74,600)	$ 27,812
Net loss	—	—	—	—	—	—	—	(22,671)	(22,671)
Other comprehensive loss	—	—	—	—	—	—	(20)	—	(20)
Total comprehensive loss	—	—	—	—	—	—	(20)	(22,671)	(22,691)
Share-based compensation	—	—	—	—	5,842	—	—	—	5,842
Balance as of December 31, 2016	689,898	2	9,880,380	26	108,250	$ —	(44)	(97,271)	10,963
Net loss	—	—	—	—	—	—	—	(19,011)	(19,011)
Other comprehensive loss	—	—	—	—	—	(34)	(35)	—	(69)
Total comprehensive loss	—	—	—	—	—	(34)	(35)	(19,011)	(19,080)
Issuance of series F-1 preferred shares, net of issuance costs	—	—	4,274,363	12	28,853	—	—	—	28,865
Share-based compensation	—	—	—	—	2,208	—	—	—	2,208
Balance as of December 31, 2017	689,898	$ 2	14,154,743	$ 38	$ 139,311	$ (34)	$ (79)	$ (116,282)	$ 22,956

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,	
	2017	2016
Cash flows from operating activities:		
Net loss	$ (19,011)	$ (22,671)
Adjustments to reconcile net loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	162	124
Financial (income) expense, net	(330)	92
Cost of share-based compensation	2,208	5,842
Change in employee benefit liabilities, net	26	28
Amortization of premium on available-for-sale financial assets	28	—
Revaluation of financial derivatives	(1,061)	(805)
Revaluation of liability to IIA	(580)	—
Other	—	37
	453	5,318
Changes in asset and liability items:		
(Increase) decrease in other receivables, prepaid expenses and other current assets	(2,210)	13
Increase in trade payables	1,464	297
Increase in accrued expenses and other payables	1,214	131
Decrease in related parties	—	148
Change in liability to IIA	—	4,030
	468	4,619
Cash received during the year for:		
Interest received	330	144
Net cash used in operating activities	(17,760)	(12,590)
Cash flows from investing activities:		
Purchase of property and equipment	(402)	(284)
Purchase of available-for-sale financial assets	(14,820)	—
Investment in bank deposits	(5,000)	—
Proceeds from liquidation of joint venture	—	604
Proceeds from maturity of other assets	—	(9)
Net cash (used in) provided by investing activities	(20,222)	311

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,	
	2017	2016
Cash flows from financing activities:		
Receipt of grants from the IIA	1,483	1,688
Proceeds from issuance of financial derivatives	10,900	—
Proceeds from issuance of shares, net	28,865	—
Net cash provided by financing activities	41,248	1,688
Exchange differences on balances of cash and cash equivalents	—	(92)
Increase (decrease) in cash and cash equivalents	3,266	(10,683)
Cash and cash equivalents at beginning of year	18,059	28,742
Cash and cash equivalents at end of year	$ 21,325	$ 18,059
Significant non-cash transactions:		
IIA liability for grants to be received	$ 269	$ —

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

U.S. dollars in thousands

NOTE 1:- GENERAL

a. Gamida Cell Ltd. (the “Company”), founded in 1998, is a clinical-stage biopharmaceutical company that develops cell therapies designed to cure hematologic malignancies and rare, serious hematologic diseases. While cell therapies have the potential to address a variety of diseases, they are limited by availability of donor cells, matching a donor to the patient, and the decline in donor cell functionality when expanding the cells to achieve a therapeutic dose. The Company has leveraged its nicotinamide-, or NAM-, based cell expansion technology to develop a pipeline of products designed to address the limitations of cell therapies. The Company’s proprietary technology allows for the proliferation of donor cells while maintaining the cells’ functional therapeutic characteristics.

b. The Company’s most advanced product candidate, NiCord, is a NAM-expanded cord blood cell therapy which has the potential to serve as a universal curative stem cell graft for patients who need a hematopoietic stem cell transplant. The Company is currently conducting a pivotal Phase 3 clinical trial in patients with various hematologic malignancies. The Company received Breakthrough Therapy Designation for NiCord in the United States from the U.S. Food and Drug Administration, or the FDA. Furthermore, the Company received orphan drug designation from both the FDA and the European Medicines Agency.

c. The Company is devoting substantially all of its efforts toward research and development activities. In the course of such activities, the Company has sustained operating losses and expects such losses to continue in the foreseeable future. The Company's accumulated deficits as of December 31, 2017 and 2016 are $116,282 and $97,271, respectively, and negative cash flows from operating activities for years ended December 31, 2017 and 2016 are $17,760 and $12,590, respectively. The Company requires additional financing in order to continue to fund its current operations and pay existing and future liabilities. (Refer to Note 8b)

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

d. Definitions:

In these financial statements:

The Company	-	Gamida Cell Ltd. and its subsidiary
Subsidiary	-	Gamida Cell Inc. Incorporated in 2000 and intended to focus on sales and marketing upon product approval.
Joint Venture	-	A type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture (“JV”) as defined in IFRS 11 and is accounted for using the equity method. On August 31, 2016 the shareholders of the JV decided to voluntary liquidate the JV.
Related Parties	-	As defined in IAS 24
Dollar	-	U.S. dollar

NOTE 1:- GENERAL (Cont.)

e. The consolidated financial statements of the Company and its subsidiary for the year ended December 31, 2017 were authorized for issue in accordance with a resolution of the Company's board of directors (the "Board of Directors") on May 31, 2018.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

a. Basis of presentation of the financial statements:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared on a cost basis, except for available for sale financial assets and financial liabilities that have been measured at fair value through profit or loss. The Company has elected to present profit or loss items using the function of expense method.

b. The operating cycle of the Company is one year.

c. Consolidated financial statements:

The consolidated financial statements comprise the financial statements of the Company and its Subsidiary. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing whether an entity has control. The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

The financial statements of the Company and its subsidiary are prepared as of the same dates and periods. The consolidated financial statements are prepared using uniform accounting policies by all companies in the group. Significant intra-group balances, transactions and gains or losses resulting from intra-group are eliminated in full in the consolidated financial statements.

d. Investment in joint arrangements:

Joint arrangements are arrangements in which the Company has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint ventures:

As of December 31, 2017 and 2016 the investment in the joint venture amounted to zero following the decision to liquidate the joint venture's operations.

e. Functional currency, presentation currency and foreign currency:

1. Functional currency and presentation currency:

The presentation currency of the financial statements is the U.S. dollars.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The functional currency is the currency that best reflects the economic environment in which the Company operates and conducts its transactions. Most of the Company costs are incurred in U.S. dollars. In addition, the Company financing activities are incurred in U.S. dollars. The Company's management believes that the functional currency of the Company is the U.S. dollar.

2. Transactions, assets and liabilities in foreign currency:

Transactions denominated in foreign currency are recorded upon initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange rate differences are recognized in profit or loss. Non-monetary assets and liabilities measured at cost in foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

f. Cash equivalents:

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of investment or with a maturity of more than three months, but which are redeemable on demand without penalty and which form part of the Company's cash management.

g. Short-term deposits:

Short-term bank deposits are deposits with an original maturity of more than three months from the date of investment and which do not meet the definition of cash equivalents. The deposits are presented according to their terms of deposit.

h. Property and equipment:

Property, plant and equipment are measured at cost, including directly attributable costs, less accumulated depreciation, accumulated impairment losses and any related investment grants and excluding day-to-day servicing expenses.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%
Machinery	15
Office furniture and equipment	6 - 33
Leasehold improvements	(*)

(*) Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including the extension option held by the Company and intended to be exercised) and the expected life of the improvement.

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

i. Research and development costs:

Research expenditures are recognized in profit or loss when incurred. An intangible asset arising from a development project or from the development phase of an internal project is recognized if the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale; the Company's intention to complete the intangible asset and use or sell it; the Company's ability to use or sell the intangible asset; how the intangible asset will generate future economic benefits; the availability of adequate technical, financial and other resources to complete the intangible asset; and the Company's ability to measure reliably the expenditure attributable to the intangible asset during its development. Since the Company development projects are often subject to regulatory approval procedures and other uncertainties, the conditions for the capitalization of costs incurred before receipt of approvals are not normally satisfied and, therefore, development expenditures are recognized in profit or loss when incurred.

j. Impairment of non-financial assets:

The Company evaluates the need to record an impairment of the carrying amount of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years, and its recoverable amount.

During the year ended December 31, 2017 and 2016, the Company did not recognize any impairment of non-financial assets.

k. Government investment grants:

Government grants are recognized when there is reasonable assurance that the grants will be received and the Company will comply with the related conditions.

Government grants received from Israel innovation authority (“IIA”) (formerly, the Office of the Chief Scientist in Israel (“OCS”)) are recognized upon receipt as a liability if future economic benefits are expected from the project that will result in royalty-bearing revenue. If no such economic benefits are expected, the grants are recognized as a reduction of the related research and development expenses. In that event, the royalty obligation is treated as contingent liability in accordance with IAS 37.

At the end of each reporting period, the Company evaluates, based on its best estimate of future sales, whether there is reasonable assurance that the liability recognized, in whole or in part, will not be repaid (since the Company will not be required to pay royalties). If there is such reasonable assurance, the appropriate amount of the liability is derecognized and recorded in profit or loss as a revaluation of research and development expenses.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

If the estimate of future sales indicates that there is no such reasonable assurance, the appropriate amount of the liability that reflects expected future royalty payments is recognized with a corresponding adjustment to financial expenses or income. In December 2016 the Company entered into its phase III for the lead product candidate, NiCord. Consequently, as of December 31, 2017 and 2016, the Company concurred future economic benefits are expected from its research and development project and recorded a liability in the amount of $6,890 and $5,718, respectively, for its entire contingent obligation to IIA.

Grants received from the IIA which are recognized as a liability, are accounted for as forgivable loans, in accordance with IAS 20 (Revised), pursuant to the provisions of IAS 39, “Financial Instruments: Recognition and Measurement”. Accordingly, when the liability for the loan is first recognized, it is measured at fair value using a discount rate that reflects a market rate of interest which on the Company's case was determined to be 25% and 26% for 2017 and 2016, respectively. The difference between the amount of the grants received and the fair value of the liability is accounted for upon recognition of the liability as a government grant and recognized as a reduction of research and development expenses.

For the years ended December 31, 2017 and 2016 no royalties were paid with respect to grants received from the IIA. Payments will be treated as a reduction of the liability.

Grant receivable amounted to $1,578 and $112 as of December 31, 2017 and 2016, respectively and is included in prepaid expenses and other current assets on the statements of financial position.

l. Financial instruments:

1. Investment in marketable securities:

The Company accounts for investment in marketable securities in accordance with IAS 39. Financial assets within the scope of IAS 39 are initially recognized at fair value plus directly attributable transaction costs, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.
After initial recognition, the accounting treatment of financial assets is based on their classification as follows:

a) Financial assets at fair value through profit or loss

b) Held-to-maturity investments

c) Loans and receivables

d) Available-for-sale financial assets

The Company classifies all of its marketable securities as available-for-sale. Available-for-sale financial assets are (non-derivative) financial assets that are designated as available for sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses from fair value adjustments, except for interest, exchange rate differences that relate to debt instruments and dividends from an equity instrument, are recognized in other comprehensive income. When the investment is disposed of or in case of impairment, the other comprehensive income (loss) is transferred to profit or loss.

Marketable securities as of December 31, 2017 includes corporate and government debentures with no significant premium or discount. The investment in marketable securities, which are classified as available-for-sale is considered level 2 measurement.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

2. Financial liabilities:

   Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables net of directly attribute transaction costs. The Company's financial liabilities include trade and other payables and warrants to shareholders.

   The 'fixed for fixed' criteria is not applied for the aforementioned warrants to shareholders and therefore such warrants are measured at each balance sheet date at their fair value. Gains or losses are recognized in profit or loss.

   a) Derecognition:

      A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

   b) Offsetting of financial instruments:

      Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3. Fair value:

   Fair value is 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. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

   The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

   All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

   The carrying amounts of cash and cash equivalents, marketable securities, other receivables, short-term deposits, prepaid expenses and other current assets, trade payables and accrued expenses and other payables approximate their fair value due to the short-term maturity of such instruments. Regarding fair value of the liability to IIA, refer to note 2k above.

4. Issue of a unit of securities:

   The issue of a unit of securities involves the allocation of the proceeds received (before issuance expenses) to the components of the securities issued in the unit based on the following order: financial derivatives and other financial instruments measured at fair value in each period. Then fair value is determined for financial liabilities and compound instruments that are presented at amortized cost. The proceeds allocated to equity instruments are the residual amount. Issue costs are allocated to each component pro rata to the amounts determined for each component in the unit.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

m. Provisions:

A provision in accordance with IAS 37 is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

n. Operating leases:

Lease agreements are classified as an operating lease if they do not transfer substantially all the risks and benefits incidental to ownership of the leased asset. Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

o. Share-based payment transactions:

The Company's employees and other service providers are entitled to remuneration in the form of equity-settled share-based payment transactions.

Equity-settled transactions:

The cost of equity-settled transactions with employees is measured at the fair value of the equity instruments granted at grant date. The fair value is determined using an acceptable option pricing model.

With respect to other service providers, the cost of the transactions is measured at the fair value of the goods or services received as consideration for equity instruments. In cases where the fair value of the goods or services received as consideration of equity instruments cannot be measured, it is measured by reference to the fair value of the equity instruments granted.

The cost of equity-settled transactions is recognized in profit or loss, together with a corresponding increase in equity, during the period which the performance and/or service conditions are to be satisfied, ending on the date on which the relevant employees become fully entitled to the award (the “Vesting Period”).

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether the market condition is satisfied, provided that all other vesting conditions are satisfied.

p. Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

q. Employee benefit liabilities:

The Company has several employee benefit plans:

1. Short-term employee benefits:

Short-term employee benefits are benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. These benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and are recognized as expenses as the services are rendered.

2. Post-employment benefits:

The plans are normally financed by contributions to insurance companies and classified as defined benefit plan.

The Company operates a defined benefit plan in respect of severance pay pursuant to the Severance Pay Law,1963 (the “Law”). According to the Law, employees are entitled to severance pay upon dismissal or retirement. The liability for termination of employment is measured using the projected unit credit method. The amounts are presented based on discounted expected future cash flows using a discount rate determined by reference to yields on Government bonds.

In respect of its severance pay obligation to certain of its employees, the Company makes current deposits in pension funds and insurance companies (the “Plan Assets”). Plan Assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies. Plan Assets are not available to the Company's own creditors and cannot be returned directly to the Company.

Actuarial gains and losses are recognized in other comprehensive income or (loss) retrospectively in the period in which they occur.

r. Reclassification:

The Company has reclassifies certain amounts from prior periods to conform to current period presentations. Consolidated statement of financial position, net income or shareholders’ equity were not affected in any of the periods presented.

NOTE 3:- SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUPMTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The key assumptions made in the financial statements concerning uncertainties at the end of the reporting period and the critical estimates computed by the Company that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Government grants:

Government grants received from the IIA at the Ministry of Industry, Trade and Labor are recognized as a liability if future economic benefits are expected from the research and development activity that will result in royalty-bearing revenue. There is uncertainty regarding the estimated future cash flows and the estimated discount rate used to measure the amortized cost of the liability.

NOTE 3:- SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUPMTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (Cont.)

- Determining the fair value of an unquoted financial liabilities:

  The fair value of unquoted financial liabilities in Level 3 of the fair value hierarchy is determined using valuation techniques including projected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. Changes in estimated projected cash flows and estimated discount rates, after consideration of risk factors such as liquidity risk, credit risk and volatility, are liable to affect the fair value of these liabilities.

NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION

a. IFRS 9, “Financial Instruments”:

In July 2014, the IASB issued the final and complete version of IFRS 9, “Financial Instruments” (“IFRS 9”), which replaces IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 mainly focuses on the classification and measurement of financial assets and it applies to all assets in the scope of IAS 39.

According to IFRS 9, all financial assets are measured at fair value upon initial recognition. In subsequent periods, debt instruments are measured at amortized cost only if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect the contractual cash flows.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

IFRS 9 also includes a new model for measurement of impairment of financial assets.

Subsequent measurement of all other debt instruments and financial assets should be at fair value. IFRS 9 establishes a distinction between debt instruments to be measured at fair value through profit or loss and debt instruments to be measured at fair value through other comprehensive income.

According to IFRS 9, the provisions of IAS 39 will continue to apply to derecognition and to financial liabilities for which the fair value option has not been elected.

IFRS 9 also prescribes new hedge accounting requirements.

IFRS 9 is to be applied for annual periods beginning on January 1, 2018.

Under IFRS 9 the measurement of the Company's available for sale assets is similar to the accounting treatment according to IAS 39 and the effect of the expected credit loss model associated with the available for sale assets is immaterial. Therefore, the Company believes that the adoption of IFRS 9 is not expected to have a material impact on the financial statements.

b. IFRS 16, “Leases”:

In January 2016, the IASB issued IFRS 16, “Leases” (the “new Standard”). According to the new Standard, a lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

U.S. dollars in thousands

NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION (Cont.)

According to the new Standard:

- Lessees are required to recognize an asset and a corresponding liability in the statement of financial position in respect of all leases (except in certain cases) similar to the accounting treatment of finance leases according to the existing IAS 17, “Leases”.
- Lessees are required to initially recognize a lease liability for the obligation to make lease payments and a corresponding right-of-use asset. Lessees will also recognize interest and depreciation expense separately.
- The accounting treatment by lessors remains substantially unchanged, namely classification of a lease as a finance lease or an operating lease.

The new Standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that IFRS 15, “Revenue from Contracts with Customers”, is applied concurrently.

For leases existing at the date of transition, the new Standard permits lessees to use either a full retrospective approach, or a modified retrospective approach, with certain transition relief whereby restatement of comparative data is not required.

The Company is evaluating the possible effects of the new Standard. Since the Company's lease contracts are significant, the Company estimates that the adoption of the new Standard will have a material impact on the Company's assets and liabilities. However, at this stage, the Company is unable to quantify the impact on the financial statements. Regarding future minimal lease payments refer to Note 9a.

NOTE 5:- CASH AND CASH EQUIVALENTS

	December 31,	
	2017	2016
Cash for immediate withdrawal	$ 3,316	$ 3,039
Cash equivalents - short-term deposits(1)	18,009	15,020
	$ 21,325	$ 18,059

(1) The cash equivalents are short-term bank deposits denominated in USD and bear interest at an average annual rate of 1.50% and 1.083% as of December 31, 2017 and 2016, respectively.

U.S. dollars in thousands

NOTE 6:- PROPERTY AND EQUIPMENT, NET

Composition and movement:

2017:

	Machinery	Office furniture and equipment	Leasehold improvements	Project in process	Total
Cost:					
Balance at January 1, 2017	$ 1,902	$ 369	$ 943	$ —	$ 3,214
Additions	279	27	49	47	402
Balance at December 31, 2017	2,181	396	992	47	3,616
Accumulated depreciation:					
Balance at January 1, 2017	1,433	292	789	—	2,514
Depreciation	125	16	21	—	162
Balance at December 31, 2017	1,558	308	810	—	2,676
Property and equipment, net at December 31, 2017	$ 623	$ 88	$ 182	$ 47	$ 940

2016:

	Machinery	Office furniture and equipment	Leasehold improvements	Total
Cost:				
Balance at January 1, 2016	$ 1,760	$ 359	$ 811	$ 2,930
Additions	142	10	132	284
Balance at December 31, 2016	1,902	369	943	3,214
Accumulated depreciation:				
Balance at January 1, 2016	1,332	278	780	2,390
Depreciation	101	14	9	124
Balance at December 31, 2016	1,433	292	789	2,514
Property and equipment, net at December 31, 2016	$ 469	$ 77	$ 154	$ 700

NOTE 7:- ACCRUED EXPENSES AND OTHER PAYABLES

	December 31,	
	2017	2016
Employees and payroll accruals	$ 508	$ 448
Accrued expenses	1,514	440
Institutions	164	84
	$ 2,186	$ 972

NOTE 8:- LIABILITIES PRESENTED AT FAIR VALUE

a. Warrants to purchase Preferred E-2 shares:

On January 2, 2014, in connection with the share purchase agreement, the Company issued to the investors 316,593 Preferred E-2 shares of the Company, nominal value NIS 0.01 each, at a price per share of $9.16.

In addition, the Company granted to such investors 158,296 warrants to purchase the same amount of additional Preferred E2 shares of the Company, nominal value NIS 0.01, at an exercise price of $9.16. The warrants may be exercised, in part or in whole, from time to time, during the period from the Effective Date until the earlier of (i) January 14, 2017, or (ii) immediately prior to the consummation of an IPO or Deemed Liquidation, whichever comes first. In May 2015, 13,100 warrants were exercised for total consideration of $120. On January 14, 2017, the remaining warrants expired.

The aforesaid warrants to purchase Preferred E-2 shares were subject to non-standard anti-dilution protection provisions and cashless exercise mechanism and therefore accounted for as a financial liability which was measured at fair value through profit or loss.

b. Warrants to purchase Preferred F-2 shares:

On June 18, 2017, the Company signed a Series F Preferred Share Purchase Agreement (“SPA”) with existing and new investors. According to the SPA and upon the closing that occurred on July 9, 2017, the Company issued 4,274,363 Preferred F-1 shares, nominal value NIS 0.01 each, at $9.44 per share, accompanied by the issuance of warrants to purchase 2,564,619 Preferred F-2 shares, nominal value NIS 0.01, with an exercise price of $11.33 per share, in exchange for an aggregate proceeds of $40,350. The issuance costs in amount of $585 associated with the equity transaction have been charged directly to the consolidated statements of changes in equity and the issuance costs associated with the issuance of the warrants in amount of $216 have been charged directly to the statement of comprehensive income.

According to the SPA the warrants to purchase Preferred F-2 Shares are subject to conversion ratio to be adjusted as defined in the SPA and to non-standard anti-dilution protection provisions and cashless exercise mechanism. As of December 31, 2017, the fair value of the financial liabilities derivatives amounted to $10,300.

The Company measured the fair value of the warrants by using Option Pricing Method utilized in a Monte Carlo simulation model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected time until liquidation. Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected time until liquidation is the period in which liquidation event will occurred subject to the Company's expectations. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends.

U.S. dollars in thousands

NOTE 8:- LIABILITIES PRESENTED AT FAIR VALUE (Cont.)

c. Warrants to purchase Preferred shares:

	December 31,	
	2017	2016
	Preferred F-2 shares	Preferred E-2 shares
Risk-free interest rate	1.5%	1%
Expected volatility	90%	90%
Expected life (in years)	5	0
Expected dividend yield	0	0

d. Changes in the fair value of warrants classified as Level 3 in the fair value hierarchy:

	Fair value of warrants E-2	Fair value of financial derivatives	Total warrants presented at fair value
Balance at January 1, 2016	$ 1,266	$ —	$ 1,266
Revaluation of financial derivatives	(805)	—	(805)
Balance at December 31, 2016	461	—	461
Proceeds from issue of financial derivatives	—	10,900	10,900
Revaluation of financial derivatives	(461)	(600)	(1,061)
Balance at December 31, 2017	$ —	$ 10,300	$ 10,300

e. Description of significant unobservable inputs to valuation:

	December 31,	
	2017	2016
	Preferred F-2 shares	Preferred E-2 shares
Sensitivity to changes in inputs:		
Gain (loss) from change:		
10% increase in volatility	$ 720	$ 15
10% decrease in volatility	$ (750)	$ (12)
Gain (loss) from change:		
1% increase in discount rate	$ (1,040)	$ —
1% decrease in discount rate	$ (1,290)	$ —

U.S. dollars in thousands

NOTE 9:- CONTINGENT LIABILITIES AND COMMITMENTS

a. The Company has entered into commercial real estate lease agreements which consist of the office building and production plant. The leases are under non-cancellable terms and mature over 2.5-10 years. In December 2017, the Company signed on lease agreement for production plant which be effective upon fulfillment of suspending condition as described in the lease agreement.

The future minimum lease fees payable as of December 31, 2017 are as follows:

First year	$	887
Second through fifth years		2,887
After fifth year		3,268
	$	7,042

b. The Company rents vehicles under an operating lease agreement, for a fixed monthly fee of $13. The leases are under non-cancellable terms and mature over 1-3 years.

c. The Company is obligated to pay royalties to the Government of Israel through the IIA at the rates of 3% to 3.5% on sales proceeds from products developed through the grants received from the IIA. The maximum amount of royalties payable to the Government of Israel is limited to 100% of the grants received, linked to the dollar and bearing interest at the LIBOR rate. The obligation to pay these royalties is contingent on actual sales of the products and in the absence of such sales, no payment is required. The Company expects to incur sales that will trigger payments of royalties starting 2020. As of December 31, 2017, the Company's aggregate contingent obligations for payments to IIA, based on royalty-bearing participation received or accrued amounted to $30,751 (including interest of $5,425).

As of December 31, 2017 and December 31, 2016, the Company recorded liability to the Government of Israel in the amount of $6,890 and $5,718, respectively. The Fair value of the liability to the Government of Israel approximates its carrying amount.

NOTE 10:- SHAREHOLDERS' EQUITY

a. Composition of share capital:

	December 31, 2017		December 31, 2016	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares			
Ordinary share of NIS 0.01 par value	22,007,000	549,990	15,500,000	549,990
Ordinary B share of NIS 0.01 par value	140,000	139,908	1,400,073	139,908
Ordinary C share of NIS 0.01 par value	1,130,000	—	1,500,000	—
	23,277,000	689,898	18,400,073	689,898

U.S. dollars in thousands

NOTE 10:- SHAREHOLDERS' EQUITY (Cont.)

	December 31, 2017		December 31, 2016	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
	Number of shares			
Series Preferred A share of NIS 0.01 par value	600,000	600,000	600,000	600,000
Series Preferred B share of NIS 0.01 par value	1,454,000	1,453,846	1,547,170	1,453,846
Series Preferred C share of NIS 0.01 par value	2,828,000	2,827,430	2,971,667	2,827,430
Series Preferred D share of NIS 0.01 par value	3,405,000	3,404,314	3,500,000	3,404,314
Series Preferred E1 share of NIS 0.01 par value	572,000	571,478	600,000	571,478
Series Preferred E2 share of NIS 0.01 par value	1,024,000	1,023,312	3,200,000	1,023,312
Series Preferred F1 share of NIS 0.01 par value	4,275,000	4,274,363	—	—
Series Preferred F2 share of NIS 0.01 par value	2,565,000	—	—	—
	16,723,000	14,154,743	12,418,837	9,880,380

b. Rights attached to the shares:

1. Ordinary shares:

Subject to the Articles of Association (the “AOA”) the holders of Ordinary shares have the right to receive notices to attend and vote in general meetings of the Company's shareholders, and the right to share in dividends and other distributions and upon liquidation or Deemed Liquidation (as defined below) subject to and after full payment of the distribution/liquidation preferences of all Preferred shares and Ordinary C shares.

Subject to the AOA, the Ordinary B shares confer on the holders thereof substantially all rights accruing to holders of Ordinary shares in the Company, provided however, that until the initial Public Offering (the “IPO”), Ordinary B shares shall not entitle the holders thereof to attend or vote in general meetings of the Company's shareholders. Upon the IPO or conversion of all preferred shares, all Ordinary B shares shall convert into Ordinary shares.

Subject to the AOA, the Ordinary C shares confer on the holders thereof substantially all rights accruing to holders of Ordinary shares in the Company, provided however, that until an IPO, Ordinary C shares shall not entitle the holders thereof to attend or vote in general meetings of the Company's shareholders, and provided further that the Ordinary C shares also confer the rights set forth in the AOA to receive certain portions of the respective distribution/liquidation preference amounts which may otherwise be receivable by the holders of Preferred shares (other than Preferred F-1 shares and Preferred F-2 shares) (but no portion of any other preference amounts which may be receivable by the holders of Preferred F-1 shares, Preferred F-2 shares or any other existing or future class of shares) in the event of dividends and other distributions and upon liquidation or Deemed Liquidation. Upon the IPO or conversion of all preferred shares, all Ordinary C shares shall convert into Ordinary shares.

NOTE 10:- SHAREHOLDERS' EQUITY (Cont.)

2. Preferred shares:

The holders of Preferred shares are entitled to the same rights, preferences and privileges conferred by the Ordinary shares and in addition the following rights:

Conversion rights - Each Preferred share shall be convertible at the option of the respective holder, at any time after the date of issuance of such share, or at the election of a certain majority set forth in the AOA, into such number of Ordinary share as is determined by dividing its then applicable original issue price by its then applicable conversion price, which conversion ratio is subject to adjustment upon the occurrence of certain recapitalization events and pursuant to the anti-dilution provisions referred to below.

Anti dilution protection - The conversion price of each series of Preferred shares (except Preferred A shares) shall be reduced, concurrently with issuance of additional shares (as defined in the AOA) that is made without consideration or for a consideration per share less than the applicable conversion price of such series of Preferred shares in effect immediately prior to such issue, based on a broad based weighted average anti dilution formula. In addition, the respective conversion ratios of the Preferred F-1 shares and the Preferred F-2 shares are also subject to non-standard anti-dilution protection provisions.

Dividend - The holders of Preferred shares shall be entitled to participate in the distribution of dividends by the Company in accordance with the distribution preference rights of each such series of Preferred shares.

Liquidation preference - In the event of voluntary or involuntary winding up, liquidation or dissolution, distribution or consummation of merger, consolidation, reorganization or sale of substantially all of the Company's shares or assets that meet certain characteristics, and certain other events listed in the AOA (the “Deemed Liquidation”), the holders of Preferred shares shall be entitled to receive (subject to the respective distribution preferences determined in the AOA) the respective amount per share set forth in the AOA.

On February 28, 2017, the Company's shareholders approved a reduction of part of the accumulated distribution/liquidation preference related to all Preferred shares (other than the Preferred F-1 and F-2 shares, which did not exist at that time) and Ordinary C shares upon occurrence of certain events.

As of December 31, 2017 and 2016, the aggregate liquidation preference amounted $76,823 and $180,141, respectively.

Preemptive rights - Until the earlier of the consummation of a IPO or a Deemed Liquidation, each holder of Preferred shares holding at least one and half percent of the issued and outstanding share capital of the Company on a fully diluted and as converted basis, shall have the right of preemption to purchase its pro-rata share (with an overallotment right) of all new securities (as defined in the AOA) that the Company may, from time to time, propose to issue.

Subject to the rights, preferences and privileges aforementioned the Preferred shares were classified as part of the Company's shareholders' equity under IAS 32.

U.S. dollars in thousands

NOTE 11:- SHARE-BASED PAYMENT

a. Expenses recognized in the consolidated financial statements:

	Year ended December 31,	
	2017	2016
Equity-settled share-based payment plans		
Research and development expenses, net	$ 1,362	$ 3,195
General and administrative expenses	846	2,647
Total expense arising from share-based payment transactions	$ 2,208	$ 5,842

On November 23, 2014, the Company's Board approved subject to the approval of the shareholders to create a new class of shares of the Company, Ordinary C shares, nominal value NIS 0.01 each and to classify 1,500,000 Ordinary shares for such class, 1,152,044 out of which for allocation to the Company's employees under the new amended 2014 Israel Share Option Plan (“2014 Plan”). The 2014 Plan was adopted in accordance with the amended sections 102 and 3(i) of Israel's Income Tax Ordinance. The exercise price of the options granted under the plans may not be less than the nominal value of the shares into which the options are exercised. The options vest primarily over three years. Any options, which are forfeited or not exercised before expiration, become available for future grants.

There are no cash settlement alternatives. On December 29, 2014, the Company's shareholders meeting ratified and approved the aforesaid decisions.

On January 23, 2017, the Company's Board of Directors approved the Company's 2017 Share incentive Plan (the “2017 Plan”), and the subsequent grant of options to the Company's employees, officers and directors. Pursuant to the Plan, the Company initially reserved for issuance 312,687 Ordinary shares, nominal value NIS 0.01 each. Contemporaneously, the Company's Board of Directors approved the termination of the Company’s 2014 Plan and the extension of the exercise period of the outstanding options to Ordinary C shares to expire on January 2020 instead of January 2018. There was no material impact on the financial statements, with respect to the Company's 2014 plan extension. On February 28, 2017, the Company's shareholders approved the 2017 Plan.

On June 26, 2017 and on December 28, 2017, the Company’s Board of Directors approved the reservation of additional 463,384 and 559,764 Ordinary shares, respectively, for issuance under the 2017 Plan (totaling an aggregate of 1,338,015 Ordinary Shares).

The Company estimates the fair value of stock options granted using the Binominal option-pricing model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected option term.

Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected term of the options granted is derived from output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends.

U.S. dollars in thousands

NOTE 11:- SHARE-BASED PAYMENT (Cont.)

The following table lists the inputs to the binomial model used for the fair value measurement of equity-settled share options for the above plan for years 2017 and 2016:

	Year ended December 31,	
	2017	2016
Dividend yield (%)	0	0
Expected volatility of the share prices (%)	89%-94%	71%-94%
Risk-free interest rate (%)	1.76-2.4	0.3
Expected life of share options (years)	5.5	0.8-1.5
Share price	$5.00	$13.4

Based on the above inputs, the fair value of the options was determined at $3.64 - $5.19 at the grant dates during 2016 and 2017.

b. Movement during the year:

	2017		2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		USD		USD
Outstanding at beginning of year	1,129,003	0.25	1,143,665	0.25
Granted during the year	1,338,015	3.99	—	—
Forfeited during the year	—	—	(14,662)	—
Share options outstanding at end of year	2,467,018	2.28	1,129,003	0.25
Share options exercisable at end of year	1,379,075	0.60	800,823	0.25

c. As of December 31, 2017, there are $3,676 of total unrecognized company cost related to non-vested share based compensation that are expected to be recognized over a period of up to 4 years.

NOTE 12:- TAXES ON INCOME

a. Tax rates applicable to the income of the Company:

1) Corporate Tax rates:

Taxable income of the Israeli parent is subject to the Israeli corporate tax at the rate of 24% in 2017 and 25% in 2016.

In December 2016, the Israeli Parliament approved the Economic Efficiency Law (Legislative Amendments for Applying the Economic Policy for the 2017 and 2018 Budget Years), 5777-2016, which reduces the corporate income tax rate to 24% (instead of 25%) effective from January 1, 2017 and to 23% effective from January 1, 2018.

Non-Israeli subsidiary are taxed according to the tax laws in their respective countries of residence.

NOTE 12:- TAXES ON INCOME (Cont.)

2) Income subject to tax benefits under the Law for the Encouragement of Capital Investments, 1959 (the "Law"):

The Law for Encouragement of Capital Investments, 1959 (the "Investment Law") provides tax benefits for Israeli companies meeting certain requirements and criteria. The Investment Law has undergone certain amendments and reforms in recent years.

The Israeli parliament enacted a reform to the Investment Law, effective January 2011. According to the reform, a flat rate tax applies to companies eligible for the "Preferred Enterprise" status. In order to be eligible for Preferred Enterprise status, a company must meet minimum requirements to establish that it contributes to the country's economic growth and is a competitive factor for the gross domestic product.

The Company's Israeli operations elected "Preferred Enterprise" status, starting in 2017.

Benefits granted to a Preferred Enterprise include reduced tax rates. In peripheral regions (Development Area A) the reduced tax rate was 9% in 2016. As part of Economic Efficiency Law (Legislative Amendments for Accomplishment of Budgetary Targets for Budget Years 2017-2018), 5777-2016, the tax rate for Area A will be 7.5% in 2017 onwards. In other regions the tax rate is 16%. Preferred Enterprises in peripheral regions will be eligible for Investment Center grants, as well as the applicable reduced tax rates.

b. The Law for the Encouragement of Industry (Taxation), 1969:

The Company has the status of an "industrial company", under this law. According to this status and by virtue of regulations published thereunder, the Company is entitled to claim a deduction of accelerated depreciation on equipment used in industrial activities, as determined in the regulations issued under the Inflationary Law. The Company is also entitled to amortize a patent or a patent or knowhow usage right that are used in the enterprise's development or promotion, to deduct listed share issuance expenses and to file consolidated financial statements under certain conditions.

c. Losses carryforward:

The Company has net operating losses and capital loss for tax purposes as of December 31, 2017, in the amount of $74,240 and $429, respectively, which may be carried forward and offset against taxable income in the future for an indefinite period.

As of December 31, 2017, the Company's U.S. subsidiary has a net operating loss carry-forward of $1,100.

d. Final tax assessments:

The Company's tax assessments through the 2012 tax year are considered final.

e. Deferred taxes:

The Company did not recognize deferred tax assets in the Company's consolidated financial statements for the years ended December 31, 2017 and 2016 for carryforward losses and other temporary differences because their utilization in the foreseeable future is not probable.

U.S. dollars in thousands

NOTE 13:- SELECTED STATEMENTS OF COMPREHENSIVE INCOME DATA

a. Research and development expenses, net:

	Year ended December 31,	
	2017	2016
Salaries and social benefits	$ 3,795	$ 2,774
Share-based payment	1,362	3,195
Subcontractors	9,617	8,150
Materials	1,677	2,232
Rent and maintenance	486	364
Travel and trade shows	346	507
Depreciation	142	124
Other	—	61
Less royalty bearing grants	(2,407)	(4,030)
Reversal of grants received in prior years to related liability	—	5,718
Total research and development expenses, net	$ 15,018	$ 19,095

b. General and administrative expenses:

	Year ended December 31,	
	2017	2016
Salaries and social benefits	$ 1,870	$ 924
Share-based payment	846	2,647
Professional services	1,467	843
Rent and maintenance	83	138
Other	206	62
Total general and administrative expenses	$ 4,472	$ 4,614

c. Finance expenses:

	Year ended December 31,	
	2017	2016
Brokerage and additional marketable security fees	$ 24	$ —
Revaluation of IIA liability	631	—
Bank charges, interest expense and other fees	30	23
Foreign currency translation adjustments	33	132
Total finance expenses	$ 718	$ 155

U.S. dollars in thousands

NOTE 13:- SELECTED STATEMENTS OF COMPREHENSIVE INCOME DATA (Cont.)

d. Finance income:

	Year ended December 31,	
	2017	2016
Interest income	$ 330	$ 163
Revaluation of warrants at fair value	845	805
Foreign currency translation adjustments	22	225
Total finance income	$ 1,197	$ 1,193

NOTE 14:- RELATED PARTY TRANSACTIONS

Benefits to key executive personnel:

	December 31,	
	2017	2016
Short-term benefits	$ 1,578	$ 987
Other long-term benefits	569	61
Share-based payment	1,689	4,842
	$ 3,836	$ 5,890

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GAMIDA CELL LTD. AND ITS SUBSIDIARY

INDEX TO INTERIM FINANCIAL STATEMENTS

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	June 30, 2018	June 30, 2017	December 31, 2017
	Unaudited		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 19,004	$ 9,803	$ 21,325
Available-for-sale financial assets	9,632	—	14,758
Short-term deposits	—	—	5,000
Prepaid expenses and other current assets	1,525	1,706	2,539
Total current assets	30,161	11,509	43,622
NON-CURRENT ASSETS:			
Property and equipment, net	1,546	840	940
Other assets	1,141	197	360
Total non-current assets	2,687	1,037	1,300
Total assets	$ 32,848	$ 12,546	$ 44,922

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	June 30,		December 31,
	2018	2017	2017
	Unaudited		
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Trade payables	$ 1,158	$ 1,026	$ 2,390
Accrued expenses and other payables	4,057	1,326	2,186
Total current liabilities	5,215	2,352	4,576
NON-CURRENT LIABILITIES:			
Liabilities presented at fair value	13,700	—	10,300
Employee benefit liabilities, net	217	150	200
Liability to the Israel Innovation Authority	9,753	6,706	6,890
Total non-current liabilities	23,670	6,856	17,390
SHAREHOLDERS' EQUITY:			
Share capital -			
Ordinary shares of NIS 0.01 par value - Authorized: 23,277,000 shares at June 30, 2018 and December 31, 2017 and 18,400,073 shares at June 30, 2017; issued and outstanding: 689,898 shares at June 30, 2018 and 2017 and December 31, 2017	2	2	2
Preferred shares of NIS 0.01 par value - Authorized: 16,723,000 shares at June 30, 2018 and December 31, 2017 and 12,418,837 shares at June 30, 2017; issued and outstanding: 14,154,743 shares at June 30, 2018 and December 31, 2017 and 9,880,380 shares at June 30, 2017	38	26	38
Share premium	140,934	109,949	139,311
Capital reserve due to actuarial gains	(79)	(44)	(79)
Available-for-sale reserve	(169)	—	(34)
Accumulated deficit	(136,763)	(106,595)	(116,282)
Total shareholders' equity	3,963	3,338	22,956
Total liabilities and shareholders' equity	$ 32,848	$ 12,546	$ 44,922

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				
Operating expenses:					
Research and development, net	$ 12,037	$ 7,341	$ 6,977	$ 2,699	$ 15,018
General and administrative	4,570	1,773	2,917	747	4,472
Operating loss	16,607	9,114	9,894	3,446	19,490
Finance expenses	4,204	775	3,230	365	718
Finance income	(330)	(565)	(34)	(61)	(1,197)
Net loss	20,481	9,324	13,090	3,750	19,011
Other comprehensive loss:					
Items that will be reclassified subsequently to profit or loss:					
Actuarial net loss of defined benefit plans	—	—	—	—	35
Changes in the fair value of available-for-sale financial assets	135	—	86	—	34
Total comprehensive loss	$ 20,616	$ 9,324	$ 13,176	$ 3,750	$ 19,080
Net loss per share:					
Basic and diluted net loss per share	$ 29.69	$ 13.52	$ 18.97	$ 5.44	$ 27.56
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	689,898	689,898	689,898	689,898	689,898

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

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Ordinary shares		Preferred shares						
	Number	Amount	Number	Amount	Share premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total Equity
Balance as of January 1, 2018	689,898	$ 2	14,154,743	$ 38	$139,311	$ (34)	$ (79)	$ (116,282)	$ 22,956
Net loss	—	—	—	—	—	—	—	(20,481)	(20,481)
Other comprehensive loss	—	—	—	—	—	(135)	—	—	(135)
Total comprehensive loss	—	—	—	—	—	(135)	—	(20,481)	(20,616)
Share-based compensation	—	—	—	—	1,623	—	—	—	1,623
Balance as of June 30, 2018 (unaudited)	689,898	$ 2	14,154,743	$ 38	$140,934	$ (169)	$ (79)	$ (136,763)	$ 3,963

	Ordinary shares		Preferred shares					
	Number	Amount	Number	Amount	Share premium	Capital reserve due to actuarial losses	Accumulated deficit	Total Equity
Balance as of January 1, 2017	689,898	$ 2	9,880,380	$ 26	$ 108,250	$ (44)	$ (97,271)	$ 10,963
Net loss	—	—	—	—	—	—	(9,324)	(9,324)
Total comprehensive loss	—	—	—	—	—	—	(9,324)	(9,324)
Share-based compensation	—	—	—	—	1,699	—	—	1,699
Balance as of June 30, 2017 (unaudited)	689,898	$ 2	9,880,380	$ 26	$ 109,949	$ (44)	$ (106,595)	$ 3,338

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Ordinary shares		Preferred shares						
	Number	Amount	Number	Amount	Share premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total Equity
Balance as of April 1, 2018 (unaudited)	689,898	$ 2	14,154,743	$ 38	$140,155	$ (83)	$ (79)	$ (123,673)	$ 16,360
Net loss	—	—	—	—	—	—	—	(13,090)	(13,090)
Other comprehensive loss	—	—	—	—	—	(86)	—	—	(86)
Total comprehensive loss	—	—	—	—	—	(86)	—	(13,090)	(13,176)
Share-based compensation	—	—	—	—	779	—	—	—	779
Balance as of June 30, 2018 (unaudited)	689,898	$ 2	14,154,743	$ 38	$140,934	$ (169)	$ (79)	$ (136,763)	$ 3,963

	Ordinary shares		Preferred shares					
	Number	Amount	Number	Amount	Share premium	Capital reserve due to actuarial losses	Accumulated deficit	Total Equity
Balance as of April 1, 2017 (unaudited)	689,898	$ 2	9,880,380	$ 26	$ 109,535	$ (44)	$ (102,845)	$ 6,674
Net loss	—	—	—	—	—	—	(3,750)	(3,750)
Total comprehensive loss	—	—	—	—	—	—	(3,750)	(3,750)
Share-based compensation	—	—	—	—	414	—	—	414
Balance as of June 30, 2017 (unaudited)	689,898	$ 2	9,880,380	$ 26	$ 109,535	$ (44)	$ (106,595)	$ 3,338

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Ordinary shares		Preferred shares						
	Number	Amount	Number	Amount	Share premium	Available-for-sale reserve	Capital reserve due to actuarial losses	Accumulated deficit	Total Equity
Balance as of January 1, 2017	689,898	$ 2	9,880,380	$ 26	$108,250	$ —	$ (44)	$ (97,271)	$ 10,963
Net loss	—	—	—	—	—	—	—	(19,011)	(19,011)
Other comprehensive loss	—	—	—	—	—	(34)	(35)	—	(69)
Total comprehensive loss	—	—	—	—	—	(34)	(35)	(19,011)	(19,080)
Issuance of series F-1 Preferred shares, net of issuance costs	—	—	4,274,363	12	28,853	—	—	—	28,865
Share-based compensation	—	—	—	—	2,208	—	—	—	2,208
Balance as of December 31, 2017	689,898	$ 2	14,154,743	$ 38	$139,311	$ (34)	$ (79)	$ (116,282)	$ 22,956

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				
Cash flows from operating activities:					
Net loss	$ (20,481)	$ (9,324)	$ (13,090)	$ (3,750)	$ (19,011)
Adjustments to reconcile net loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	97	68	48	29	162
Financial (income) expenses, net	(375)	5	(362)	10	(330)
Cost of share-based compensation	1,623	1,699	779	414	2,208
Change in employee benefit liabilities, net	17	11	33	6	26
Amortization of premium on available-for-sale financial assets	(9)	—	(90)	—	28
Revaluation of financial derivatives	3,400	(461)	3,000	—	(1,061)
Revaluation of liability to the IIA	2,600	722	2,188	323	(580)
	7,353	2,044	5,596	782	453
Changes in asset and liability items:					
Increase in other receivables, prepaid expenses and other current assets and other assets	(365)	(1,083)	(465)	(1,244)	(2,210)
Increase (decrease) in trade payables	(1,232)	100	306	19	1,464
Increase in accrued expenses and other payables	1,080	204	820	200	1,214
	(517)	(779)	661	(1,025)	468
Cash received during the period for:					
Interest received	391	20	378	—	330
Net cash used in operating activities	(13,254)	(8,039)	(6,455)	(3,993)	(17,760)
Cash flows from investing activities:					
Purchase of property and equipment	(703)	(208)	(472)	(166)	(402)
Purchase of of available-for-sale financial assets		—	—	—	(14,820)
Proceed from sale of available-for-sale financial assets	4,984	—	—	—	—
(Investment in) proceeds from bank deposits	5,000	—	—	—	(5,000)
Investment in other assets	—	(4)	—	(4)	—
Net cash provided by (used in) investing activities	9,281	(212)	(472)	(170)	(20,222)

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

GAMIDA CELL LTD. AND ITS SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				
Cash flows from financing activities:					
Receipt of grants from the IIA	1,653	—	—	—	1,483
Proceeds from issuance of financial derivatives	—	—	—	—	10,900
Proceeds from issuance of shares, net	—	—	—	—	28,865
Net cash provided by financing activities	1,653	—	—	—	41,248
Exchange differences on balances of cash and cash equivalents	—	(5)	—	(10)	—
Increase (decrease) in cash and cash equivalents	(2,321)	(8,256)	(6,927)	(4,173)	3,266
Cash and cash equivalents at beginning of period	21,325	18,059	25,931	13,976	18,059
Cash and cash equivalents at end of period	$ 19,004	$ 9,803	$ 19,004	$ 9,803	$ 21,325
Supplemental disclosure of non-cash financing activities:					
Issuance expenses on credit	$ —	$ (150)	$ —	$ (150)	$ —
Significant non-cash transactions:					
IIA liability for grants to be received	$ 264	$ —	$ 133	$ —	$ 269
Increase in other assets on credit	$ (791)	$ —	$ (791)	$ —	$ —

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

U.S. dollars in thousands

NOTE 1:- GENERAL

a. Gamida Cell Ltd. (the "Company"), founded in 1998, is a clinical-stage biopharmaceutical company that develops cell therapies designed to cure hematologic malignancies and rare, serious hematologic diseases. While cell therapies have the potential to address a variety of diseases, they are limited by availability of donor cells, matching a donor to the patient, and the decline in donor cell functionality when expanding the cells to achieve a therapeutic dose. The Company has leveraged its nicotinamide-, or NAM-, based cell expansion technology to develop a pipeline of products designed to address the limitations of cell therapies. The Company's proprietary technology allows for the proliferation of donor cells while maintaining the cells' functional therapeutic characteristics.

b. The Company's most advanced product candidate, NiCord, is a NAM-expanded cord blood cell therapy which has the potential to serve as a universal curative stem cell graft for patients who need a hematopoietic stem cell transplant. The Company is currently conducting a pivotal Phase 3 clinical trial in patients with various hematologic malignancies. The Company received Breakthrough Therapy Designation for NiCord in the United States from the U.S. Food and Drug Administration, or the FDA. Furthermore, the Company received orphan drug designation from both the FDA and the European Medicines Agency.

c. The Company is devoting substantially all of its efforts toward research and development activities. In the course of such activities, the Company has sustained operating losses and expects such losses to continue in the foreseeable future. The Company's accumulated deficit as of June 30, 2018 is $136,763 and negative cash flows from operating activities during the period is $13,254. The Company requires additional financing in order to continue to fund its current operations and pay existing and future liabilities.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities that would result if the Company was unable to continue as a going concern.

d. Definitions:

In these financial statements:

The Company	-	Gamida Cell Ltd. and its subsidiary
Subsidiary		Gamida Cell Inc. Incorporated in 2000 and intended to focus on sales and marketing upon product approval.
Related Parties	-	As defined in IAS 24
Dollar	-	U.S. dollar

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited interim consolidated financial statements for the six and three months periods ended June 30, 2018 and 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting" for interim financial information.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as of December 31, 2017 and their accompanying disclosures.

U.S. dollars in thousands

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The interim consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full year ending December 31, 2018.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2017, exept for the initial application of IFRS 9 "Financial Instruments".

IFRS 9, "Financial Instruments":

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("IFRS 9"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 mainly focuses on the classification and measurement of financial assets and it applies to all assets in the scope of IAS 39.

According to IFRS 9, all financial assets are measured at fair value upon initial recognition. In subsequent periods, debt instruments are measured at amortized cost only if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect the contractual cash flows.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

IFRS 9 also includes a new model for measurement of impairment of financial assets.

Subsequent measurement of all other debt instruments and financial assets should be at fair value. IFRS 9 establishes a distinction between debt instruments to be measured at fair value through profit or loss and debt instruments to be measured at fair value through other comprehensive income.

Financial assets that are equity instruments should be measured in subsequent periods at fair value and the changes recognized in profit or loss or in other comprehensive income (loss), in accordance with the election by the Company on an instrument-by-instrument basis. If equity instruments are held for trading, they should be measured at fair value through profit or loss.

According to IFRS 9, the provisions of IAS 39 will continue to apply to derecognition and to financial liabilities for which the fair value option has not been elected.

According to IFRS 9, changes in the fair value of financial liabilities which are attributable to the change in credit risk should be presented in other comprehensive income. All other changes in fair value should be presented in profit or loss.

IFRS 9 also prescribes new hedge accounting requirements.

IFRS 9 is applied for annual periods beginning on January 1, 2018.

The Company adopted IFRS 9 on January 1, 2018. There was no impact on the consolidated financial statements.

U.S. dollars in thousands

NOTE 3:- SHARE-BASED PAYMENT

a. The total compensation cost related to all of the Company's equity-based awards, recognized during the presented periods was comprised as follows:

	Six months ended June 30,		Three months ended June 30,		Year ended December 31,
	2018	2017	2018	2017	2017
	Unaudited				
Research and development	$ 627	$ 1,049	$ 145	$ 291	$ 1,362
General and administrative	996	650	634	123	846
	$ 1,623	$ 1,699	$ 779	$ 414	$ 2,208

The Company estimates the fair value of stock options granted using the Binominal option-pricing model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected option term.

Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected term of the options granted is derived from output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends.

The following table lists the inputs to the binomial model used for the fair value measurement of equity-settled share options for the above plan for the following periods:

	Six months ended June 30,		December 31,
	2018	2017	2017
	Unaudited		
Dividend yield (%)	0	0	0
Expected volatility of the share prices (%)	89%-94%	90%	89%-94%
Risk-free interest rate (%)	2.28-3	0.79-2.03	0.79-2.4

Based on the above inputs, the fair value of the options was determined at $3.07 - $5.82 at the grant dates during 2017 and the first six months of 2018.

U.S. dollars in thousands

NOTE 3:- SHARE-BASED PAYMENT (Cont.)

b. Movement during the periods:

	Six months ended June 30,				Year ended December 31,	
	2018		2017		2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		USD		USD		USD
Outstanding at beginning of period	2,467,018	2.28	1,129,003	0.25	1,129,003	0.25
Granted during the period	401,921	4.9	314,867	2.57	1,338,015	3.99
Forfeited during the period	(9,692)	0.25	—	—	—	—
Share options outstanding at end of period	2,859,247	2.65	1,443,870	0.76	2,467,018	2.28
Share options exercisable at end of period	1,664,152	1.08	1,365,575	0.56	1,379,075	0.60

As of June 30, 2018, there is $ 4,874 of total unrecognized Company cost related to non-vested share based compensation that is expected to be recognized over a period of up to 3.82 years.

NOTE 4:- LIABILITIES PRESENTED AT FAIR VALUE

a. Warrants to purchase Preferred F-2 shares:

The Company measured the fair value of the warrants by using Option Pricing Method utilized in a Monte Carlo simulation model. The option-pricing model requires a number of assumptions, of which the most significant are the expected stock price volatility and the expected time until liquidation. Expected volatility was calculated based upon historical volatilities of similar entities in the related sector index. The expected time until liquidation is the period in which liquidation event will occurred subject to the Company's expectations. The risk-free interest rate is based on the yield from U.S. treasury bonds with an equivalent term. The Company has historically not paid dividends and has no foreseeable plans to pay dividends.

	Six months ended June 30,		December 31,
	2018	2017	2017
	Unaudited		
Risk-free interest rate	2.5%	—	1.5%
Expected volatility	90%	—	90%
Expected life (in years)	2	—	5
Expected dividend yield	0	—	0

U.S. dollars in thousands

NOTE 4:- LIABILITIES PRESENTED AT FAIR VALUE (Cont.)

b. Changes in the fair value of warrants are classified as Level 3 in the fair value hierarchy:

	Fair value of financial derivatives
Balance at December 31, 2017	$ 10,300
Revaluation of financial derivatives	3,400
Balance at June 30, 2018	$ 13,700

Ordinary Shares

Gamida Cell Ltd.

PRELIMINARY PROSPECTUS

BMO Capital Markets

RBC Capital Markets

Needham & Company

Oppenheimer & Co.

, 2018

Through and including , 2018 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6: Indemnification of Directors, Officers and Employees

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. A company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of the duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our amended and restated articles of association include such a provision. An Israeli company may not exculpate a director from liability arising out of a breach of the duty of care with respect to a dividend or distribution to shareholders.

Under the Companies Law and the Securities Law, 5738—1968, or the Securities Law, a company may indemnify an office holder in respect of the following liabilities, payments and expenses incurred for acts performed as an office holder, either pursuant to an undertaking made in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- a monetary liability incurred by or imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such undertaking must be limited to certain events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the foreseen events and described above amount or criteria;
- reasonable litigation expenses, including reasonable attorneys' fees, incurred by the office holder as (1) a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; or (2) in connection with a monetary sanction; a monetary liability imposed on him or her in favor of an injured party at an Administrative Procedure (as defined below) pursuant to Section 52(54)(a)(1)(a) of the Securities Law;
- expenses incurred by an office holder in connection with an Administrative Procedure under the Securities Law, including reasonable litigation expenses and reasonable attorneys' fees; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent.

"Administrative Procedure" is defined as a procedure pursuant to chapters H3 (Monetary Sanction by the Israeli Securities Authority), H4 (Administrative Enforcement Procedures of the Administrative Enforcement Committee) or I1 (Arrangement to prevent Procedures or Interruption of procedures subject to conditions) to the Securities Law.

Under the Companies Law and the Securities Law, a company may insure an office holder against the following liabilities incurred for acts performed by him or her as an office holder if and to the extent provided in the company's articles of association:

- a breach of duty of care to the company or to a third party, to the extent such a breach arises out of the negligent conduct of the office holder;
- a breach of duty of loyalty to the company, provided that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;

- a monetary liability imposed on the office holder in favor of a third party;
- a monetary liability imposed on the office holder in favor of an injured party at an Administrative Procedure pursuant to Section 52(54)(a)(1)(a) of the Securities Law; and
- expenses incurred by an office holder in connection with an Administrative Procedure, including reasonable litigation expenses and reasonable attorneys' fees.

Under the Companies Law, a company may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to the company to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation committee and the board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders. See "Management — Board Practices — Fiduciary duties and approval of specified related party transactions under Israeli law."

Our amended and restated articles of association permit us to, exculpate, indemnify and insure our office holders as permitted under the Companies Law. Our office holders are currently covered by a directors and officers' liability insurance policy. As of the date of this registration statement, no claims for directors' and officers' liability insurance have been filed under this policy, we are not aware of any pending or threatened litigation or proceeding involving any of our directors or officers in which indemnification is sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

We have entered into agreements with each of our current office holders exculpating them from a breach of their duty of care to us to the fullest extent permitted by law, subject to limited exceptions, and undertaking to indemnify them to the fullest extent permitted by law, subject to limited exceptions, including, with respect to liabilities resulting from this offering, to the extent that these liabilities are not covered by insurance. This indemnification is limited, with respect to any monetary liability imposed in favor of a third party, to events determined as foreseeable by the board of directors based on our activities. The maximum amount set forth in such agreements is (1) with respect to indemnification in connection with a public offering of our securities, the gross proceeds raised by us and/or any selling shareholder in such public offering, and (2) with respect to all permitted indemnification, the greater of (a) an amount equal to % of our shareholders' equity on a consolidated basis, based on our most recent financial statements made publicly available before the date on which the indemnity payment is made and (b) $ million. Each office holder who agrees to receive this letter of indemnification also gives his approval to the termination of all previous letters of indemnification that we have provided to him or her in the past, if any. In the opinion of the SEC, however, indemnification of office holders for liabilities arising under the Securities Act is against public policy and therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities.

Set forth below are the sales of all securities of the registrant sold by the registrant within the past three years (i.e., since January 1, 2015, up to the date of this registration statement) which were not registered under the Securities Act

- In October 2015, following the execution of an investment agreement, we issued a total of 286,396 Series C Preferred Shares to Novartis Pharma A.G. for an aggregate investment amount of $5,000,000.

- In June 2017, following the execution of the Series F Preferred Share Purchase Agreement, we issued a total of 4,274,363 Preferred F-1 Shares and warrants to purchase up to 2,564,619 Preferred F-2 Shares for an aggregate investment amount of $40,350,000.
- We granted share options to employees, directors and consultants under our 2014 Israeli Share Option Plan and 2017 Share Incentive Plan, covering an aggregate of Ordinary C Shares and Ordinary Shares, with exercise prices ranging from $ to $ per share. As of the date of this registration statement, of these options have been forfeited and cancelled without being exercised.

We claimed exemption from registration under the Securities Act for these issuances described above under Section 4(a)(2) or Regulation S promulgated under the Securities Act, as well as, with respect to grants of share options, under Rule 701 of the Securities Act as transactions pursuant to written compensatory plans or pursuant to a written contract relating to compensation.

No underwriters were employed in connection with the securities issuances set forth in this Item 7.

Item 8. Exhibits and Financial Statement Schedules.

(a) Exhibits. See the Exhibit Index attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 9. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

(2) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
1.1*	Form of Underwriting Agreement
3.1	Amended and Restated Articles of Association of the Registrant, as currently in effect
3.2	First Amendment to the Amended and Restated Articles of Association of the Registrant, dated February 5, 2018
3.3*	Form of Articles of Association of the Registrant, to be effective upon the closing of this offering
3.4	Memorandum of Association of the Registrant (unofficial English translation from Hebrew original), as amended on September 14, 2006
4.1	Warrant to purchase Series F-2 Preferred Shares
5.1*	Opinion of Meitar Liquornik Geva Leshem Tal, Israeli counsel to the Registrant, as to the validity of the ordinary shares
10.1*	Form of Amended and Restated Indemnification Agreement
10.2	Employee Share and Option Plan (1998)
10.3	Stock Option Plan (1999)
10.4	2003 Israeli Share Option Plan
10.5	2014 Israeli Share Option Plan
10.6	2017 Share Incentive Plan
10.7	Amended and Restated Investors' Rights Agreement, dated July 3, 2017, among the Registrant and the shareholders named therein
10.8†	Manufacturing Services Agreement, dated February 8, 2016, between the Registrant and Lonza Walkersville, Inc.
10.9	Amendment No. 2 to Manufacturing Services Agreement, dated May 23, 2016, between the Registrant and Lonza Walkersville, Inc.
10.10	Lease Agreement, dated December 13, 2017, by and between the Registrant and Y.D.B. Investments Ltd. (unofficial English translation from Hebrew original)
10.11	Lease Agreement, dated March 14, 2000, as amended on June 5, 2000 and May 30, 2010, by and between the Registrant and Traub Group Investments Ltd. (formerly P.P.D. Diamonds Ltd.) (unofficial English translation from Hebrew original)
21.1	Subsidiaries of the Registrant
23.1	Consent of KOST, FORER, GABBAY & KASIERER, a Member of Ernst & Young Global, Independent Registered Accounting Firm
23.2*	Consent of Meitar Liquornik Geva Leshem Tal (included in Exhibit 5.1)
24.1	Power of Attorney (included in signature pages of Registration Statement)

* To be provided by amendment.

† Confidential treatment has been or will be requested with respect to certain portions of this Exhibit. Omitted portions have been or will be separately filed with the SEC.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Jerusalem, Israel on this 28th day of September, 2018.

GAMIDA CELL LTD.

By: /s/ Julian Adams
Julian Adams, Ph.D.
Director and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Julian Adams and Shai Lankry, and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Julian Adams Julian Adams Ph.D.	Director and Chief Executive Officer (*Principal Executive Officer*)	September 28, 2018
/s/ Shai Lankry Shai Lankry	Chief Financial Officer (*Principal Financial Officer and Principal Accounting Officer*)	September 28, 2018
/s/ Robery I. Blum Robert I. Blum	Chairman	September 28, 2018
/s/ Ofer Gonen Ofer Gonen	Director	September 28, 2018
/s/ Boaz Lifshitz Boaz Lifshitz	Director	September 28, 2018
/s/ Kenneth I. Moch Kenneth I. Moch	Director	September 28, 2018

SIGNATURE	TITLE	DATE
/s/ Michael S. Perry Michael S. Perry	Director	September 28, 2018
Roger Kornberg	Director	
Gamida Cell Inc. By: /s/ Julian Adams Julian Adams Ph.D. *Director and Chief Executive Officer*	AUTHORIZED U.S. REPRESENTATIVE	September 28, 2018

Exhibit 3.1

Amended and Restated Articles of Association
Pursuant to the Companies Law, 5759-1999
of
GAMIDA CELL LTD.

A Private, Limited Liability Company, Registered In Israel

Effective as of July 3, 2017

1. Definition and Interpretation

1.1. The following terms in these Articles of Association shall have the respective meanings ascribed to them below:

"*Affiliate*"	Shall mean, with respect to any person, any Permitted Transferee of such a person (as defined below), and any person that, directly or indirectly, through one or more intermediaries, either alone or through or together with any other Affiliate, controls, is controlled by, or is under common control with, such person.
"*Articles*"	The Articles of Association of the Company, as set forth herein, as may be amended.
"*as-converted basis*"	Shall mean a calculation that assumes the theoretical conversion of all issued and outstanding Preferred Shares into Ordinary Shares, at the then applicable conversion ratios of such Preferred Shares.
"*Bonus Shares*"	As defined in the Companies Law.
"*Board*"	The Board of Directors of the Company.
"*Business Day*"	Sunday to Thursday, inclusive, with the exception of holidays and officials days of rest in the State of Israel.
"*Companies Law*"	The Companies Law, 1999, as may be amended from time to time.
"*Companies Regulations*"	Regulations issued pursuant to the Companies Law.
"*Company*"	Gamida Cell Ltd.
"*control*"	Shall have the meaning ascribed to such term under the Israeli Securities Law of 1968.
"*Conversion Price*"	As defined in Article 5.3.5.1.1.

"*Convertible Securities*"	As defined in Article 5.3.5.6.4 below.
"*Director" or "director*"	A Director of the Company in accordance with the definition of the Companies Law.
"*Distribution*"	As defined in the Companies Law, except for Bonus Shares or share dividend distributed pro-rata on an as-converted basis with respect to all Company's shares then issued and outstanding, and payable in additional Ordinary Shares (or other securities or rights convertible, exercisable or exchangeable, directly or indirectly, for or into additional Ordinary Shares), and except for repurchase of shares from employees, directors, consultants or service providers to the Company or its subsidiaries (if any) pursuant to any incentive share option plan, arrangement or agreement, in the context of termination of employment or service.
"*Distribution Price*"	Shall mean: (i) US$1.3720 per each Preferred A Share; (ii) US$1.8052 per each Preferred B Share; (iii) US$1.9553 per each Preferred C Share; (iv) US$6.3111 per each Preferred D Share; (v) US$3.1503 per each Preferred E-1 Share; (vi) US$3.7288 per each Preferred E-2 Share; (vii) US$9.44 per each Preferred F-1 Share; and (viii) US$11.33 per each Preferred F-2 Share; in each of cases (i) through (viii), subject to proportional adjustment upon the occurrence of a Recapitalization Event as a result of which the number of outstanding shares of such series of Preferred Shares is proportionately increased or decreased; and in each of cases (vii) and (viii), also subject to adjustment as provided in Article 5.3.5.7 below.
"*Dividend*"	As defined in the Companies Law.
"External Financing"	A financing of the Company in which the Pre-Series F Shareholders invest, in the aggregate, less than 30% of the aggregate amount raised by the Company in such financing, or do not invest at all.
"*Fully Diluted Basis*"	The number of Ordinary Shares issued and outstanding as of the time of applicable calculation, treating for this purpose as outstanding, the maximum number of Ordinary Shares issuable upon exercise, exchange or conversion of all Options and Convertible Securities outstanding as of such time (or, in the case of Convertible Securities and Options therefor, upon conversion or exchange of such Convertible Securities), as set forth in the instrument relating to such Options and Convertible Securities (assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number), while treating as outstanding all shares then reserved for issuance (whether or not Options therefor were allocated) to employees, directors, consultants or service providers of the Company or its subsidiaries (if any) pursuant to any incentive share option plan, arrangement or agreement, regardless of whether or not any Options therefor are then actually outstanding or promised.

"*General Meeting*"	An annual or special meeting of the Shareholders of the Company in accordance with the Companies Law.
"*Law" or "law*"	The provisions of any law ("din") as defined in the Interpretation Law, 1981.
"*IPO*"	The closing of a public offering of the Ordinary Shares of the Company, on the New York Stock Exchange or NASDAQ or other major European stock exchange acceptable to the Board, pursuant to an effective registration statement under the United States Securities Act of 1933 or other applicable securities act or law, as amended.
"*Investors Director*"	Shall mean each Director appointed in accordance with Article 40.2.1 and 40.2.2 below.
"*New Securities*"	As defined in Article 10.5.2.
"*NIS*"	New Israeli Shekels.
"*Non-Liquidity Event*"	Any Deemed Liquidation as a result of which holders of Preferred Shares receive, or the Company receives, equity in a private corporation in consideration for the transaction, other than such a transaction as a result of which all holders of Preferred Shares receive no less than their entire Preference Amounts in cash and/or publicly-traded securities.
"*Novartis*"	Shall mean Novartis Pharma AG.
"*Office*"	Shall mean the registered office of the Company in accordance with Section 123 of the Companies Law.
"*Ordinary Majority*"	More than fifty percent (50%) of the voting power represented by the then issued and outstanding shares of the Company held by the Shareholders who are entitled to vote and who voted in a General Meeting in person or by means of a proxy, excluding abstaining votes.
"*Ordinary Shares*"	Ordinary Shares of the Company, nominal value NIS 0.01 each.

"*Ordinary B Shares*"	Ordinary B Shares of the Company, nominal value NIS 0.01 each.
"*Ordinary C Shares*"	Special Ordinary C Shares of the Company, nominal value NIS 0.01 each.
"*Original Issue Date*"	With respect to each series of Preferred Shares - the date on which a share of such series of Preferred Share was first issued by the Company; provided that with respect to each share of Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares or Preferred E Shares, such term shall mean February 28, 2017.
"*Original Issue Price*"	Shall mean: (i) US$ 3.33 per each Preferred A Share; (ii) US$5.09 per each Preferred B Share; (iii) US$6.6178 per each Preferred C Share; (iv) US$ 9.56 per each Preferred D Share; (v) US$7.33 per each Preferred E-1 Share; (vi) US$9.16 per each Preferred E-2 Share; (vii) US$9.44 per each Preferred F-1 Share, and (viii) US$11.33 per each Preferred F-2 Share; in each of cases (i) through (viii), subject to proportional adjustment upon the occurrence of a Recapitalization Event as a result of which the number of outstanding shares of such series of Preferred Shares is proportionately increased or decreased; and in each of cases (vii) and (viii), also subject to adjustment as provided in Article 5.3.5.7 below.
"*Permitted Transferee*"	All of the following: (A) With respect to any Shareholder who is a natural person - (i) such Shareholder's spouse or lineal descendant; (ii) such Shareholder's transferee by operation of law or by will; (iii) a trustee for the benefit solely of such a Shareholder, its spouse or lineal descendant; (v) with respect to a Shareholder who is a trustee – the Person for the benefit of whom the shares or other securities were held in trust, as disclosed to the Company, or another trustee for the benefit of such Person; (B) With respect to any Shareholder which is a limited partnership or a corporate entity: (i) any corporate entity which controls, is controlled by, or is under common control with, such Shareholder; (ii) in the case of a Shareholder which is a partnership – its partners; (iii) in the case of a Shareholder which is a limited liability company – any of its shareholders (or members, as applicable); (iv) the surviving entity in the merger of such Shareholder with another company, or the entity succeeding to all or substantially all of the assets of such Shareholder, or the entity acquiring all or substantially all of the portfolio of such Shareholder's holdings in technology companies; (v) in a Transfer resulting from the liquidation of a Shareholder - the successors in interest to such liquidated Shareholder; (vi) the limited and general partners of such Shareholder and the limited and general partners of, and any person or entity controlling (either directly or through an entity controlled by such person or entity), such limited or general partners, or (vii) any entity over which such Shareholder or its affiliates exercises investment discretion or acts as a principal investment advisor, (viii) any Affiliate of any of the above managed by the same management company or managing general partner or by an entity which controls, is controlled by, or is under common control with such management company or managing general partner, or any shareholder, partner or member of such Affiliate; (C) as to a transfer by Israel HealthCare Ventures 2 LP Incorporated ("IHCV"), and without derogating from the above, all persons and entities for whom IHCV's management company acts as a manager of their investments.

"*Preferred A Shares*"	Series A Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Preferred B Shares*"	Series B Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Preferred C Shares*"	Series C Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Preferred D Shares*"	Series D Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Preferred E Shares*"	Series E-1 Preferred Shares and Series E-2 Preferred Shares.
"*Preferred F Shares*"	Series F-1 Preferred Shares and Series F-2 Preferred Shares.
"*Preferred Shares*"	Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares, Preferred E Shares and Preferred F Shares.
"*Pre-Series F Shareholders*"	The Shareholders of the Company as of June 15, 2017, and their Permitted Transferees.
"*Qualified IPO*"	An IPO yielding gross proceeds of at least US$30,000,000 at a pre-money valuation of at least US$150,000,000.
"*Qualified Shareholder*"	Any Shareholder (i) holding Shares (other than Incentive Shares) constituting 0.5% or more of the share capital of the Company calculated on a Fully Diluted Basis and/or (ii) solely with respect to Article 10.5 (*Preemptive Rights*) and to the extent relevant Article 18.3 (*Co-Sale Rights*), holding any Preferred F Shares, provided that any such Preferred F shareholder under this clause (ii) which does not also meet the test under clause (i), shall provide a proxy, in a form reasonably acceptable to the Company, to another Qualified Shareholder holding Preferred F Shares, in respect of the exercise of its rights thereunder. "Incentive Shares" means Shares issued pursuant to any share incentive plan or pursuant to an award agreement which is unrelated to investments in the Company and is not granted in consideration for any such investments.

"*Recapitalization Event*"	Any event of share combination or subdivision, share split, reverse share split, share dividend, distribution of Bonus Shares or any other reclassification, reorganization or recapitalization of the Company's share capital or other similar events, in each case, on the basis of a Shareholder's pro-rata share of all outstanding shares of the Company on an as-converted to Ordinary Shares basis.
"*Series E-1 Preferred Shares*"	Series E-1 Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Series E-2 Preferred Shares*"	Series E-2 Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Series F-1 Preferred Shares*"	Series F-1 Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Series F-2 Preferred Shares*"	Series F-2 Preferred Shares of the Company, nominal value NIS 0.01 each.
"*Shareholder*"	Any person or entity registered in the Shareholder Register of the Company as a holder of Ordinary Shares or Preferred Shares.
"*Shareholder Register*"	Shall mean the register of shareholders to be kept in accordance with the Companies Law.
"*Special F Majority*"	Shall mean the holders of a majority of the voting power represented by the then issued and outstanding Preferred F Shares (on an as-converted basis), which majority shall include the holders of at least 60% of the voting power represented by the then issued and outstanding Preferred F Shares (on an as-converted basis) which are held by Shareholders that are not Pre-Series F Shareholders.
"*Strategic Party*"	A party (i) to whom the Company issues (or is deemed by the express provisions of Article 5.3.5.6 to have issued) Additional Shares and (ii) who simultaneously signs a strategic commercial agreement with the Company.
"*Transfer*"	As defined in Article 18 below.

1.2. Any capitalized term used but not otherwise defined in these Articles shall have the meaning ascribed to it in the Companies Law.

1.3. The captions in these Articles are for convenience only and shall not be deemed a part hereof or affect the construction of any provision hereof.

1.4. The specific provisions of these Articles shall supersede the provisions of the Companies Law to the extent permitted under the Companies Law. Unless the subject or the context otherwise requires, each word and expression used but not specifically defined herein and defined in the Companies Law as in effect on the date when these Articles first became effective, shall have the same meaning ascribed to them therein, and to the extent that no meaning is attached to it in the Companies Law, the meaning ascribed to it in the Companies Regulations, and if no meaning is ascribed thereto in the Companies Regulations, the meaning ascribed to it in the Securities Law, 1968 or the regulations promulgated thereunder.

1.5. Words and expressions importing the singular shall include the plural and vice versa, words and expressions importing the masculine gender shall include the feminine gender and words and expressions importing persons shall include corporate entities.

1.6. All shares held (beneficially or of record), at the time of applicable calculation, by Shareholders who are Permitted Transferees of each other, shall be aggregated together for the purpose of determining the availability to such holders of any rights under these Articles, and such rights – to the extent they are determined to be available at such time - may be exercised (up to the maximum extent so determined to be available in the aggregate to all such Shareholders) by any, some or all of such Shareholders who are Permitted Transferees of each other.

2. Private Company

The Company is a private company as defined in the Companies Law, and accordingly:

2.1. Any invitation to the public to subscribe for any shares, Convertible Securities or Options of the Company is hereby prohibited; and

2.2. The right to Transfer shares in the Company shall be restricted as hereinafter provided.

3. The Objects of the Company:

The objects of the Company are:

3.1. to carry out any lawful business or activity.

3.2. to perform any legal activity permitted under any law.

The Company may donate reasonable amounts and/or Options to acquire Ordinary Shares or Convertible Securities (representing up to 1% (one percent) of the Company's issued and outstanding share capital) to worthy purposes, as the Board may determine in its discretion, even if such donations are not made on the basis or within the scope of business considerations of the Company.

4. Limited Liability

The liability of the Shareholders of the Company is limited, each one up to the unpaid portion, if any, of the full amount which was undertaken to be paid to the Company in consideration or upon subscription for the shares held by such Shareholder.

5. Share Capital

5.1. The registered share capital of the Company is NIS 400,000, divided into 22,007,000 Ordinary Shares, 140,000 Ordinary B Shares, 1,130,000 Ordinary C Shares, 600,000 Preferred A Shares, 1,454,000 Preferred B Shares, 2,828,000 Preferred C Shares, 3,405,000 Preferred D Shares, 572,000 Series E-1 Preferred Shares, 1,024,000 Series E-2 Preferred Shares, 4,275,000 Preferred F-1 Shares, and 2,565,000 Preferred F-2 Shares.

5.2. Ordinary Shares; Ordinary B Shares; Ordinary C Shares

5.2.1. Ordinary Shares. The Ordinary Shares shall confer upon the holders thereof all the rights attached to the Ordinary Shares in these Articles, including, without limitation, the rights to receive notices of, and to attend, all General Meetings, to vote thereat with each Ordinary Share held entitling the holder thereof to one vote, to participate and share equally, on a per share basis, in distribution of dividends (subject to the provisions of Article 5.3.1 (*'Dividend Provisions'*)), and to participate and share equally, on a per share basis, in distribution of surplus assets and funds in the Company (subject to the provisions of Article 5.3.2 (*'Distribution Preference'*)) in the event of a voluntary or involuntary winding up, liquidation, dissolution or a Deemed Liquidation (as defined in Article 5.3.2.3 below), and no other rights except as may be expressly provided for herein or mandated under the Companies Law.

5.2.2. Ordinary B Shares. The Ordinary B Shares shall rank pari passu with the Ordinary Shares for all intents and purposes under these Articles, and shall confer upon the holders thereof all the rights attached to the Ordinary Shares in these Articles, including, without limitation, the rights to participate and share equally, on a per share basis, in distribution of dividends (subject to the provisions of Article 5.3.1 (*'Dividend Provisions'*)), and to participate and share equally, on a per share basis, in distribution of surplus assets and funds in the Company (subject to the provisions of Article 5.3.2 (*'Distribution Preference'*)) in the event of a voluntary or involuntary winding up, liquidation, dissolution or a Deemed Liquidation (as defined in Article 5.3.2.3 below), and no other rights except as may be expressly provided for herein or mandated under the Companies Law; provided however, that:

5.2.2.1. The Ordinary B Shares shall not confer upon the holders thereof any rights to receive notices of, and to attend, any General Meetings, nor to vote thereat;

5.2.2.2. Immediately prior to and conditioned upon the consummation of an IPO, or on the date specified in a Mandatory Conversion Notice (as defined in Article 5.3.5.1.2 below), each issued and outstanding Ordinary B Share shall automatically be converted into one issued and outstanding Ordinary Share (and each then outstanding right, option or warrant to subscribe for, purchase or otherwise acquire, directly or indirectly an Ordinary B Share, shall automatically become convertible, exercisable or exchangeable solely for and into one Ordinary Share). The aforesaid automatic conversion shall be deemed to have taken place automatically regardless of whether the certificates representing such shares have been tendered to the Company, but from and after such conversion any such certificates not tendered to the Company shall be deemed to evidence solely the Ordinary Shares received upon such conversion and the right to receive a certificate for such Ordinary Shares. The Company shall, as soon as practicable after conversion and tender of the certificate for the Ordinary B Shares converted, issue and deliver to such holder of such Ordinary B Shares or to the nominee or nominees of such holder of Ordinary B Shares, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid. In the event that the certificate(s) representing the Ordinary B Shares to be converted as aforesaid are not delivered to the Company, then the Company shall not be obligated to issue any certificate(s) representing the Ordinary Shares issued upon such conversion, unless the holder of such Ordinary B Shares notifies the Company in writing that such certificate(s) have been lost, stolen or destroyed;

5.2.2.3. In order to continuously maintain the aforesaid 1:1 conversion ratio of the Ordinary B Shares into Ordinary Shares, the Company shall not subdivide, consolidate or make any other Recapitalization Event in respect of the Ordinary Shares or the Ordinary B Shares, unless the same subdivision, consolidation or other Recapitalization Event is made simultaneously in respect of the Ordinary B Shares or the Ordinary Shares, respectively; it being clarified for the avoidance of doubt that, subject to compliance with this Article 5.2.2.3, effecting such Recapitalization Event or such other event under this Article 5.2.2.3 shall not require any approval of the holders of the Ordinary B Shares;

5.2.2.4. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Ordinary Shares upon conversion of Ordinary B Shares pursuant to this Article 5.2.2. The Company shall not, however, be required to pay any tax which may be payable in respect of any Transfer involved in the issuance and delivery of Ordinary Shares in a name other than that in which the Ordinary B Shares so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid;

5.2.2.5. In the event the Company, at any time or from time to time, shall make or issue, or fix a record date for the determination of holders of Ordinary Shares entitled to receive, a dividend or other distribution payable in securities of the Company (other than distribution of Ordinary Shares or Ordinary B Shares covered by other provisions of these Articles) or in cash or other property (other than distribution of cash out of earnings or earned surplus, determined in accordance with generally accepted accounting principles, covered by other provisions of these Articles), then and in each such event provision shall be made so that the holders of Ordinary B Shares shall receive upon conversion thereof in addition to the number of Ordinary Shares receivable thereupon, the amount of securities of the Company, or the amount of cash or other property, as the case may be, that they would have received had such Ordinary B Shares been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this paragraph with respect to the rights of the holders of such Ordinary B Shares; provided, however, that no such provision shall be made with respect to the Ordinary B Shares if the holders of such Ordinary B Shares simultaneously receive a dividend or other distribution of such securities, or cash or other property, as the case may be, in an amount equal to the amount of such securities, or the amount of cash or other property, as the case may be, as they would have received if all outstanding Ordinary B Shares had been converted into Ordinary Shares on the date of such event.

5.2.2.6. The Company shall reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the then outstanding Ordinary B Shares (and all then outstanding Options and other rights convertible, exchangeable or exercisable into Ordinary B Shares), such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all such outstanding and issuable Ordinary B Shares; and if, as of such time, the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding or issuable Ordinary B Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase the number of its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes.

5.2.3. Ordinary C Shares. The Ordinary C Shares shall rank pari passu with the Ordinary Shares for all intents and purposes under these Articles, and shall confer upon the holders thereof all the rights attached to the Ordinary Shares in these Articles, including, without limitation, the rights to participate and share equally, on a per share basis, in distribution of dividends (subject to the provisions of Article 5.3.1 (*'Dividend Provisions'*)), and to participate and share equally, on a per share basis, in distribution of surplus assets and funds in the Company (subject to the provisions of Article 5.3.2 (*'Distribution Preference'*), including the rights set forth therein to receive certain portions of the respective preference amounts which may otherwise be receivable by the holders of Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares and Preferred E Shares (but no portion of any other preference amounts which may be receivable by the holders of any other existing or future class of shares)) in the event of a voluntary or involuntary winding up, liquidation, dissolution or a Deemed Liquidation (as defined in Article 5.3.2.3 below), and no other rights except as may be expressly provided for herein or mandated under the Companies Law; provided however, that:

5.2.3.1. The Ordinary C Shares shall not confer upon the holders thereof any rights to receive notices of, and to attend, any General Meetings, nor to vote thereat;

5.2.3.2. Immediately prior to and conditioned upon the consummation of an IPO, or on the date specified in a Mandatory Conversion Notice (as defined in Article 5.3.5.1.2 below), each issued and outstanding Ordinary C Share shall automatically be converted into one issued and outstanding Ordinary Share (and each then outstanding right, option or warrant to subscribe for, purchase or otherwise acquire, directly or indirectly an Ordinary C Share, shall automatically become convertible, exercisable or exchangeable solely for and into one Ordinary Share). The aforesaid automatic conversion shall be deemed to have taken place automatically regardless of whether the certificates representing such shares have been tendered to the Company, but from and after such conversion any such certificates not tendered to the Company shall be deemed to evidence solely the Ordinary Shares received upon such conversion and the right to receive a certificate for such Ordinary Shares. The Company shall, as soon as practicable after conversion and tender of the certificate for the Ordinary C Shares converted, issue and deliver to such holder of such Ordinary C Shares or to the nominee or nominees of such holder of Ordinary C Shares, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid. In the event that the certificate(s) representing the Ordinary C Shares to be converted as aforesaid are not delivered to the Company, then the Company shall not be obligated to issue any certificate(s) representing the Ordinary Shares issued upon such conversion, unless the holder of such Ordinary C Shares notifies the Company in writing that such certificate(s) have been lost, stolen or destroyed;

5.2.3.3. In order to continuously maintain the aforesaid 1:1 conversion ratio of the Ordinary C Shares into Ordinary Shares, the Company shall not subdivide, consolidate or make any other Recapitalization Event in respect of the Ordinary Shares or the Ordinary C Shares, unless the same subdivision, consolidation or other Recapitalization Event is made simultaneously in respect of the Ordinary C Shares or the Ordinary Shares, respectively; it being clarified for the avoidance of doubt that, subject to compliance with this Article 5.2.3.3, effecting such Recapitalization Event or such other event under this Article 5.2.3.3 shall not require any approval of the holders of the Ordinary C Shares;

5.2.3.4. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Ordinary Shares upon conversion of Ordinary C Shares pursuant to this Article 5.2.3. The Company shall not, however, be required to pay any tax which may be payable in respect of any Transfer involved in the issuance and delivery of Ordinary Shares in a name other than that in which the Ordinary C Shares so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid;

5.2.3.5. In the event the Company, at any time or from time to time, shall make or issue, or fix a record date for the determination of holders of Ordinary C Shares entitled to receive, a dividend or other distribution payable in securities of the Company (other than distribution of Ordinary Shares or Ordinary C Shares covered by other provisions of these Articles) or in cash or other property (other than distribution of cash out of earnings or earned surplus, determined in accordance with generally accepted accounting principles, covered by other provisions of these Articles), then and in each such event provision shall be made so that the holders of Ordinary C Shares shall receive upon conversion thereof in addition to the number of Ordinary Shares receivable thereupon, the amount of securities of the Company, or the amount of cash or other property, as the case may be, that they would have received had such Ordinary C Shares been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this paragraph with respect to the rights of the holders of such Ordinary C Shares; provided, however, that no such provision shall be made with respect to the Ordinary C Shares if the holders of such Ordinary C Shares simultaneously receive a dividend or other distribution of such securities, or cash or other property, as the case may be, in an amount equal to the amount of such securities, or the amount of cash or other property, as the case may be, as they would have received if all outstanding Ordinary C Shares had been converted into Ordinary Shares on the date of such event.

5.2.3.6. The Company shall reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the then outstanding Ordinary C Shares (and all then outstanding Options and other rights convertible, exchangeable or exercisable into Ordinary C Shares), such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all such outstanding and issuable Ordinary C Shares; and if, as of such time, the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding or issuable Ordinary C Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase the number of its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes.

5.3. Preferred Shares

The Preferred Shares confer upon the holders thereof all rights attached to the Ordinary Shares in these Articles (including, without limitation, the rights to receive notices of, to attend and to vote at, all General Meetings), and, in addition, the rights, preferences and privileges granted to the Preferred Shares in these Articles, and no other rights except as may be expressly provided for herein or mandated under the Companies Law.

5.3.1. Dividend Provisions

The Company shall not declare, pay or set aside any Dividends or make any Distribution, in respect of any class or series of shares of the Company (other than Bonus Shares) unless (in addition to the obtaining of any consents required elsewhere in these Articles) such Dividends or other distributable property distributed in such Distribution, are allocated among the holders of share capital of the Company in accordance with Article 5.3.2 below.

5.3.2. Distribution Preference

5.3.2.1. In the event of (i) the Company's voluntary or involuntary winding up, liquidation or dissolution in accordance with applicable law (each, a "Liquidation"), (ii) the consummation of a Deemed Liquidation (as defined below), or (iii) a Distribution, then, in each such event, the assets or proceeds available under applicable law for distribution among the Shareholders or the Dividends so distributed, as the case may be (the "Distributable Assets"), shall be distributed to the Shareholders in the following order and preference:

5.3.2.1.1. First, each of the holders of Preferred F Shares shall be entitled to receive for each Preferred F Share held by such holder, prior and in preference to any distribution in respect of the Preferred E Shares, the Preferred D Shares, the Preferred C Shares, the Preferred B Shares, the Preferred A Shares, the Ordinary C Shares, the Ordinary B Shares and the Ordinary Shares, an amount equal to the sum of the Distribution Price of such Preferred F Share *less* any amounts previously paid in preference on such Preferred F Share in accordance with this Article 5.3.2.1.1 (the resulting sum under this sub-Article 5.3.2.1.1 - the "Preference F Amount"). In the event that the Distributable Assets are insufficient to pay in full the Preference F Amount in respect of each Preferred F Share then issued and outstanding (in the aggregate, the "Preference F Amounts"), then all of such Distributable Assets shall be distributed among the holders of the Preferred F Shares in proportion to the respective portions of the full Preference F Amounts such holders would otherwise be then entitled to receive under this Article 5.3.2.1.1.

5.3.2.1.2. Second, subject to rights of the Ordinary C Shares as set forth below in this sub-Article 5.3.2.1.2, after payment in full of the Preference F Amounts in respect of all Preferred F Shares then outstanding, each of the holders of Preferred E Shares shall be entitled to receive for each Preferred E Share held by such holder, prior and in preference to any distribution in respect of the Preferred D Shares, the Preferred C Shares, the Preferred B Shares, the Preferred A Shares, the Ordinary B Shares and the Ordinary Shares, an amount equal to the sum of the Distribution Price of such Preferred E Share *less* any amounts previously paid in preference on such Preferred E Share in accordance with this Article 5.3.2.1.2 (the resulting sum under this sub-Article 5.3.2.1.2 - the "Preference E Amount"); *provided*, *however*, that notwithstanding anything herein to the contrary, each of the holders of Ordinary C Shares shall then be entitled to receive for each Ordinary C Share held by such holder an amount, out of the aforesaid aggregate Preference E Amounts that are otherwise to be received by the holders of Preferred E Shares under this sub-Article 5.3.2.1.2, equal to the product of such aggregate Preference E Amounts multiplied by the ratio that such Ordinary C Share bears to the total number of the outstanding shares of the Company as of such date on a Fully Diluted Basis. In the event that the remaining Distributable Assets available for distribution after the payment in full of the Preference F Amounts are insufficient to pay in full the Preference E Amount in respect of each Preferred E Share and Ordinary C Share then issued and outstanding (in the aggregate, the "Preference E Amounts"), then all of such remaining Distributable Assets shall be distributed among the holders of the Preferred E Shares and Ordinary C Shares in proportion to the respective portions of the full Preference E Amounts such holders would otherwise be then entitled to receive under this Article 5.3.2.1.2.

5.3.2.1.3. Third, subject to rights of the Ordinary C Shares as set forth below in this sub-Article 5.3.2.1.3, after payment in full of the Preference F Amounts in respect of all Preferred F Shares then outstanding, and the Preference E Amounts in respect of all Preferred E Shares and Ordinary C Shares then outstanding, each of the holders of Preferred D Shares shall be entitled to receive for each Preferred D Share held by such holder, prior and in preference to any distribution in respect of the Preferred C Shares, the Preferred B Shares, the Preferred A Shares, the Ordinary B Shares and the Ordinary Shares, an amount equal to Distribution Price of such Preferred D Share, *less* any amounts previously paid in preference on such Preferred D Share in accordance with this Article 5.3.2.1.3 (the resulting sum under this sub-Article 5.3.2.1.3 - the "Preference D Amount"); *provided*, *however*, that notwithstanding anything herein to the contrary, each of the holders of Ordinary C Shares shall then be entitled to receive for each Ordinary C Share held by such holder an amount, out of the aforesaid aggregate Preference D Amounts that are otherwise to be received by the holders of Preferred D Shares under this sub-Article 5.3.2.1.3, equal to the product of such aggregate Preference D Amounts multiplied by the ratio that such Ordinary C Share bears to the total number of the outstanding shares of the Company as of such date on a Fully Diluted Basis. In the event that the remaining Distributable Assets available for distribution after the payment in full of the Preference F Amounts and Preference E Amounts, shall be insufficient to pay in full the Preference D Amount in respect of each Preferred D Share and Ordinary C Share then issued and outstanding (in the aggregate, the "Preference D Amounts"), then all of such remaining Distributable Assets, if any, shall be distributed among the holders of the Preferred D Shares and Ordinary C Shares in proportion to the respective portions of the full Preference D Amounts such holders would otherwise then be entitled to receive under this Article 5.3.2.1.3.

5.3.2.1.4. Fourth, subject to rights of the Ordinary C Shares as set forth below in this sub-Article 5.3.2.1.4, after payment in full of the Preference F Amounts, the Preference E Amounts and the Preference D Amounts in respect of all Preferred F Shares, Preferred E Shares, Preferred D Shares and Ordinary C Shares then outstanding, each of the holders of Preferred C Shares shall be entitled to receive for each Preferred C Share held by such holder, prior and in preference to any distribution in respect of the Preferred B Shares, the Preferred A Shares, the Ordinary B Shares and the Ordinary Shares, an amount equal to Distribution Price of such Preferred C Share, *less* any amounts previously paid in preference on such Preferred C Share in accordance with this Article 5.3.2.1.4 (the resulting sum under this sub-Article 5.3.2.1.4 - the "Preference C Amount"); *provided*, *however*, that notwithstanding anything herein to the contrary, each of the holders of Ordinary C Shares shall then be entitled to receive for each Ordinary C Share held by such holder an amount, out of the aforesaid aggregate Preference C Amounts that are otherwise to be received by the holders of Preferred C Shares under this sub-Article 5.3.2.1.4, equal to the product of such aggregate Preference C Amounts multiplied by the ratio that such Ordinary C Share bears to the total number of the outstanding shares of the Company as of such date on a Fully Diluted Basis. In the event that the remaining Distributable Assets available for distribution after the payment in full of the Preference F Amounts, Preference E Amounts and Preference D Amounts, shall be insufficient to pay in full the Preference C Amounts in respect of each Preferred C Share and Ordinary C Share then issued and outstanding (in the aggregate, the "Preference C Amounts"), then all of such remaining Distributable Assets, if any, shall be distributed among the holders of the Preferred C Shares and Ordinary C Shares in proportion to the respective portions of the full Preference C Amounts such holders would otherwise then be entitled to receive under this Article 5.3.2.1.4.

5.3.2.1.5. Fifth, subject to rights of the Ordinary C Shares as set forth below in this sub-Article 5.3.2.1.5, after payment in full of the Preference F Amounts, the Preference E Amounts, the Preference D Amounts and the Preference C Amounts in respect of all Preferred F Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares and Ordinary C Shares then outstanding, each of the holders of Preferred B Shares shall be entitled to receive for each Preferred B Share held by such holder, prior and in preference to any distribution in respect of the Preferred A Shares, the Ordinary B Shares and the Ordinary Shares, an amount equal to the Distribution Price of such Preferred B Share, *less* any amounts previously paid in preference on such Preferred B Share in accordance with this Article 5.3.2.1.5 (the resulting sum under this sub-Article 5.3.2.1.5 - the "Preference B Amount"); *provided*, *however*, that notwithstanding anything herein to the contrary, each of the holders of Ordinary C Shares shall then be entitled to receive for each Ordinary C Share held by such holder an amount, out of the aforesaid aggregate Preference B Amounts that are otherwise to be received by the holders of Preferred B Shares under this sub-Article 5.3.2.1.5, equal to the product of such aggregate Preference B Amounts multiplied by the ratio that such Ordinary C Share bears to the total number of the outstanding shares of the Company as of such date on a Fully Diluted Basis. In the event that the remaining Distributable Assets available for distribution after the payment in full of the Preference F Amounts, Preference E Amounts, the Preference D Amounts and the Preference C Amounts, shall be insufficient to pay in full the Preference B Amounts in respect of each Preferred B Share and Ordinary C Share then issued and outstanding (in the aggregate, the "Preference B Amounts"), then all of such remaining Distributable Assets, if any, shall be distributed among the holders of the Preferred B Shares and Ordinary C Shares in proportion to the respective portions of the full Preference B Amounts such holders would otherwise then be entitled to receive under this Article 5.3.2.1.5.

5.3.2.1.6. Sixth, subject to rights of the Ordinary C Shares as set forth below in this sub-Article 5.3.2.1.6, after payment in full of the Preference F Amounts, the Preference E Amounts, the Preference D Amounts, the Preference C Amounts and the Preference B Amounts in respect of all Preferred F Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B Shares and Ordinary C Shares then outstanding, each of the holders of Preferred A Shares shall be entitled to receive for each Preferred A Share held by such holder, prior and in preference to any distribution in respect of the Ordinary B Shares and the Ordinary Shares, an amount equal to the Distribution Price of such Preferred A Share, *less* any amounts previously paid in preference on such Preferred A Share in accordance with this Article 5.3.2.1.6 (the resulting sum under this sub-Article 5.3.2.1.6 - the "Preference A Amount"); *provided*, *however*, that notwithstanding anything herein to the contrary, each of the holders of Ordinary C Shares shall then be entitled to receive for each Ordinary C Share held by such holder an amount, out of the aforesaid aggregate Preference A Amounts that are otherwise to be received by the holders of Preferred A Shares under this sub-Article 5.3.2.1.6, equal to the product of such aggregate Preference A Amounts multiplied by the ratio that such Ordinary C Share bears to the total number of the outstanding shares of the Company as of such date on a Fully Diluted Basis. In the event that the remaining Distributable Assets available for distribution after the payment in full of the Preference F Amounts, Preference E Amounts, the Preferred D Amounts, the Preference C Amounts and the Preferred B Amounts, shall be insufficient to pay in full the Preference A Amounts in respect of each Preferred A Share and Ordinary C Share then issued and outstanding (in the aggregate, the "Preference A Amounts"), then all of such remaining Distributable Assets, if any, shall be distributed among the holders of the Preferred A Shares and Ordinary C Shares in proportion to the respective portions of the full Preference A Amounts such holders would otherwise then be entitled to receive under this Article 5.3.2.1.6.

Under no circumstances shall the aggregate Preference Amounts payable in respect of the Preferred A Shares, the Preferred B Shares, the Preferred C Shares, the Preferred D Shares and the Preferred E Shares, or (if any) any other Preferred Shares, that are outstanding, or that are underlying Convertible Securities (if any) that are outstanding, as of July 3, 2017, exceed US$ 36,078,000.

5.3.2.1.7. Seventh, after payment in full of the Preference F Amounts, and the Preference E Amounts, the Preference D Amounts, the Preference C Amount, the Preference B Amounts and the Preference A Amounts in respect of all Preferred F Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B Shares, Preferred A Shares and Ordinary C Shares then outstanding, in accordance with Articles 5.3.2.1.1 through 5.3.2.1.6 above (collectively, the "Preference Amounts"), the remaining Distributable Assets, if any, shall be distributed among the holders of Ordinary Shares, Ordinary B Shares, Ordinary C Shares and Preferred Shares on a pro rata, pari passu, and as-converted basis.

5.3.2.2. Allocation of Escrow and Contingent Consideration; Reallocation of Additional Consideration.

(i) In the event of a Deemed Liquidation, if any portion of the consideration payable to the Shareholders is payable by the third party only upon satisfaction of contingencies (the "Additional Consideration"), then (a) the portion of such consideration that is not Additional Consideration (such portion, the "Initial Consideration") shall be allocated among the Shareholders in accordance with Article 5.3.2.1 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation; and (b) any Additional Consideration which becomes payable to the Shareholders upon satisfaction of such contingencies shall be allocated among the Shareholders in accordance with Article 5.3.2.1 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Article 5.3.2.2(i), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation (the "Escrow Amount") shall not be deemed to be Additional Consideration.

(ii) To the extent that the allocation of any Additional Consideration in accordance with Article 5.3.2.2(i) above (each, a "Post-Closing Payment") would result in shares of any series of Preferred Shares being allocated an amount in respect of such Post-Closing Payment which would result in such shares being allocated an aggregate amount (when combined with all amounts previously allocated in respect thereof) under this Article 5.3.2 (the "Cumulative Allocated Amount") which would exceed the aggregate amount such shares were to receive had such portion of Additional Consideration been part of the Initial Consideration (the "Maximum Participation Amount"), then (x) the amount of such Post-Closing Payment that is allocated to such shares shall be reduced to the amount that would result in such shares having been allocated a Cumulative Allocated Amount equal to the Maximum Participation Amount with respect to such shares, and (y) that portion of such Post-Closing Payment that would otherwise be allocated to such shares, but for the operation of this Article 5.3.2.2(ii), shall be reallocated among the other shares of the Company in accordance with Article 5.3.2.1.

To the extent that this Article 5.3.2.2(ii) would require the reallocation of portions of any Post-Closing Payment from the amounts otherwise allocated to more than one series of Preferred Shares, then such adjustments shall be made sequentially, if necessary, such that the limitations in the preceding sentence are not exceeded with respect to any series of Preferred Shares.

5.3.2.3. A "Deemed Liquidation" shall mean any of the following: (a) the merger or consolidation or other reorganization (other than a Recapitalization Event) of the Company with or into any other corporate entity; or (b) a sale or perpetual exclusive license (in any two of the following territories: (i) substantially all of North America, (ii) substantially all countries in Europe, taken as a whole, and (iii) substantially all other countries (i.e. other than North America and Europe), taken as a whole)(a "DL License") or other irrevocable disposition of all or of substantially all of the Company's shares or intellectual property or assets; except, in each case, any such transaction in which the Shareholders of the Company as of immediately prior to such transaction continue to own (solely by virtue of the respective shares and holding proportions each of them owned in the Company as of immediately prior to such transaction) immediately following such transaction, at least a majority, by voting power, of the share capital of (1) (A) in the case of DL License, the licensee, or (B) otherwise, the surviving, acquiring or resulting corporation or (2) if (A) in the case of DL License, the licensee, or (B) otherwise, the surviving, acquiring or resulting corporation is a wholly owned subsidiary of another corporation immediately following such transaction, the parent corporation of such licensee or surviving, acquiring or resulting corporation. In the event of a Deemed Liquidation, the proceeds received by the Company and/or the Shareholders in such Deemed Liquidation shall be distributed pursuant to the provisions of Article 5.3.2.1.

5.3.2.4. Notwithstanding anything to the contrary contained in these Articles (other than Article 5.3.4.1(iv) ('Veto over Non-Liquidity Event')), (i) the holders of a majority of the voting power represented by the then issued and outstanding Preferred Shares on an as-converted basis, consenting or voting together as a single class may waive the treatment of a DL License or a Non-Liquidity Event as a Liquidation, Deemed Liquidation or a Distribution for the purposes of the Distribution Preferences under this Article 5.3.2; and (ii) in addition, the holders of a majority of the voting power of the Preferred Shares (which majority must also include the Special F Majority), consenting or voting together as a single class, may waive treatment, fully or in part, of a transaction as a Liquidation or a Deemed Liquidation or a Distribution in accordance with Article 5.3.2.1, in which case all Distributable Assets shall be distributed pro-rata (treating the Preferred Shares, Ordinary C Shares and Ordinary B Shares on an as-converted basis) among the holders of the Preferred Shares, Ordinary C Shares, Ordinary B Shares and Ordinary Shares on a pari-passu, no preference basis.

5.3.2.5. If the amount deemed paid or distributed under this Article 5.3.2, or any part thereof, is made in property other than in cash, the value of such distribution shall be the fair market value of such property, determined in good faith by the Board.

5.3.3. Voting Rights

Subject to any provision of these Articles conferring special rights as to voting or expressly restricting the right to vote, each holder of Preferred Shares shall have one vote for each Ordinary Share into which the Preferred Shares held by such holder could then be converted (as provided in Article 5.3.5 below), on every resolution without regard to whether the vote thereon is conducted by a show of hands, by written ballot or by any other means. The Preferred Shares shall vote together with the Ordinary Shares of the Company, together as a single class and not as a separate class in all shareholders meetings, except as required by law and by these Articles.

5.3.4. Special Voting Provisions

5.3.4.1. Veto Rights (Preferred Class Majority). Notwithstanding any other provision of these Articles but subject to the provisions of Article 5.3.5.1.2 ('Automatic Conversion'), until the earlier of an IPO and a Deemed Liquidation (or, in the case of the Preferred F Shares, until the consummation of the earlier of a Qualified IPO and a Deemed Liquidation) and in addition to any other vote or consent (if any) required under these Articles or applicable law, the Company shall not:

(i) amend, change or waive, in whole or in part, any of the specific rights, preferences or privileges granted or restrictions imposed under these Articles in respect of any series of the Preferred Shares (including but not limited to (A) with respect to liquidation and other distribution preferences and anti-dilution protection rights, and (B) effecting any conversion of the shares of such series of Preferred Shares into Ordinary Shares and/or any other shares) without the consent or vote of the holders of a majority (or in the case of the Preferred F Shares – the Special F Majority) of the voting power represented by the then issued and outstanding shares of such series of Preferred Shares on an as-converted basis, consenting or voting together as a single class;

(ii) increase the Distribution Price of any Series of Preferred Shares - without the consent or vote of the Special F Majority;

(iii) create or issue any shares or Convertible Securities that are senior or in priority to the Preferred F Shares, except in connection with an External Financing - without the consent or vote of the Special F Majority;

(iv) effect any Deemed Liquidation that is a Non-Liquidity Event - without the consent or vote of the Special F Majority (which consent may be withheld in the absolute discretion thereof including, without limitation, due to an elimination or diminishment of any of their rights as a result of such an event); or

(vii) not amend, change or waive, in whole or in part, any of the specific rights granted under these Articles to the Special F Majority - without the consent or vote of the Special F Majority.

5.3.4.2. Veto Rights (Investors Directors Majority). Notwithstanding any other provision of these Articles and (to the extent applicable) without derogating from the provisions of Article 5.3.4.1 above, until the earlier of an IPO or a Deemed Liquidation and in addition to any other vote or consent (if any) required under these Articles or applicable law, the Company shall not, and shall exercise its control of its subsidiaries in order that such subsidiaries shall not, take any action or adopt any resolution on any of the following matters without the consents of at least a majority of the Investors Directors *(or – except with respect to Sub-Article 5.3.4.2(i) below ('change of business'), in case there is an even number of incumbent Investors Directors - 50% thereof)*:

(i) Any fundamental change in the business of the Company;

(ii) Any transaction out of the ordinary course of business not contemplated by the Company's budget then in effect;

(iii) Issuance of Options other than pursuant to an approved incentive share option plan, arrangement or agreement, or an increase of the aggregate number of Shares reserved for issuance to employees, directors, consultants or service providers of the Company or its subsidiaries (if any) pursuant to any incentive share option plan, arrangement or agreement.

5.3.5. Conversion Rights

5.3.5.1. Right to Convert, Automatic Conversion

5.3.5.1.1. Each Preferred Share shall be convertible at the option of the respective holder thereof, at any time after the date of issuance of such share, at the office of the Company, into such number of Ordinary Shares as is determined by dividing its then applicable Original Issue Price by its then applicable Conversion Price (as defined hereinafter). The conversion price for each Preferred Share *(other than Preferred D Shares)* shall initially be the Original Issue Price of such share, and the conversion price of each Preferred D Share shall initially be US$9.37; and provided further, that (a) the applicable conversion price of each series of Preferred Shares (i) shall be subject to proportional adjustment upon the occurrence of any Recapitalization Event as a result of which the number of outstanding shares of such series of Preferred Shares is proportionately increased or decreased, and (ii) shall be subject to adjustment pursuant to the anti-dilution provisions (other than the Preferred A Shares) and the other adjustment provisions set forth below in this Article 5.3.5, and (b) the applicable conversion price of each series of Preferred F Shares shall be subject to adjustment pursuant to the provisions set forth in Article 5.3.5.7 below (the initial conversion price of a Preferred Share, as may be adjusted pursuant to the provisions of these Articles, the "Conversion Price").

5.3.5.1.2. Anything in these Articles to the contrary notwithstanding, upon the earlier of: (i) without derogating from any adjustment that may be applicable upon such Qualified IPO pursuant to the provisions of Article 5.3.5.7 (*Price Protection – Preferred F Shares*) - immediately prior to and conditioned upon the consummation of a Qualified IPO; or (ii) the date specified in a written consent of the holders of at least a majority of voting power represented by the then issued and outstanding Preferred Shares (voting together as one class, on an as-converted basis) (the "Mandatory Conversion Notice"), including the consent of the holders of at least a majority (or, in the case of the Preferred F Shares – the Special F Majority) of each of the series of Preferred Shares (other than the Series A Preferred Shares) then outstanding, delivered to the Company, all issued and outstanding Preferred Shares shall automatically be converted into such number of issued and outstanding Ordinary Shares as is determined by dividing the then applicable Original Issue Price by the then applicable Conversion Price of each such series of Preferred Shares (and all then outstanding rights, options or warrants to subscribe for, purchase or otherwise acquire, directly or indirectly, Preferred Shares, shall automatically become convertible, exercisable or exchangeable solely for and into such number of Ordinary Shares as is determined by dividing the then applicable Original Issue Price by the then applicable Conversion Price of the series of Preferred Shares underlying such rights, options or warrants).

5.3.5.1.3. Without derogating from any other conversion provisions set out herein, upon the date specified in a written consent of the holders of at least a majority (or, in the case of the Preferred F Shares – the Special F Majority) of the voting power represented by the then issued and outstanding shares of a certain series of Preferred Shares (i.e. Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares, Preferred E Shares or Preferred F Shares) (with the shares of such series of Preferred Shares voting together as one class, on an as-converted basis), delivered to the Company, all issued and outstanding shares of such series of Preferred Shares shall automatically be converted into such number of issued and outstanding Ordinary Shares as is determined by dividing the then applicable Original Issue Price by the then applicable Conversion Price of such series of Preferred Shares (and all then outstanding rights, options or warrants to subscribe for, purchase or otherwise acquire, directly or indirectly, shares of such series of Preferred Shares, shall automatically become convertible, exercisable or exchangeable solely for and into such number of Ordinary Shares as is determined by dividing the then applicable Original Issue Price by the then applicable Conversion Price of the series of Preferred Shares underlying such rights, options or warrants).

5.3.5.2. Mechanics of Conversion; Effect; Taxes

5.3.5.2.1. Before any holder of Preferred Shares shall be entitled to convert the same into Ordinary Shares, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company, and (in the case of a conversion at the option of the holder) shall give written notice to the Company of the election to convert the same and shall state therein the name or names of any nominee for such holder in which the certificate or certificates for Ordinary Shares are to be issued. In the case of a conversion at the option of the holder, such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate representing the Preferred Shares to be converted, and the person or persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares as of such date. If the conversion is in connection with an IPO of the shares of the Company, the conversion may, at the option of any holder tendering the Preferred Shares for conversion, be conditioned upon the closing of the sale of securities pursuant to such IPO, in which event the person(s) entitled to receive the Ordinary Shares issuable upon such conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such offer of securities. If the conversion is in connection with an IPO or any automatic conversion pursuant to Article 5.3.5.1 above, then the conversion shall be deemed to have taken place automatically regardless of whether the certificates representing such shares have been tendered to the Company, but from and after such conversion any such certificates not tendered to the Company shall be deemed to evidence solely the Ordinary Shares received upon such conversion and the right to receive a certificate for such Ordinary Shares. The Company shall, as soon as practicable after conversion and tender of the certificate for the Preferred Shares converted, issue and deliver to such holder of Preferred Shares or to the nominee or nominees of such holder of Preferred Shares, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid. In the event that the certificate(s) representing the Preferred Shares to be converted as aforesaid are not delivered to the Company, then the Company shall not be obligated to issue any certificate(s) representing the Ordinary Shares issued upon such conversion, unless the holder of such Preferred Shares notifies the Company in writing that such certificate(s) have been lost, stolen or destroyed.

5.3.5.2.2. All Preferred Shares which shall have been surrendered (or deemed surrendered) for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate at the conversion time, except only the right of the holders thereof to receive Ordinary Shares in exchange therefor and to receive payment of any dividends declared but unpaid thereon.

5.3.5.2.3. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Ordinary Shares upon conversion of Preferred Shares pursuant to this Article 5.3.5. The Company shall not, however, be required to pay any tax which may be payable in respect of any Transfer involved in the issuance and delivery of Ordinary Shares in a name other than that in which the Preferred Shares so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid.

5.3.5.3. Adjustments for Share Splits and Combinations.

5.3.5.3.1. If the Company shall, at any time or from time to time after the Original Issue Date of any series of Preferred Shares (i) effect a subdivision of the outstanding Ordinary Shares without a comparable subdivision of all shares of such series of Preferred Shares, or (ii) combine the outstanding shares of any series of Preferred Shares without a comparable combination of the Ordinary Shares, then, and in each such event, the applicable Conversion Price of any series of Preferred Shares not comparably subdivided in the case of 5.3.5.3.1(i), or for which the Ordinary Shares were not comparably combined in the case of Article 5.3.5.3.1(ii), in effect immediately before that subdivision or combination, shall be proportionately decreased so that the number of Ordinary Shares issuable on conversion of each share of such series of Preferred Shares (A) shall be - in the case of Article 5.3.5.3.1(i) - proportionately increased in proportion to such increase in the aggregate number of Ordinary Shares outstanding, or (B) shall be - in the case of Article 5.3.5.3.1(ii) - proportionately increased in reversed proportion to such decrease in the aggregate number of shares of such applicable series of Preferred Shares outstanding.

5.3.5.3.2. If the Company shall, at any time or from time to time after the Original Issue Date of any series of Preferred Shares (i) combine the outstanding Ordinary Shares without a comparable combination of the shares of any series of Preferred Shares, or (ii) effect a subdivision of the outstanding shares of any series of Preferred Shares without a comparable subdivision of the Ordinary Shares, then the applicable Conversion Price of any series of Preferred Shares not comparably combined in the case of Article 5.3.5.3.2(i) or, for which the Ordinary Shares were not comparably subdivided in the case of Article 5.3.5.3.2(ii), in effect immediately before such combination or subdivision, shall be proportionately increased so that the number of Ordinary Shares issuable on conversion of each share of such series of Preferred Shares (A) shall be - in the case of Article 5.3.5.3.2(i) - proportionately decreased in proportion to such decrease in the aggregate number of Ordinary Shares outstanding, or (B) shall be - in the case of Article 5.3.5.3.2(ii) - proportionately decreased in reversed proportion to such increase in the aggregate number of shares of such series of Preferred Shares.

5.3.5.3.3. If the Company shall, at any time or from time to time after the Original Issue Date of any series of Preferred Shares, effect a subdivision of the outstanding Ordinary Shares with a comparable subdivision of the shares of any series of Preferred Shares, or combine the outstanding shares of any series of Preferred Shares with a comparable combination of the Ordinary Shares, then the applicable Conversion Price of such series of Preferred Shares in effect immediately before that subdivision or combination shall be proportionately adjusted so that the number of Ordinary Shares issuable on conversion of each share of such series of Preferred Shares shall not be changed as a result of such increase or decrease, as the case may be, in the aggregate numbers of Ordinary Shares and shares of such applicable series of Preferred Shares outstanding.

5.3.5.3.4. Any adjustment under this Article 5.3.5.3 shall become effective on the time on which such subdivision or combination becomes effective.

5.3.5.4. Adjustments for Dividends and Distributions.

5.3.5.4.1. Adjustment for Certain Dividends and Distributions. If the Company at any time or from time to time after the Original Issue Date of any series of Preferred Shares, makes or issues, or fixes a record date for the determination of holders of Ordinary Shares entitled to receive, a dividend or other distribution payable in additional Ordinary Shares, then, and in each such event, the Conversion Price of such series of Preferred Shares in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, to that price determined by multiplying the applicable Conversion Price then in effect by a fraction:

(a) the *numerator* of which shall be the total number of Ordinary Shares issued and outstanding immediately prior to such issuance or the close of business on such record date, and

(b) the *denominator* of which shall be the total number of Ordinary Shares issued and outstanding immediately prior to such issuance or the close of business on such record date, plus the number of Ordinary Shares issuable in payment of such dividend or distribution;

provided, however, if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, such Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such Conversion Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions; and provided further, however, that no such adjustment shall be made if the holders of the applicable series of Preferred Shares simultaneously receive a dividend or other distribution of Ordinary Shares in a number equal to the number of Ordinary Shares as they would have received if all outstanding shares of such Preferred Shares had been converted into Ordinary Shares on the date of such event.

5.3.5.4.2. Adjustments for Other Dividends and Distributions. Subject to the provisions of Articles 5.3.1 and 5.3.2, in the event the Company, at any time or from time to time after the Original Issue Date of any series of Preferred Shares, shall make or issue, or fix a record date for the determination of holders of Ordinary Shares entitled to receive, a dividend or other distribution payable in securities of the Company (other than distribution of Ordinary Shares or Preferred Shares covered by other provisions of these Articles) or in cash or other property (other than distribution of cash out of earnings or earned surplus, determined in accordance with generally accepted accounting principles, or otherwise pursuant to a Deemed Liquidation, which are covered by other provisions of these Articles), then and in each such event provision shall be made so that the holders of Preferred Shares shall receive upon conversion thereof in addition to the number of Ordinary Shares receivable thereupon, the amount of securities of the Company, or the amount of cash or other property, as the case may be, that they would have received had such Preferred Shares been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this paragraph with respect to the rights of the holders of such Preferred Shares; provided, however, that no such provision shall be made with respect to any series of Preferred Shares if the holders of such series of Preferred Shares simultaneously receive a dividend or other distribution of such securities or cash or other property in an amount equal to the amount of such securities, or the amount of cash or other property, as the case may be, as they would have received if all outstanding shares of such series of Preferred Shares had been converted into Ordinary Shares on the date of such event.

5.3.5.5. Adjustment for Merger or Reorganization, etc. Subject to and without derogating from the provisions of Article 5.3.2, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the Ordinary Shares (but not the Preferred Shares) are converted into or exchanged for securities, cash or other property (other than a transaction covered by Article 5.3.5.4 or Article 5.3.2), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each such Preferred Share shall thereafter be convertible in lieu of the Ordinary Shares into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of Ordinary Shares issuable upon conversion of one such Preferred Share immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in this Article 5.3 with respect to the rights and interests thereafter of the holders of such Preferred Shares to the end that the provisions set forth in this Article 5.3 (including provisions with respect to changes in and other adjustments of the Conversion Price of such Preferred Shares) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of such Preferred Shares.

5.3.5.6. Sale of Shares below Share Conversion Price (Anti-dilution Protection *(all Preferred except Preferred F Shares (to which the provisions of Article 5.3.5.7 shall apply) and Preferred A Shares))*.

(i) If, after the Series F Original Issue Date (as defined below), the Company issues, or is deemed by the express provisions of this Article 5.3.5.6 to have issued, Additional Shares (as hereinafter defined) without consideration or for a consideration per share that is less than the applicable Conversion Price of any series of Preferred Shares (other than the Preferred F Shares *(to which the provisions of Article 5.3.5.7 shall apply)* and the Preferred A Shares) in effect immediately prior to such issue, then, and in each such case, the Conversion Price of such applicable series of Preferred Shares shall be reduced, concurrently with such issue, for no consideration, to a price (calculated to the nearest cent with half a cent being rounded up) determined by multiplying such Conversion Price by a fraction (A) the *numerator* of which shall be *(1)* the number of Ordinary Shares issued and outstanding immediately prior to such issuance of Additional Shares (treating for this purpose as outstanding all Ordinary Shares issuable upon exercise, exchange or conversion of all Options and Convertible Securities outstanding immediately prior to such issue, *but without taking into account any additional Ordinary Shares that became issuable solely as a result of the adjustment of any Conversion Price pursuant to this Article 5.3.5.6.1 as of immediately prior to such specific issuance of Additional Shares*), *plus* (2) the number of Ordinary Shares which the aggregate consideration received by the Company for the total number of Additional Shares so issued would purchase at such Conversion Price in effect immediately prior to such issuance of Additional Shares, and *(B)* the *denominator* of which shall be *(1)* the number of Ordinary Shares issued and outstanding immediately prior to such issuance of Additional Shares (treating for this purpose as outstanding all Ordinary Shares issuable upon exercise, exchange or conversion of all Options and Convertible Securities outstanding immediately prior to such issue, *but without taking into account any additional Ordinary Shares that became issuable solely as a result of the adjustment of any Conversion Price pursuant to this Article 5.3.5.6.1 as of immediately prior to such specific issuance of Additional Shares*), *plus (2)* the number of such Additional Shares so issued.

For the foregoing case set forth in this Article 5.3.5.6(i), the formula can be expressed algebraically as follows:

$$P' = \frac{(N * P) + C}{N + n}$$

where:

P = Conversion Price of such Preferred Shares in effect immediately prior to such issuance of Additional Shares.

P' = New adjusted Conversion Price of such Preferred Shares in effect after such issuance of Additional Shares.

N = Total number of Ordinary Shares outstanding immediately prior to such issuance of Additional Shares (treating for this purpose as outstanding all Ordinary Shares issuable upon exercise, exchange or conversion of all Options and Convertible Securities outstanding immediately prior to such issue, as aforesaid).

n = Number of Additional Shares issued.

C = Total amount of consideration received by the Company for the Additional Shares.

(ii) Determination of Consideration. For the purpose of this Article 5.3.5.6, the consideration received or receivable by the Company for any issue or sale of Additional Shares shall be computed as follows:

(A) Cash and Property: Such consideration shall (1) to the extent it consists of cash, be computed at the gross amount of cash received or receivable by the Company in consideration for such issuance or sale, (2) to the extent it consists of property other than cash, be computed at the fair value of that property as reasonably determined in good faith by the Board, and (3) if Additional Shares are issued or sold together with other shares or securities or other assets of the Company for a consideration which covers both, be computed as the portion of the consideration so received or receivable, computed as provided in clauses (1) and (2) above, that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares.

(B) Options and Convertible Securities. The consideration per share received by the Company for Additional Shares deemed to have been issued pursuant to Article 5.3.5.6(iii), relating to Options and Convertible Securities, shall be determined by dividing:

(x) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(y) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

(iii) Deemed Issue of Additional Shares.

(A) If the Company, at any time or from time to time after the Series F Original Issue Date, shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Ordinary Shares (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(B) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price of any series of Preferred Shares pursuant to the terms of Article 5.3.5.6(i) above, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Company upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, such Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (B) shall have the effect of increasing such Conversion Price to an amount which exceeds the lower of (i) the Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, and (ii) the Conversion Price that would have resulted from any issuances of Additional Shares (other than deemed issuances of Additional Shares as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(C) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price of any series of Preferred Shares pursuant to the terms of Article 5.3.5.6(i) above (either because the consideration per share (determined pursuant to Article 5.3.5.6(ii)) of the Additional Shares subject thereto was equal to or greater than such Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series F Original Issue Date), are revised after the Series F Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of Ordinary Shares issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Company upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares subject thereto (determined in the manner provided in Article 5.3.5.6(iii)(A)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(D) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price of any series of Preferred Shares pursuant to the terms of Article 5.3.5.6(i) above, such Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(E) If the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price of any series of the Preferred Shares, if and as applicable, provided for in this Article 5.3.5.6(iii) shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (B) and (C) of this Article 5.3.5.6(iii)). If the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price of the Preferred Shares that would result under the terms of this Article 5.3.5.6(iii) at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

(iv) Certain Definitions. For purposes of these Articles, the following definitions shall apply:

(A) "Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Ordinary Shares or Convertible Securities.

(B) "Convertible Securities" shall mean any evidences of indebtedness, shares (including but not limited to Preferred Shares) or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares, but excluding Options.

(C) "Series F Original Issue Date" shall mean the Original Issue Date of the Preferred F-1 Shares.

(D) "Additional Shares" shall mean all Ordinary Shares issued (or deemed, by the express provisions of Article 5.3.5.6(iii) above, to be issued) by the Company after the Series F Original Issue Date, other than (a) the following Ordinary Shares and (b) Ordinary Shares deemed issued pursuant to the following Options and Convertible Securities (clauses (a) and (b), collectively, "Exempted Securities"):

(1) Ordinary Shares, Options or Convertible Securities issued or issuable as a dividend or distribution on the Preferred Shares, Ordinary B Shares or Ordinary C Shares;

(2) Ordinary Shares issued or issuable by reason of a dividend, share split, split-up or other distribution on Ordinary Shares that is covered by Articles 5.2.2.3, 5.3.5.3, 5.3.5.4 or 5.3.5.5 hereof;

(3) Ordinary C Shares (or Options with respect thereto) issued or issuable to officers, directors or employees of, or consultants or service providers to, the Company or its subsidiaries (if any) pursuant to either (a) an incentive share option plan or (b) an award agreement which is unrelated to investments in the Company and/or is not granted in consideration for any such investments, in each of cases (a) and (b) - only if approved by the Board;

(4) Ordinary Shares or Convertible Securities that are actually issued upon the exercise of Options, and Ordinary Shares that are actually issued upon the conversion or exchange of Convertible Securities; in each case, provided such issuance is made pursuant to the terms of such Option or Convertible Security, respectively, as in effect at the time of issuance of such Option or Convertible Security *(i.e. upon issuance of such Options or Convertible Securities, the Ordinary Shares issuable upon exercise, conversion or exchange thereof shall be considered Additional Shares for purpose of these Articles, unless exempted from such definition pursuant to other sub-Articles of this Article 5.3.5.6(iv)(D), and the provisions of Article 5.3.5.6(iii) shall apply; accordingly, no further adjustment shall be made upon the actual issuance of Ordinary Shares or Convertible Securities pursuant to the exercise, conversion or exchange of such Options or Convertible Securities, except in accordance with Articles 5.3.5.6(iii)(B) through (E) above)*;

(5) Ordinary Shares, Options or Convertible Securities issued or issuable after a Qualified IPO;

(6) Ordinary Shares, Options or Convertible Securities issued or issuable with respect to which the Company receives written notice from the holders of at least a majority of the voting power represented by the then issued and outstanding Preferred Shares whose Conversion Price would have, absent the consent sought hereunder, been adjusted as a result of the issuance of such Additional Shares (provided that if such affected Preferred Shares include the Preferred F Shares, then such requisite majority shall include the Special F Majority), agreeing that such Ordinary Shares, Options or Convertible Securities shall not constitute Additional Shares for purpose of this Article 5.3.5.6 or, in the case of the Preferred F Shares, Article 5.3.5.7;

(7) Ordinary Shares, Options or Convertible Securities issued or issuable in any bona fide acquisition of another corporation by the Company by way of a merger, purchase of substantially all of the assets or other reorganization, as approved by the Board with the consent of at least a majority of the Investors Directors *(or - in case there is an even number of incumbent Investors Directors – 50% thereof)* and also the consent of the Special F Majority;

(8) Ordinary Shares, Options or Convertible Securities issued or issuable in connection with research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships, or pursuant to a joint venture agreement, approved by the Board with the consent of at least a majority of the Investors Directors *(or - in case there is an even number of incumbent Investors Directors – 50% thereof)* and - if issued or issuable to a non-Strategic Party - also the consent of the Special F Majority;

(9) Ordinary Shares, Options or Convertible Securities issued or issuable in connection with any equipment or real property lease or acquisition financing, venture or other form of lending or debt financing arrangement, or any other transactions entered into for primarily non-equity financing purposes approved by the Board with the consent of at least a majority of the Investors Directors *(or - in case there is an even number of incumbent Investors Directors – 50% thereof)* and - if issued or issuable to a non-Strategic Party - also the consent of the Special F Majority.

For purposes of the definition of "Additional Shares", the sale or other disposition of any shares or other securities of the Company theretofore held in its treasury shall be deemed to be an issuance thereof.

5.3.5.7. Price Protection – Preferred F Shares.

(i) Until immediately following the consummation of the earlier of: (A) a Deemed Liquidation and (B) a Qualified IPO:

(1) in the event that the Company issues, or is deemed by the express provisions of Article 5.3.5.6 to have issued, Additional Shares (including, any issuance of Additional Shares in, as part of, or in connection with, any IPO) (an "Issuance") without consideration or for a consideration per share that is less than 143% of the applicable Conversion Price of the Series F-1 Preferred Shares in effect immediately prior to such issuance, or

(2) at the election of the Special F Majority by way of a written notice to the Company, in the event of a Deemed Liquidation (other than a Non-Liquidity Event) in which the aggregate consideration per Series F-1 Preferred Share (when combined with all amounts previously allocated in respect thereof under Article 5.3.2) is less than 143% of the applicable Distribution Price of the Series F-1 Preferred Shares in effect immediately prior to such event (assuming for such purpose, that all "in-the-money" convertible securities outstanding as of immediately prior to the consummation of such Deemed Liquidation, have been exercised and are outstanding as of immediately prior to such Deemed Liquidation), provided that as a condition to such election in this clause (2), the Preference F Amounts under to 5.3.2.1.1 shall not apply to such Deemed Liquidation and all Preferred F Shares shall be automatically converted, as of immediately prior to, but subject to the consummation of, such Deemed Liquidation, into such number of Ordinary Shares as determined by dividing the then applicable respective Original Issue Price thereof by the then applicable Conversion Price thereof (after giving effect to the adjustment made pursuant to this Article 5.3.5.7),

then, and in each such event, concurrently with such Issuance or immediately prior to such Deemed Liquidation, as the case may be:

(a) the Conversion Price applicable to the Series F-1 Preferred Shares shall be reduced (a "Series F-1 Adjustment"), for no consideration, to a price (calculated to the nearest cent with half a cent being rounded up) equal to (i) in the case of an Issuance - 70% of the lowest price per share for which the Company issued (or, in accordance with Articles 5.3.5.6 is deemed to have issued) Additional Shares in such Issuance (such lowest Issuance price, the "New Price"), or (ii) in the case of a Deemed Liquidation – such amount that would result in the aggregate consideration per Series F-1 Preferred Share (when combined with all amounts previously allocated in respect thereof under Article 5.3.2) in such Deemed Liquidation being equal to 143% of the applicable Distribution Price of the Series F-1 Preferred Shares in effect immediately prior to such event (in each of clauses (i) and (ii) of this sub-section (a) - such adjusted Conversion Price of the Series F-1 Preferred Share, the "Adjusted F-1 Conversion Price"); and

(b) the Conversion Price applicable to the Series F-2 Preferred Shares shall be reduced (a "Series F-2 Adjustment", and together with the Series F-1 Adjustment, each, a "Series F Adjustment"), for no consideration, to a price (calculated to the nearest cent with half a cent being rounded up) equal to 120% of such event's applicable Adjusted F-1 Conversion Price, as determined under Article 5.3.5.7(i)(a) above.

(ii) In addition, subject to the condition set forth in the last sentence of this paragraph, if requested by the Special F Majority, in addition to adjusting the respective Conversion Prices as aforesaid, (i) the Company shall issue to each of the holders of Series F-1 Preferred Shares and to each of the holders of Series F-2 Preferred Shares at such time, for no additional consideration, such number of additional Series F-1 Preferred Shares and Series F-2 Preferred Shares, respectively, equal to (a) (1) the product of the applicable Original Issue Price of such Preferred F Preferred Share then in effect multiplied by the number of the shares of such series of Preferred F Shares then held by such holder, divided by (2) the Conversion Price of such Preferred F Share as in effect immediately following the aforesaid adjustment, less (b) the number of shares of such series of Preferred F Shares held by such holder as of immediately prior to such Series F Adjustment, and (ii) the Original Issue Price and the Distribution Price of the Series F-1 Preferred Shares shall be reduced to equal the Conversion Price of the Series F-1 Preferred Shares as in effect immediately following such Series F-1 Adjustment, and (iii) the Original Issue Price and the Distribution Price of the Series F-2 Preferred Shares shall be reduced to equal the Conversion Price of the Series F-2 Preferred Shares as in effect immediately following such Series F-2 Adjustment; *provided* that if the Company notifies the requesting Special F Majority that the Company's accountants have confirmed that there would be adverse tax consequences arising to the Company or its shareholders as a result of such issuance of additional Series F-1 Preferred Shares (if such alternative was requested by the Special F Majority), then such alternative shall not apply;

(iii) For example: if there are 1,000 Series F-1 Preferred Shares and 500 Series F-2 Preferred Shares outstanding, and the Original Issue Price and Conversion Price of the Series F-1 Preferred Shares immediately before the Issuance is US$ 0.40, the Original Issue Price and Conversion Price of the Series F-2 Preferred Shares immediately before the Issuance is US$ 0.48, and the New Price is US$ 0.50, then the Conversion Price of the Series F-1 Preferred Shares shall be reduced to US$ 0.35 and the Conversion Price of the Series F-2 Preferred Shares shall be reduced to US$ 0.42. In addition, if requested by the Special F Majority as aforesaid, the Company shall issue to the holders of Preferred F Shares (if such issuance will not result in adverse tax consequences to the Company or its shareholders, as aforesaid), for no consideration, an additional 142 Series F-1 Preferred Shares (being the result of the formula: 1,000 x $0.40/$0.35 - 1,000) and an additional 71 Series F-2 Preferred Shares (being the result of the formula: 500 x $0.48/$0.42 - 500), and (a) the Original Issue Price and the Distribution Price of the Series F-1 Preferred Shares shall also be reduced to US$ 0.35, and (b) the Original Issue Price and the Distribution Price of the Series F-2 Preferred Shares shall also be reduced to US$ 0.42).

(iv) In order to continuously maintain that the Original Issue Price and Distribution Price of the Series F-2 Preferred Shares equals 120% of the Original Issue Price and Distribution Price, respectively, of the Series F-1 Preferred Shares:

(a) the Company shall not subdivide, consolidate or make any other Recapitalization Event in respect of the Series F-1 Preferred Shares or the Series F-2 Preferred Shares, unless the Company simultaneously effects such subdivision, consolidation or other Recapitalization Event, as the case may be, in respect of the Series F-2 Preferred Shares or the Series F-1 Preferred Shares, respectively; and

(b) the Company shall not issue additional Series F-1 Preferred Shares or additional Series F-2 Preferred Shares pursuant to Article 5.3.5.7(ii) above, unless the Company simultaneously issues additional Series F-2 Preferred Shares or Series F-1 Preferred Shares, respectively, in respect of the Series F-2 Preferred Shares or the Series F-1 Preferred Shares, respectively.

5.3.5.8. Impairment. The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder in this Article 5.3.5 by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 5.3.5 and in taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the Preferred Shares against impairment.

5.3.5.9. Fractional Shares. No fractional Ordinary Shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary Shares to be issued shall be rounded to the nearest whole share (with half a share rounded up to the nearest whole share). All Ordinary Shares (including fractions thereof) issuable upon conversion of more than one Preferred Share by a holder thereof shall be aggregated for purposes of determining the number of Ordinary Shares to be issued to such holder or whether the conversion would result in the issuance of any fractional share.

5.3.5.10. Certificate of Adjustment. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Article, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and, at the request of any holder of Preferred Shares, prepare and furnish to such holder of Preferred Shares a certificate setting forth each adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The certificate shall set forth (A) the adjustment or readjustment, (B) the Conversion Price at the time in effect, and (C) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Shares.

5.3.5.11. Rounding of Calculations; Minimum Adjustment. Any provision of this Article 5.3.5 to the contrary notwithstanding, no adjustment of a Conversion Price shall be made if the amount of such adjustment would be less than $0.01, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any such subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or more.

5.3.5.12. Adjustments Cumulative. Each of the adjustments pursuant to this Article 5.3.5 shall be applied individually and cumulatively upon the occurrence of any of the events specified therein, and shall apply from and after the date of these Articles of Association to all registered Preferred Shares.

5.3.5.13. Reservation of Shares Issuable. The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the then outstanding Preferred Shares (and all then outstanding options, warrants and other rights convertible, exchangeable or exercisable into Preferred Shares), such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all such outstanding and issuable Preferred Shares; and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding and issuable Preferred Shares, in addition to such other remedies as shall be available to the holders of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase the number of its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purposes.

5.3.5.14. Stand-Still Limitations. Notwithstanding anything to the contrary herein, the provisions of this Article 5.3.5 shall be subject to the Stand-Still Limitations (as defined below).

5.4. Increase of Share Capital

Subject to Article 5.3.4, the Company may, from time to time, by a resolution of the General Meeting adopted by an Ordinary Majority, whether or not all the shares then authorized have been issued, and whether or not all the shares theretofore issued have been called up for payment, increase its share capital by the creation of new shares. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts or of no nominal amount, and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution of the General Meeting shall provide.

5.5. Except to the extent otherwise provided in such resolution of the General Meeting, such new shares shall be subject to all the provisions applicable to the shares of the original capital.

6. Special Rights; Modifications of Rights

6.1. Subject to Article 5.3.4, the Company may, from time to time, by a resolution of the General Meeting, authorize and/or issue shares having the same rights as existing shares or with such preferred or deferred rights or rights of redemption or different prices or other special rights and/or restrictions, whether with respect to liquidation, dividends, voting, conversion, repayment of share capital or otherwise, as may be stipulated in such resolution.

6.2. If at any time the share capital is divided into different classes of shares, the rights attached to any class may be modified or abrogated by the Company, unless otherwise provided by these Articles (including but not limited to in Article 5.3.4), by a resolution of the General Meeting adopted by an Ordinary Majority, provided that any modification that would directly adversely alter the rights attached to such class shall require the consent in writing of the holders of more than fifty percent (50%) (or, in the case of the Preferred F Shares, the Special F Majority) of the issued shares of such class (without excluding shares held by Shareholders holding, in addition, shares of other classes in the Company, unless the law otherwise expressly prescribes) or the sanction of a resolution of a separate General Meeting of the holders of the shares of such class adopted by an Ordinary Majority (or, in the case of the Preferred F Shares, the Special F Majority). Any resolution required to be adopted pursuant to these Articles by a separate General Meeting of a certain class of shares, shall be voted upon and adopted by an Ordinary Majority of the holders of such class entitled to vote thereon, and no holder of a certain class shall be banned, unless the law otherwise expressly prescribes, from participating and voting in a separate General Meeting of such class by virtue of being a holder of more than one class of shares of the Company, irrespective of any conflicting interests that may exist between such different classes of shares. For illustration purposes, in the event that a certain Shareholder is the holder of two classes of shares whilst another Shareholder is the holder of one class of shares only, the Shareholder holding two classes of shares shall not be banned from voting on a resolution which adversely affects the rights of the single class of shares that are held by the second Shareholder, irrespective of the affect such change shall have on such other class of shares. Anything contained herein to the contrary notwithstanding, subject to any applicable law, a Shareholder shall not be required to refrain from participating in the discussion or voting on any resolution concerning the modification or abrogation of the rights attached to any class of shares held by such Shareholder, due to the fact that such Shareholder may benefit in one way or another from the outcome of such resolution; e.g. a Shareholder shall be entitled to vote on the modification of rights attached to shares held by such Shareholder in a way that may benefit such holder either directly or indirectly (such as in the case of an increased financial value gained by virtue of such change).

6.3. To the maximum extent permitted under applicable law, and unless otherwise explicitly provided by these Articles, all shareholders of the Company shall vote together as a single class, on an as-converted basis, on any matter presented to the shareholders and all matters shall require an approval by the holders of a majority of the voting power of the Company represented at the meeting of all shareholders of all classes voting together as a single class, on an as-converted basis, including, without limitation, any amendment to these Articles, any issuance of securities of the Company, or any transaction under Sections 341, 342 or 350 of the Israeli Companies Law. Without derogating from the foregoing, unless otherwise provided by these Articles, it is hereby clarified that, except as contemplated by, and subject to and without derogating from, Article 5.3.4:

(a) The increase of the authorized and registered number of shares of an existing class of shares, or the issuance of additional shares thereof, or the creation of a new class of shares identical to an existing class of shares in all respects, except for the price per share paid for such shares, shall not be deemed, for purposes of these Articles, to directly adversely alter the rights attached to the previously issued shares of such class or of any other class;

(b) The authorization or the issuance of additional shares or other equity securities of the Company having certain rights, preferences or privileges over or relative to all other shares or equity securities of the Company (e.g., the Preferred F Shares, Preferred E Shares, Preferred D Shares, Preferred C Shares, Preferred B Shares, Preferred A Shares, Ordinary C Shares, Ordinary B Shares and the Ordinary Shares), including, without limitation, shares that have rights at Liquidation, Deemed Liquidation or Distribution of Dividends that are senior to the rights with respect to such events of all existing Preferred Shares, shall not be deemed to be modifying or abrogating the rights, powers and privileges attached to the previously issued shares of any existing class, provided that the rights, preferences or privileges attached to such additional shares or other equity securities apply in the same manner vis-a-vis all other existing series or classes of shares, without a different application to different classes, even though the result of such equal application may be different with respect to different shareholders due to the number of shares held by them and/or even though such an issuance will change the economic value of the existing shares (but not the legal rights of such shares, as illustrated by the example set forth in sub-Article 6.2.2(c) below), and shall not be subject to the approval of a separate class vote of the holders of the shares of any particular class; and

(c) The authorization of a new series of shares or class of shares, or the issuance of such shares, shall not be deemed, for any purpose hereunder, to modify or abrogate the rights attached to an existing class of shares if the rights attached to the new class of shares apply in the same manner vis-a-vis all other existing series or classes of shares, without a different application to different classes, even though the result of such equal application may be different with respect to different Shareholders due to the number of shares held by them and/or even though such an issuance will change the economic value of the existing shares (but not the legal rights of such shares – for example, if (i) the holders of the Ordinary Shares are entitled to appoint five Directors; (ii) the Board consists of 5 members; and (iii) the Company issues a new class of shares, the holders of which are entitled to appoint a Director, and to enable such an appointment, the Articles are amended to provide that the Board may consist of 6 members, then, in such an event, such an act will not be deemed to change, modify or abrogate the rights and powers attached to the Ordinary Shares (as the holders thereof will continue to hold the power to appoint five Directors), even if one may argue that the economic value of the Ordinary Shares was decreased by such an act (the holders thereof can then appoint five out of six members to the Board)).

6.4. Preferred E Shares and Preferred F Shares Voting.

6.4.1. The Preferred E Shares shall be deemed one class of shares irrespective to the Original Issue Price or Conversion Price applicable to each such share, and, notwithstanding the provisions of Section 20(c) of the Companies Law, (i) other than as specifically set forth in these Articles, the Series E-1 Preferred Shares and Series E-2 Preferred Shares shall, without limitation, have identical rights, preferences, privileges and restrictions for all intents and purposes; (ii) in the event that a vote of a series of Preferred E Shares is required under applicable law, the Series E-1 Preferred Shares and the Series E-2 Preferred Shares shall be deemed to constitute one series and shall vote together as one series on any matter which is subject to the vote of holders of the Series E-1 Preferred Shares or the Series E-2 Preferred Shares; and (iii) a separate class vote of each of the Series E-1 Preferred Shares and Series E-2 Preferred Shares shall not be required in order to amend or waive the rights, preferences, privileges and restrictions granted to and imposed upon the Series E-1 Preferred Shares and/or Series E-2 Preferred Shares, respectively, if such amendment or waiver is made in respect of the rights, preferences, privileges or restrictions of one of such series of Preferred E Shares (e.g. the Series E-1 Preferred Shares or the Series E-2 Preferred Shares) while correspondingly amending or waiving the rights, preferences, privileges or restrictions of the other of such series of Preferred E Shares (i.e. the Series E-2 Preferred Shares or the Series E-1 Preferred Shares, respectively); provided however, that in the event that any proposed amendment or waiver would alter or change the rights, preferences, privileges or restrictions of 1 series of Preferred E Shares so as to affect them adversely or favorably, but shall not so affect the entire class of Preferred E Shares, then (A) the shares of the 1 series so affected adversely or favorably by such amendment or waiver (such affected series together, as a single class) shall be considered for such purpose as a separate class (the "Differently Affected First Class"), and such amendment or waiver shall require a separate class vote of such Differently Affected First Class, and (B) the shares of the other series not so affected adversely or favorably by such amendment or waiver (such unaffected series together, as a single class) shall be considered for such purpose as a separate class (the "Differently Affected Second Class"), and such amendment or waiver shall require a separate class vote of such Differently Affected Second Class.

6.4.2. The Preferred F Shares shall be deemed one class of shares irrespective to the Original Issue Price or Conversion Price applicable to each such share, and, notwithstanding the provisions of Section 20(c) of the Companies Law, (i) other than as specifically set forth in these Articles, the Series F-1 Preferred Shares and Series F-2 Preferred Shares shall, without limitation, have identical rights, preferences, privileges and restrictions for all intents and purposes; (ii) in the event that a vote of a series of Preferred F Shares is required under applicable law, the Series F-1 Preferred Shares and the Series F-2 Preferred Shares shall be deemed to constitute one series and shall vote together as one series on any matter which is subject to the vote of holders of the Series F-1 Preferred Shares or the Series F-2 Preferred Shares; and (iii) a separate class vote of each of the Series F-1 Preferred Shares and Series F-2 Preferred Shares shall not be required in order to amend or waive the rights, preferences, privileges and restrictions granted to and imposed upon the Series F-1 Preferred Shares and/or Series F-2 Preferred Shares, respectively, if such amendment or waiver is made in respect of the rights, preferences, privileges or restrictions of one of such series of Preferred F Shares (e.g. the Series F-1 Preferred Shares or the Series F-2 Preferred Shares) while correspondingly amending or waiving the rights, preferences, privileges or restrictions of the other of such series of Preferred F Shares (i.e. the Series F-2 Preferred Shares or the Series F-1 Preferred Shares, respectively); provided however, that in the event that any proposed amendment or waiver would alter or change the rights, preferences, privileges or restrictions of 1 series of Preferred F Shares so as to affect them adversely or favorably, but shall not so affect the entire class of Preferred F Shares, then (A) the shares of the 1 series so affected adversely or favorably by such amendment or waiver (such affected series together, as a single class) shall be considered for such purpose as a separate class (the "Differently Affected First Class"), and such amendment or waiver shall require a separate class vote of such Differently Affected First Class, and (B) the shares of the other series not so affected adversely or favorably by such amendment or waiver (such unaffected series together, as a single class) shall be considered for such purpose as a separate class (the "Differently Affected Second Class"), and such amendment or waiver shall require a separate class vote of such Differently Affected Second Class.

7. Consolidation, Subdivision, Cancellation and Reduction of Share Capital

7.1. The Company may, from time to time, by a resolution of the General Meeting:

(a) Consolidate and divide all or any of its issued or unissued share capital into shares of larger nominal value than its existing shares;

(b) Subdivide its shares (issued or unissued) or any of them into shares of smaller nominal value than is fixed by these Articles (subject to the provisions of the Companies Law), and the resolution whereby any share is subdivided may determine that, as among the holders of the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred or deferred rights or rights of redemption or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

(c) Cancel any shares which, at the date of the adoption of such resolution of the General Meeting, have not been allotted, so long as the Company is not under an obligation to allot these shares, and diminish the amount of its share capital by the amount of the shares so cancelled; or

(d) Reduce its share capital in any manner, subject to any consent required hereby or by Law.

7.2. With respect to any consolidation of issued shares, and with respect to any other action which may result in fractional shares, including upon conversion of any Preferred Shares, the Board may settle any difficulty which may arise with regard thereto, as it deems appropriate, including, inter alia, resort to one or more of the following actions:

(a) Determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each consolidated share;

(b) Allot, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(c) Redeem, in the case of redeemable shares, and subject to applicable Law, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(d) Cause the transfer of fractional shares by certain Shareholders to other Shareholders, who are the Permitted Transferees thereof, so as to most expediently preclude or remove any fractional shareholdings, and cause the transferees to pay the transferors the fair value of fractional shares so transferred, and the Board is hereby authorized to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this Article 7.2, without regard to any restriction or limitation that may apply to the transfer of such shares, as may be provided herein.

Shares

8. Issuance of Share Certificates; Replacement of Lost Certificates

8.1. The Company shall maintain a Shareholder Register, to be administered by the corporate secretary of the Company, subject to the oversight of the Board.

8.2. Share certificates shall be issued under the stamp of the Company and shall bear the signatures of one Director or of any other person or persons authorized therefor by the Board.

8.3. Each Shareholder shall be entitled to one certificate for all the shares of the same class registered in his name, and if the Board so approves, to several certificates, each for one or more of such shares. Each certificate may specify the serial numbers of the shares represented thereby and may also specify the amount paid up thereon.

8.4. A share certificate registered in the names of two or more persons shall be delivered to the person first named in the Shareholder Register in respect of such co-ownership.

8.5. If a share certificate is defaced, lost or destroyed, it may be replaced, upon payment of such fee, and upon the furnishing of such evidence of ownership and such indemnity, as the Board may deem appropriate.

9. Registered Holder

Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of any share (including any share held in trust, provided that the trustee notifies the Company of the identity of the beneficiary) as the absolute owner thereof, and, accordingly, the Company shall not, except as ordered by a court of competent jurisdiction, or as required by Law, be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person.

10. Issuance of Shares and other Securities

10.1. Subject to the provisions of these Articles, the Board may determine to issue shares and other securities of the Company, up to the limit of the Company's registered share capital. If the Company's share capital includes a number of classes of shares and securities, shares and securities exceeding the limit of the registered share capital of such class shall not be issued. In such regard, securities convertible or exercisable into shares shall be deemed to have been converted or exercised on the date of their issuance.

10.2. Subject to the provisions of Article 10.5 below, the unissued shares (if any) shall be under the control of the Board, who shall have the power to allot such unissued shares and other securities convertible or exchangeable into shares, or otherwise dispose of them to such persons, on such terms and conditions (including inter alia terms relating to calls as set forth in Article 12 below), and either at nominal value or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board may deem appropriate, and the power to give to any person the option to acquire from the Company, either at nominal value or at a premium, or, subject to the aforesaid, at a discount, any unissued shares during such time and for such consideration as the Board may deem appropriate. The Company shall not issue a share (other than Bonus Shares), all or part of the consideration for which is not to be paid in cash, unless the consideration for the share was specified in a written document.

10.3. The Board may determine to issue a series of bonds or other debt securities, as part of its authority to take a loan on behalf of the Company, and within the limits of such authority. The foregoing does not negate the authority of the Chief Executive Officer or someone authorized by him to take a loan on behalf of the Company, to issue debentures, promissory notes and bills of exchange, within the limits prescribed by the Board.

10.4. Subject to applicable Law, the Company is entitled to pay a commission, including underwriting fees, to any person, as determined by the Board. Payments, as stated in this Article 10.4, may be paid in cash or in securities of the Company, or in a combination thereof.

10.5. Preemptive Rights.

10.5.1. Until the earlier of an IPO or a Deemed Liquidation (and subject, solely with respect to the Stand-Still Shareholders Group, as defined in that certain Amended and Restated Investors' Rights Agreement between the Company and certain of its shareholders listed therein, dated July 3, 2017, to the stand-still limitations set forth in Section 4.2 thereof (the "Stand-Still Limitations"), each Qualified Shareholder shall have the right of preemption to purchase its pro-rata share (or any part thereof) of all New Securities (as defined below) that the Company may, from time to time, propose to issue. The pro-rata share of each such Qualified Shareholder shall be the ratio of the number of outstanding shares of the Company, on a Fully Diluted Basis, held by such Qualified Shareholder as of the date of the Rights Notice (as defined below) to the sum of the total number of outstanding shares of the Company as of such date on a Fully Diluted Basis ("Pro-rata Portion"). A Qualified Shareholder shall be entitled to freely assign this preemptive right and/or any part thereof to one of its Permitted Transferees, provided such assignment does not result in the Company having Shareholders in a number exceeding the maximum number set forth in Article 2.1 above, or in the offering constituting a public offering or a public distribution of the Company's shares. This preemptive right shall be subject to the following provisions:

10.5.2. "New Securities" shall mean all Ordinary Shares issued *(or deemed, by the express provisions of Article 5.3.5.6(iii) above, to be issued)* by the Company other than (1) the following Ordinary Shares and (2) Ordinary Shares deemed issued pursuant to the following Options and Convertible Securities:

(a) Exempted Securities (as defined in Article 5.3.5.6(iv) above, but excluding sub-Article (6) thereof *('exclusion by Preferred Majority(ies)')*);

(b) Ordinary Shares, Options or Convertible Securities issued to one or more commercially strategic party(ies) (i.e. a non-financial strategic party but regardless of whether or not the Company simultaneously signs a strategic commercial agreement therewith) who are determined as such by the Board, with the consent of at least a majority of the Investors Directors *(or - in case there is an even number of incumbent Investors Directors – 50% thereof)*;

(c) Ordinary Shares, Options or Convertible Securities issued or issuable, with respect to which the Company receives written notice from the holders of at least a majority of the voting power represented by the then issued and outstanding shares of the Company on an-as converted basis, which majority shall include the holders of a majority of the issued and outstanding Series F Shares, agreeing that such Ordinary Shares, Options or Convertible Securities shall not constitute New Securities for purpose of this Article 10.5.

10.5.3. In the event that the Company proposes to issue New Securities, it shall give the Qualified Shareholders written notice ("Rights Notice") of its intention, describing the New Securities, the price, the terms upon which the Company proposes to issue them to the purchasers thereof, and the number of shares that each Qualified Shareholder has the right to purchase under this Article 10.5. Each Qualified Shareholder shall have 15 days from delivery of the Rights Notice to elect to purchase all or any part of its Pro-rata Portion of such New Securities and all or any part of the Pro-rata Portion of any other Qualified Shareholder entitled to such rights to the extent that such other Qualified Shareholder does not elect to purchase its full Pro-rata Portion, in each case, for the price and upon the terms specified in the Rights Notice, by giving written notice to the Company setting forth the quantity of New Securities to be purchased. If the Qualified Shareholders elect to purchase in the aggregate more than 100% of the New Securities underlying all Pro-rata Portions, such New Securities shall be sold to such Qualified Shareholders in accordance with their respective Pro-rata Portions, but not exceeding the number of New Securities indicated in such Qualified Shareholder's acceptance (and any excess shares, if any, shall be allocated among the Qualified Shareholders who have not received all the New Securities they indicated in the written acceptance notice submitted by them in accordance with the foregoing, in the same manner until the rights to purchase 100% of the total New Securities have been allocated as aforesaid).

10.5.4. If Qualified Shareholders, in the aggregate, fail to exercise in full the preemptive right to subscribe for all of the New Securities being offered, within the period specified in this Article 10.5, the Company shall have ninety (90) days after delivery of the Rights Notice to sell the remaining unsubscribed portion of such New Securities at a price and on terms no more favorable to the purchaser thereof than specified in the Rights Notice. If the Company does not sell the New Securities within the said ninety (90) day period, the Company shall not thereafter issue or sell any New Securities without first offering the same to the Qualified Shareholders in the manner provided in this Article 10.5.

10.5.5. The provisions of this Article 10.5 shall not be implemented in a manner which results in the Stand-Still Shareholders Group (as defined in the Stand-Still Limitations) being in violation of the Stand-Still Limitations; provided however that neither this Article 10.5.5 nor such Stand-Still Limitations shall in any way reduce, limit or otherwise affect the rights of any other Qualified Shareholder pursuant to this Article 10.5.

11. Payment in Installments

If by the terms of issuance of any share, the whole or any part of the price thereof shall be payable in installments, every such installment shall, when due, be paid to the Company by the then registered holder(s) of the share or the person(s) entitled thereto.

12. Calls on Shares

12.1. The Board may, from time to time, make such calls as it may deem appropriate upon Shareholders in respect of any sum unpaid in respect of shares held by such Shareholders which is not, by the terms of allotment thereof or otherwise, payable at a fixed or predetermined time, and each Shareholder shall pay the amount of every call so made upon him (and of each installment thereof if the same is payable in installments), to the person(s) and at the time(s) and place(s) designated by the Board, as any such time(s) may be thereafter extended and/or such person(s) or place(s) changed. Unless otherwise stipulated in the resolution of the Board (and in the notice referred to in Article 12.2), each payment in response to a call shall be deemed to constitute a pro rata payment on account of all shares in respect of which such call was made.

12.2. Notice of any call shall be given in writing to the applicable Shareholder(s) not less than fourteen (14) days prior to the time of payment, specifying the time and place of payment, and designating the person to whom such payment shall be made; provided, however, that before the time for any such payment, the Board may, by notice in writing to such Shareholder(s), revoke such call in whole or in part, extend such time, or alter such designated person and/or place. In the event of a call payable in installments, only one notice thereof need be given.

12.3. If, by the terms of allotment of any share or otherwise, any amount is made payable at any fixed time, every such amount shall be payable at such time as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained with respect to calls shall apply to each such amount.

12.4. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

12.5. Any amount unpaid in respect of a call shall bear interest from the date on which it is payable until actual payment thereof, at such rate (not exceeding the then prevailing debitory rate charged by leading commercial banks in Israel), and at such time(s) as the Board may prescribe.

12.6. A Shareholder shall not be entitled to his rights as shareholder, including dividends, unless he has paid all the amounts detailed in the calls made on him, together with interest and expenses, if any, unless otherwise prescribed by the Board.

12.7. Upon the allotment of shares, the Board may provide for differences among the allottees of such shares as to the amount of calls and/or the times of payment thereof.

13. Prepayment

With the approval of the Board, any Shareholder may prepay to the Company any amount not yet payable in respect of his shares. Nothing in this Article 13 shall derogate from the right of the Board to make any call before or after receipt by the Company of any such advance.

14. Forfeiture and Surrender

14.1. If any Shareholder fails to pay any amount payable in respect of a call, or interest thereon as provided herein, on or before the day fixed for payment of the same, all or any of the shares in respect of which such call had been made may be forfeited by a resolution of the Board to that effect at any time thereafter, so long as such amount or interest remains unpaid. Any expense incurred by the Company in attempting to collect any such amount or interest, including, inter alia, attorneys' fees and costs of suit, shall be added to, and shall, for all purposes (including the accrual of interest thereon), constitute a part of the amount payable to the Company in respect of such call.

14.2. Upon the adoption of a resolution of forfeiture, the Board shall cause notice thereof to be given to the Shareholder whose shares are the subject of such forfeiture, which notice shall state that, in the event of the failure to pay the entire amount so payable within a period stipulated in the notice (which period shall not be less than fourteen (14) days and which may be extended by the Board), such shares shall be ipso facto forfeited, provided, however, that, prior to the expiration of such period, the Board may nullify such resolution of forfeiture, but no such nullification shall estop the Board from adopting a further resolution of forfeiture in respect of the non-payment of such amount.

14.3. Whenever shares are forfeited as herein provided, all distributions theretofore declared in respect thereof and not actually paid or distributed shall be deemed to have been forfeited at the same time.

14.4. The Company, by resolution of the Board, may accept the voluntary surrender of any share.

14.5. Any share forfeited or surrendered as provided herein shall become the property of the Company, and the same, subject to the provisions of these Articles and any applicable Law, may be sold, re-allotted or otherwise disposed of as the Board deems appropriate. Any such share not cancelled shall become a dormant share, shall not confer any rights, and shall not be considered part of the Company's issued and outstanding share capital for purpose of any calculation of a quorum or majority required under these Articles, so long as it is held by the Company.

14.6. Any Shareholder whose shares have been forfeited or surrendered shall cease to be a Shareholder in respect of the forfeited or surrendered shares, but shall, notwithstanding, be liable to pay, and shall forthwith pay, to the Company, all calls, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until actual payment, at the rate prescribed in Article 12.5 above, and the Board, in its discretion, may enforce the payment of such moneys, or any part thereof, but shall not be under any obligation to do so. In the event of such forfeiture or surrender, the Company, by resolution of the Board, may accelerate the date(s) of payment of any or all amounts then owing by the Shareholder in question (but not yet due) in respect of all shares owned by such Shareholder.

14.7. The Board may at any time, before any share so forfeited or surrendered shall have been sold, re-allotted or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems appropriate, but no such nullification shall estop the Board from re-exercising its powers of forfeiture pursuant to this Article 14.

14.8. In addition to the provisions of any applicable law, Board members appointed by a Shareholder (or its Permitted Transferee) whose shares are required by the Company to be forfeited under this Article 14 ("Forfeited Shares"), shall be deemed a "director with personal interest" (as specified in Section 278(a) of the Companies Law) in respect of the Forfeited Shares ("Interested Director"). An Interested Director shall neither participate nor vote at any meetings, written consents or resolutions of the Board involving the Forfeited Shares, unless provided otherwise by the Companies Law.

15. Lien

15.1. Except to the extent the same may be waived or subordinated in writing, the Company shall have a first and paramount lien upon all the shares registered in the name of each Shareholder which are not fully paid up (without regard to any equitable or other claim or interest in such shares on the part of any other person), and upon the proceeds of the sale thereof, for his debts, liabilities and engagements arising from any cause whatsoever, solely or jointly with another, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not. Such lien shall extend to dividends and other all distributions from time to time declared in respect of such shares.

15.2. The Board may cause the Company to sell any shares subject to such lien when any such debt, liability or engagement has matured, in such manner as the Board may deem appropriate, but no such sale shall be made unless such debt, liability or engagement has not been satisfied within fourteen (14) days after written notice of the Company's intention to sell shall have been served on such Shareholder, his executors or administrators.

15.3. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of the debts, liabilities or engagements of such Shareholder (whether or not the same have matured), or any specific part of the same (as the Board may determine), and the balance, if any, shall be paid to the Shareholder, his executors, administrators or assigns.

16. Sale after Forfeiture or Surrender or in Enforcement of Lien

Upon any sale of shares after forfeiture or surrender or for enforcing a lien, the Board may appoint a person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Shareholder Register in respect of such shares, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Shareholder Register in respect of such shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

17. Redeemable Shares

The Company may not issue redeemable shares.

18. Transfer of Shares

18.1. General Restrictions.

18.1.1. No sale, assignment, conveyance, pledge, hypothecation, grant of any security interest, or any other disposition or transfer by gift or otherwise, whether directly or indirectly (each, a "Transfer") of shares shall be effective nor registered unless the Transfer has been approved in good faith by the Board, and such Transfer is effected in compliance with the provisions of this Article 18. Any Transfer shall be conditioned upon an undertaking in writing signed by the transferee to assume and be bound by all obligations of the transferor under any instrument and agreement involving the transferor and the Company and applicable to such transferred shares. The Board may refuse to register a Transfer of shares, *inter alia*, (a) in the event that such a Transfer is to a competitor of the Company (either directly or indirectly), (b) in the event that such a Transfer would result in the Company having more than fifty (50) shareholders (calculated in accordance with the provisions of Article 2.1 above) or if it constitutes a public offering or public distribution of the Company's shares, and/or (c) in the event that such a Transfer is in violation of these Articles, and/or if the transferee does not agree, in writing, prior to such Transfer, to assume and be bound by all obligations of the transferor under any instrument and agreement involving the transferor and the Company and applicable to such transferred shares.

18.1.2. Prior to the registration of a Transfer of shares, the Board may require proof of compliance with the provisions of these Articles in respect of such Transfer.

18.1.3. Notwithstanding the above, any Transfer of shares by a shareholder to any of such shareholder's Permitted Transferees (as confirmed in writing to the Company by the transferor and transferee), shall not require the approval of the Board, provided that any such Permitted Transferee undertakes in writing towards the Company and the Shareholders, by way of a written notice to the Board, to the extent applicable, to assume and be bound by all obligations of the transferor under any instrument and agreement involving the transferor (in its capacity as Shareholder) and the Company, and provided, further, that such Permitted Transferee is not a competitor of the Company and that such a Transfer does not result in the Company having more than fifty (50) shareholders (calculated in accordance with the provisions of Article 2.1 above) or that it constitutes a public offering or public distribution of the Company's shares.

18.1.4. No Transfer of shares shall be registered unless the Company receives a deed of transfer or other proper instrument of transfer (in form and substance satisfactory to the Board), together with the share certificate(s) and such other evidence of title as the Board may reasonably require. Until the transferee has been registered in the Shareholder Register in respect of the shares so transferred, the Company may continue to regard the transferor as the owner thereof. The Board may, from time to time, prescribe a fee for the registration of a Transfer. A deed of transfer shall be in the following form or in any substantially similar form, including any such form as is acceptable to the transfer agent for the Company's shares, or in any form otherwise approved by the Board.

Deed of Transfer

I, _____ (hereinafter: the "Transferor") do hereby transfer to _____ (the "Transferee"), _____ share(s) of Gamida Cell Ltd. (hereinafter: the "Company"), NIS__ nominal value, standing in my name on the book of the Company, to be held by the Transferee and/or his executors, administrators and assigns, subject to the same terms and conditions under which I held the same at the time of execution hereof (including without limitation under the articles of association of the Company, as in effect from time to time) (in my capacity as a shareholder of the Company); and I, the Transferee, do hereby agree to accept the said share(s) in accordance with and subject to all aforesaid terms and conditions under which Transferor held the same at the time of execution hereof (in his, her or its capacity as a shareholder of the Company).

In witness whereof, we have signed this Deed of Transfer, to become effective as of _____.

The Transferor	The Transferee
Name: _____	Name: _____
Signature: _____	Signature: _____

18.1.5. Any attempted Transfer of shares or rights in breach of the provisions of this Article 18 shall be null and void.

18.1.6. Unless otherwise provided elsewhere, the provisions of this Article 18 shall also apply to other shares or other securities issued by the Company, *mutatis mutandis*.

18.2. First Refusal Right. Without derogating from the provisions of Article 18.1 above, and subject to the Stand-Still Limitations, until the earlier of an IPO or a Deemed Liquidation, whichever comes first, the following provisions shall govern any Transfer of shares in the Company, other than to a Permitted Transferee or in a transaction made in accordance with Articles 18.4 below *('Bring Along')*:

18.2.1. Any shareholder proposing to Transfer all or any of its shares ("Offeror") shall first request the Company, by written notice (which shall contain all the following information: the number and class of shares for sale ("Offered Shares"), the proposed transferees, the price of the Offered Shares, the terms of payment and credit and any other term related to the Transfer), to offer the Offered Shares on the terms of the proposed Transfer to the Qualified Shareholders. The Company shall comply with such request by sending the Qualified Shareholders a written notice ("Offer") stating therein the proposed transferee(s) and the proposed terms of sale of the Offered Shares. Any Qualified Shareholder may accept such Offer in respect of all or any of the Offered Shares by giving the Company written notice to that effect within thirty (30) days after being served with the Offer ("Offer Period"). A Qualified Shareholders shall be entitled to freely assign this First Refusal Right to any of its Permitted Transferees, provided such assignment does not result in the Company having Shareholders in a number exceeding the maximum number set forth in Article 2.1 above.

18.2.2. If the acceptances, in the aggregate, have been received for a total number of shares equal to the number of all of the Offered Shares, the contract between the parties shall be created and the Qualified Shareholder(s) shall purchase the number of Offered Shares indicated in the acceptances submitted by each Qualified Shareholder and the Offeror must sell such Offered Shares to such Qualified Shareholder(s).

18.2.3. If the acceptances, in the aggregate, have been received regarding a total number of shares which is greater than the number of all the Offered Shares, each accepting Qualified Shareholder shall only be entitled to purchase such portion of the Offered Shares to be determined according to such Qualified Shareholder's pro-rata portion of the Offered Shares calculated as the ratio that the number of Ordinary Shares on a Fully Diluted Basis then held by such Qualified Shareholder, bears to the total number of Ordinary Shares on a Fully Diluted Basis held by all accepting Qualified Shareholders, but not exceeding the number of shares indicated in such Qualified Shareholder's acceptance (and any excess shares, if any, shall be allocated among the accepting Qualified Shareholders who have not received all the shares they indicated in their respective acceptances submitted by them, in the same manner until the rights to purchase 100% of the total Offered Shares have been allocated as aforesaid).

18.2.4. If by the end of the Offer Period, no acceptances have been received or acceptances have been received for only part of the Offered Shares, then the Offeror shall not be required to sell any of the Offered Shares to any accepting Qualified Shareholder, but will be (subject to compliance, if applicable, with the Co-Sale rights under Article 18.3)entitled during the 90 days following the end of the Offer Period to sell all (but not less than all) of the Offered Shares only to the proposed transferee mentioned in its Offer, provided such transferee is not a competitor of the Company as prohibited under Article 18.1, at a price that shall not be less than the price indicated in the Offer and under terms identical to those specified in the Offer, and provided that such proposed transferee has delivered to the Company's Board in advance a written document in which such transferee agrees to assume such shares and rights to, in connection with, or in respect of such shares subject to any and all obligations and restrictions pursuant to which the transferor held such securities.

18.2.5. The right of first refusal under this Article 18.2 will not apply to Transfers of shares of the Company by Shareholders (i) in the framework of a Deemed Liquidation, or (ii) to their respective Permitted Transferees or (iii) in a transaction made in accordance with Articles 18.4 below *('Bring Along')*.

18.2.6. Any transfer taxes and documentary stamp taxes shall be paid by the Offeror.

18.3. Co-Sale Rights

18.3.1. Subject to compliance with the provisions of Article 18.1 (*'Transfer of Shares'*) and 18.2 (*'Right of First Refusal'*), if, at any time until the consummation of the earlier of a Qualified IPO and a Deemed Liquidation, any of Clal Biotechnology Industries Ltd., Elbit Cord Blood Limited Partnership, or Israel Health Care Ventures 2 LP Incorporated (each, a "Seller"), desires to Transfer any shares of the Company to any third party other than to its Permitted Transferees (provided that in such a case the provisions of this Article 18.3 shall apply to the shares that were transferred by such Seller to such Permitted Transferees) ("Offered Shares"), then each holder of Preferred F Shares (each, a "Co-Seller") shall have the right, exercisable during Offer Period set forth in Article 18.2.1 above, to require, in lieu of exercising its right of first refusal set forth in Article 18.2 above, as a condition to such Transfer described therein, that the contemplated purchaser of such Offered Shares shall purchase from such Co-Seller, at the same price per share and on the same terms and conditions as applicable to such Transfer by the Seller, up to that number of the shares of the Company expressed by multiplying (i) that number of Offered Shares proposed to be acquired by such purchaser, on an as-converted basis (the "Transaction Shares") by (ii) a fraction, the *numerator* of which is the number of shares of the Company then held by such Co-Seller, on an as-converted basis, and the *denominator* of which shall be equal to the sum of (a) the number of shares of the Company held by all participating Co-Sellers and their respective Affiliates, on an as-converted basis, and (b) the number of shares of the Company held by the Seller and its Affiliates, on an as-converted basis (such portion being referred to as each Co-Seller's "Co-Sale Pro Rata Portion").

18.3.2. In the event that any Co-Seller elects to participate in such Transfer, such Co-Seller shall inform in writing such election to the Seller (with a copy to the Company) within aforesaid Offer Period set forth in Article 18.2 above, and, if the Transfer to the purchaser is consummated, such Co-Seller shall Transfer to the purchaser as part thereof, and no Transfer of any Offered Shares by the Seller shall be completed unless simultaneously with such Transfer the purchaser purchases, such Co-Seller's Co-Sale Pro Rata Portion of the Transaction Shares, at the same price per share and on the same terms and conditions as set forth in the Offer. Any Co-Seller who fails to respond to the Offer within the aforesaid time Offer Period, shall be deemed to have waived its rights under this Article 18.3 to participate in such Transfer.

18.3.3. If no Co-Sellers elect to participate in such Transfer, then the Seller shall be entitled to sell or Transfer any or all of the Transaction Shares to the purchaser at any time within the ninety (90)-day Offer Period set forth in Article 18.2. Any such Transfer shall be at not less favorable terms and conditions to the Seller than those specified in the Co-Sale Offer. Any of the Seller's Offered Shares not sold within such ninety (90)-day period shall again become subject to the requirements of this Article 18.3.

18.4. Bring Along

18.4.1. Article 18.2 and 18.3 above to the contrary notwithstanding, but subject to Article 5.3.4.1 (*Veto Rights (Preferred Class Majority)*), to the extent applicable, and subject to the application to such Proposed Transaction of Article 5.3.2 (*Distribution Preference*) and, if applicable, Article 5.3.5.7 (*Price Protection – Preferred F Shares*), prior to an IPO, in the event that Shareholders holding at least 60% of the voting power represented by the then issued and outstanding shares of the Company on an as-converted basis ("Sale Approval Threshold" and the "Initiating Shareholders", respectively), acting together as a single class, accept and/or approve an offer from a potential buyer (the "Buyer") to effect a sale of the issued and outstanding shares of the Company or to merge or consolidate the Company with or into another entity or to sell all or substantially all of the assets of the Company (the "Proposed Transaction"), then such decision shall be binding upon the Company and all of the Shareholders, notwithstanding any no sale restriction, first refusal rights or other rights to which such Shareholders may be entitled or by which they may be bound, and the Shareholders will:

(i) vote all shares of the Company then held or controlled by such Shareholders or over which such Shareholders then hold voting power (in person, by proxy or by action by written consent, as applicable): (A) in favor of or to approve such Proposed Transaction and any matter that could reasonably be expected to facilitate such Proposed Transaction, and (B) against any proposal for any recapitalization, merger, sale of shares or assets or other business combination (other than the Proposed Transaction) between the Company and any person or entity (other than the Buyer) or any other action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the definitive agreement(s) related to such Proposed Transaction, or which could result in any of the conditions to the Company's obligations under such agreement(s) not being fulfilled, or that would otherwise impair the ability of the Company to properly and timely consummate such Proposed Transaction;

(ii) waive any dissenting minority or similar rights in connection with such Proposed Transaction; and

(iii) execute the relevant documents (including without limitation any instruments of conveyance and transfer, purchase agreements, merger agreements, escrow agreements, indemnification agreements, etc.) in connection with, and shall otherwise take all actions necessary and reasonable to effect, such Proposed Transaction as requested by the Company and/or the Initiating Shareholders, provided that no Shareholder shall be obliged to assume any non-compete or non-solicitation obligations as part of the Proposed Transaction.

18.4.2. If the Proposed Transaction is conditioned upon the sale of all of the shares of the Company to the Buyer (a "Sale of Shares Transaction"), then all Shareholders shall, be required to sell their shares in the Sale of Shares Transaction, free and clear of any liens, claims or encumbrances, on the same terms and conditions as those Initiating Shareholders; provided that the proceeds received in the Sale of Shares Transaction (as with any other Proposed Transaction) shall be distributed in accordance with the provisions of Article 5.3.2 above.

18.4.3. Notwithstanding the provisions of Section 341 of the Companies Law, the aforesaid Sale Approval Threshold is hereby determined as the majority threshold applicable also for the purpose of Section 341 of the Companies Law ("Section 341"), but subject to Article 18.4.1(ii) above, the provisions of Section 341 concerning shareholders who object to a sale of shares shall apply to shareholders who do not comply with the provisions hereof.

18.4.4. Notwithstanding the provisions of applicable Law (including, without limitation, Section 341) but only to the extent permitted by applicable law, the price, terms and conditions of a Proposed Transaction shall be considered to apply in the same manner as to all shareholders, if the application of such price, terms and conditions to the respective shares of the Company held by each Shareholder is made based upon and in accordance with the rights, preferences and privileges conferred upon such shares under these Articles (e.g., if each such share receives the respective portion of the proceeds of such Proposed Transaction as determined pursuant to the provisions of Article 5.3.2 above). For the purpose of Section 341 the application of the distribution preference provisions, if any, set forth herein shall not be deemed to mean that the shareholders were offered different treatment or terms in the Proposed Transaction. Moreover, any bonus, retention payment, monetary incentive, management compensation and/or any similar payment or arrangement (the "Additional Compensation"), payable or offered in connection with the transaction by either the Company or the Buyer to any Shareholder of the Company separately from any payment or distribution to which such Shareholder is entitled by virtue of his ownership of shares in the Company, shall not be deemed contrary to the provisions of Section 341 and Shareholders not receiving any such separate payment shall not be deemed, for purposes of Section 341, to be treated unequally compared to any Shareholders receiving such payment, provided that such Additional Compensation is payable or offered bona-fide and for the aforesaid bonus, retention or similar purposes.

18.4.5. In the event that a Shareholder fails to surrender its certificate in connection with the consummation of said transaction, such certificate shall be deemed cancelled and the Company shall be authorized to issue a new certificate in the name of the Buyer and the Board shall be authorized to establish an escrow account, for the benefit of such Shareholder, as applicable, into which the consideration for such securities represented by such cancelled certificate shall be deposited and to appoint a trustee to administer such account.

18.4.6. Notwithstanding anything in these Articles or the law to the contrary, but subject to Article 5.3.4.1(iv) ('Veto over Non-Liquidity Event')), to the extent applicable, and to the extent permitted by the law, the approval of a Proposed Transaction shall not be subject to the approval of a separate class vote or interest vote of the holders of the shares of any particular class of shares.

18.4.7. Anything in these Articles to the contrary notwithstanding, in accordance with Section 50(a) of the Companies Law, the General Meeting shall, if requested by the Initiating Shareholders, assume the power and authority of the Board to discuss and approve, for all intents and purposes, the Proposed Transaction on behalf of the Company in accordance with this Article 18.4, effective as of the time on which the written request of the Initiating Shareholders to such an effect shall have been received by the Company.

18.4.8. In the event that the Sale Approval Threshold is met, any sale or other Transfer of Shares by the Shareholders, other than pursuant to the Proposed Transaction, shall be absolutely prohibited.

18.4.9. Each Shareholder recognizes and accepts that the powers granted to the Company and/or the Board as set forth in this Article 18.4 above are granted in order to ensure and protect the rights of the other Shareholders and that therefore, such powers, upon the use thereof shall be irrevocable with respect to such matter or action with respect to which the Board has exercised such powers.

18.4.10. The provisions of this Article 18.4, to the extent they apply to a Proposed Transaction that is structured as a Sale of Shares Transaction, are in addition to (but may not be acted upon simultaneously with) the provisions of Section 341 and not in substitution of such provisions and the Board (or, in accordance with Section 50(a) of the Companies Law, the General Meeting) at its sole discretion may elect whether to act upon the provisions of this Article 18.4 or of Section 341. No Shareholder shall be entitled to request the Company, the other Shareholders or any other party to the Proposed Transaction (e.g. the purchaser) to act upon the provisions of Section 341 and to object to the execution and delivery of any transaction documentation pertaining to the Proposed Transaction.

18.5. Transmission of Shares

18.5.1. Decedent's Shares. Upon the death of a Shareholder, the Company shall recognize the custodian or administrator of the estate or executor of the will, and in the absence of such, the lawful heirs of the Shareholder, as the only holders of the right for the shares of the deceased Shareholder, after receipt of evidence to the entitlement thereto, as determined by the Board.

18.5.2. Receivers and Liquidators. The Company may recognize the receiver or liquidator of any corporate Shareholder in liquidation or dissolution, or the receiver or trustee in bankruptcy of any Shareholder, as being entitled to the shares registered in the name of such Shareholder, after receipt of evidence to the entitlement thereto, as determined by the Board.

18.6. Suspension of Share Transfer Registration.

The Board may suspend the registration of share transfers during the fourteen (14) days immediately preceding the Annual Meeting.

19. Bearer Share Certificates

The Company shall not issue bearer share certificates that grant the bearer rights in the shares specified therein.

General Meetings

20. Annual Meeting

20.1. An annual General Meeting shall be held once in every calendar year at such time within a period of not more than fifteen (15) months after the last preceding annual General Meeting and at such time and place as may be determined by the Board. These General Meetings shall be referred to as "Annual Meetings".

20.2. The agenda of an Annual Meeting shall include a discussion of the following issues:

20.2.1. The financial statements of the Company, as of the end of the fiscal year preceding the year of the Annual Meeting, and the report of the Board with respect thereto; and

20.2.2. The report of the Board with respect to the fee paid to the Company's Auditor.

20.3. The agenda at an Annual Meeting may include the following issues, in addition to those referred to in Article 20.2:

20.3.1. The appointment of an Auditor or the renewal of his office; and

20.3.2. Any other issue, which was detailed in the agenda for the Annual Meeting.

21. Extraordinary Meetings

All General Meetings other than Annual Meetings shall be referred to as "Extraordinary Meetings." The Board may, whenever it deems fit, convene an Extraordinary Meeting at such time and place as may be determined by the Board. The Board shall be obliged to do so upon a request in writing in accordance with Section 63 of the Companies Law.

22. Class Meetings

The provisions of these Articles with respect to General Meetings shall apply, mutatis mutandis, to meetings of the holders of a particular class of shares of the Company (a "Class Meeting").

23. Notice of General Meetings

For the purpose of this Article 23, the term "General Meeting" shall include Annual and Extraordinary Meetings and any Class Meeting.

23.1. A notice of a General Meeting shall be sent at least 8 days prior to the date fixed for the General Meeting; provided however, that such notice shall not be sent more than forty five (45) days prior to the date fixed for the General Meeting. Notice shall be given to all members who are entitled to attend and vote at such meeting, if it were held on the date when such notice is issued. Subject to the provisions of any Law, each such notice shall specify the place, the day and hour of the meeting, the agenda of the meeting and a reasonable description of the proposed matters for discussion; provided however, that: (i) in the event that the agenda includes a proposal to amend the Articles, the notice shall include the text of the proposed amendment(s); and (ii) with respect to a notice of an Annual Meeting, a copy of the financial statements of the Company shall be delivered, together with the notice of such Annual Meeting, to any Shareholder entitled to vote at such meeting. Anything herein to the contrary notwithstanding, with the written consent of all Shareholders entitled to vote thereon, a resolution may be proposed and passed at such meeting although a shorter notice than hereinabove prescribed has been given. A waiver by a Shareholder can also be made in writing after the fact and even after the convening of the General Meeting.

23.2. Any accidental omission with respect to the giving of a notice of a General Meeting to any Shareholder or the non-receipt of a notice with respect to a meeting or any other notice on the part of any Shareholder shall not invalidate the proceedings at such meeting.

Proceedings at General Meetings

24. The Agenda of General Meetings

24.1. The agenda of General Meetings shall be determined by the Board and shall also include issues for which an Extraordinary Meeting is being convened in accordance with Article 21 above, or as may be required upon the request of Shareholders in accordance with the provisions of the Companies Law.

24.2. The Board may, in its sole discretion, send to the Shareholders a recommendation in order to persuade them with respect to any matter, which is on the agenda of the General Meeting. Such recommendation shall be delivered at the expense of the Company.

25. Quorum

25.1. No business shall be transacted at a General Meeting unless a lawful quorum is present when the meeting proceeds to business and no resolution shall be passed unless the requisite quorum is present when the resolution is voted upon.

25.2. Subject to the requirements of the Companies Law and the provisions of these Articles, any two or more shareholders (not in default in payment of any sum referred to in Article 12 hereof), present in person or by proxy, and who hold or represent in the aggregate at least a majority of the voting power of the Company (on an as-converted basis), shall constitute a lawful quorum at General Meetings. A Shareholder or his proxy, who also serves as a proxy for other Shareholder(s), shall be regarded as two or more Shareholders, in accordance with the number of Shareholders he is representing.

25.3. If within 30 minutes from the time appointed for the General Meeting a quorum is not present, the meeting shall stand adjourned to the same day, time and place in the next week (or the first Business Day thereafter), at the same time and place, or to a later date if so mentioned in the General Meeting's notice. At such adjourned meeting, a quorum shall be required in accordance with Article 25.2 above. If an adjourned General Meeting is convened in accordance with this Article 25.3 and a quorum is not present within 30 minutes of the announced time, the General Meeting shall commence with any number of shareholders present and all resolutions adopted in accordance with Article 28.1 shall be deemed binding upon the Company, further provided that such resolutions were in according with the agenda of matters to be discussed sent to shareholders with the notice of the General Meeting.

26. Chairman

The Chairman, if any, of the Board, or a director appointed by the Board for such purpose, shall preside as Chairman at every General Meeting, unless otherwise agreed between the Shareholders. If there is no such Chairman, or if the Chairman is not present within fifteen (15) minutes after the time fixed for holding such meeting or is unwilling to act as Chairman, the Shareholders present shall choose someone of their number to be Chairman. The Chairman of any General Meeting shall not be entitled to a second or casting vote and the position of Chairman shall not, by itself, entitle the holder thereof to vote at any General Meeting (without derogating, however, from the rights of such Chairman to vote as a Shareholder or proxy of a Shareholder if, in fact, he is also a Shareholder or proxy, respectively).

27. Adjourned Meeting

A General Meeting at which a lawful quorum is present ("Original General Meeting"), may resolve by an Ordinary Majority to adjourn the General Meeting, from time to time, to another time and/or place ("Adjourned Meeting"), but no business shall be transacted at any Adjourned Meeting other than the business left unfinished at the meeting from which the adjournment took place. A notice of adjournment and of the matters to be included in the agenda of the Adjourned Meeting shall be given to all shareholders entitled to receive notices of General Meetings.

28. Adoption of Resolutions at General Meetings

28.1. All resolutions of the General Meeting shall be adopted by an Ordinary Majority except those matters with respect to which a greater majority is required by the Companies Law or otherwise specifically in these Articles.

28.2. Every matter submitted to a General Meeting shall be decided by a show of hands, but if a written ballot is demanded by any Shareholder, present in person or by proxy and entitled to vote at the meeting, the same shall be decided by such ballot. A written ballot may be demanded before the proposed resolution is voted upon or immediately after the declaration by the Chairman of the results of the vote by a show of hands. If a vote by written ballot is taken after such declaration, the results of the vote by a show of hands shall be of no effect, and the proposed resolution shall be decided by such written ballot. The demand for a written ballot may be withdrawn at any time before the same is conducted, in which event another Shareholder may then demand such written ballot. The demand for a written ballot shall not prevent the continuance of the meeting for the transaction of business other than the question on which the written ballot has been demanded.

28.3. A declaration by the Chairman of the meeting that a resolution has been adopted unanimously, or adopted by a particular majority, or rejected, and an entry to that effect in the minute book of the Company, shall be prima-facie evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.

28.4. Validity of Acts despite Defects. Subject to the provisions of the Companies Law, a defect in convening or conducting the General Meeting, including a defect deriving from the non-fulfillment of any provision or condition laid down in the Law or these Articles, including with regard to the manner of convening or conducting the General Meeting, shall not disqualify any resolution passed at the General Meeting in accordance with Article 28.1 above (subject to Articles 5.3.2 (*Distribution Preference*), 5.3.4.1 (*Veto Rights (Preferred Class Majority)*), and 5.3.5.7 (*Price Protection – Preferred F Shares*)) and shall not affect the discussions which took place thereat.

29. Resolutions in Writing

A resolution in writing signed by all Shareholders of the Company then entitled to attend and vote at General Meetings or to which all such Shareholders have given their written consent (by letter, facsimile, email or otherwise), or their oral consent by telephone (provided that a written summary thereof has been approved and signed by the Chairman of the Board) shall be deemed to have been unanimously adopted by a General Meeting duly convened and held. Such resolution could be stated in several counterparts of the same document, each of them signed by one Shareholder or by several Shareholders.

30. Conducting a General Meeting through Means of Communication

The Company may conduct a General Meeting through the use of any means of communication, provided all of the participating Shareholders can hear each other simultaneously. A resolution approved by use of means of communications as aforesaid, shall be deemed to be a resolution lawfully adopted at a General Meeting.

31. Voting Power

Every Shareholder shall have one vote for each share held by him of record (in the case of the Preferred Shares - on an as-converted basis), on every resolution, without regard to whether the vote thereon is conducted in person or by proxy, by a show of hands, by written ballot or by any other means.

32. Voting Rights

32.1. No Shareholder shall be entitled to vote at any General Meeting (or be counted as a part of the lawful quorum thereat), unless all calls and other sums then payable by him in respect of his shares in the Company have been paid.

32.2. A company or other corporate entity being a Shareholder of the Company may, by resolution of its directors or any other managing body thereof, authorize any person to be its representative at any General Meeting. Any person so authorized shall be entitled to exercise on behalf of such Shareholder all the power that the latter could have exercised if it were an individual shareholder. Upon the request of the Chairman of the General Meeting, written evidence of such authorization (in form acceptable to the Chairman) shall be delivered to him.

32.3. Any Shareholder entitled to vote may vote either personally (or, if the Shareholder is a company or other corporate entity, by a representative authorized pursuant to Article 32.2) or by proxy (in accordance with the requirements of these Articles for proxy appointments).

32.4. If two or more persons are registered as joint holders of any share, the vote of the senior holder who tenders a vote, in person, by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the Shareholder Register.

33. Reserved.

Proxies

34. Voting by Means of a Proxy

34.1. A Shareholder is entitled to appoint by deed of authorization a proxy (who is not required to be a Shareholder of the Company) to participate and vote in his stead, whether at a certain General Meeting or generally at General Meetings of the Company. Shareholders may also vote in writing, by delivery to the Company, prior to a General Meeting, of a written notice stating their affirmative or negative vote on an issue to be considered by such meeting.

34.2. In the event that the deed of authorization is not limited to a certain General Meeting, then the deed of authorization, which was deposited prior to a certain General Meeting, shall also be good for other General Meetings thereafter. This Article 34 shall also apply to a Shareholder, which is a corporation, appointing a person to participate and vote in a General Meeting in its stead.

35. A Deed of Authorization

35.1. The deed of authorization of a proxy shall be in writing and shall be substantially in the form specified below, or in any usual or common form or in such other form as may be approved by the Board. It shall be duly signed by the appointer or his duly authorized attorney or, if such appointer is a company or other corporate entity, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s). The Company may demand that it be given written confirmation to its satisfaction of the authority of those signing to bind such company.

Form of Deed of Authorization

Deed of Authorization

To: _____ Ltd. (the "Company")
Attn: Corporate Secretary

I _____ of _____
(Name of Shareholder) (I.D. of Shareholder)
being a registered holder of _____ (*) Ordinary Shares having a nominal value of NIS __ each, of the Company, hereby appoint
_____ I.D. no. _____ and/or
(Name of Proxy) (I.D. of Proxy) (**)
_____ I.D. no. _____
(Name of Proxy) (I.D. of Proxy)

as my proxy to participate and vote for me and in my stead and on my behalf at [mark one]:

☐ The General Meeting of the Company to be held on the _____ day of _____, 20__ and at any adjournment(s) thereof.
I direct that my vote(s) be cast on the resolutions as indicated by a ✓ in the appropriate space.

Resolutions (***)	For	Against	Abstain
	☐	☐	☐

On the receipt of this form duly signed but without any specific direction on a particular matter, my proxy will vote or abstain at his/her discretion.

[Optional – mark one:]

☐ At any General Meeting of the Company, until I shall otherwise notify you.

Signed this _____ day of _____, 20__.

_____
(Signature of Appointer)

(*) A registered shareholder may grant a number of proxy appointment instruments, each in relation to another quantity of the Company's shares held by him, provided that he does not grant proxy appointment instruments for a quantity of shares larger than the quantity held by him.

(**) Where the proxy does not have an Israeli identity document, the passport number and the country, which issued the passport, may be stated.

(***) Fill in the resolutions set forth in the agenda of the meeting and mark your vote with respect to each resolution.

35.2. The Company shall only accept an original proxy appointment instrument or a copy thereof.

35.3. The deed of authorization of a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall either be delivered to the Company (at its registered office or at such place as the Board may specify) not later than the time fixed for the meeting at which the person named in the deed of authorization proposes to vote, or presented to the Chairman at such meeting.

36. Effect of Death of Appointer or Revocation of Appointment

A vote cast pursuant to a deed of authorization of a proxy shall be valid notwithstanding the prior death, incapacity or bankruptcy, or if a company or other corporate entity, the liquidation, of the appointing Shareholder (or of his attorney-in-fact, if any, who signed such instrument), or the revocation of the appointment or the transfer of the share in respect of which the vote is cast, provided no written notice of any such event shall have been received by the Company or by the Chairman of the General Meeting before such vote is cast and provided, further, that the appointing Shareholder, if present in person at said General Meeting, may revoke the appointment by means of a writing, oral notification to the Chairman, or otherwise.

37. The Disqualification of Deeds of Authorization

Subject to the provisions of applicable Law, the Company's Chief Executive Officer or President may, in his discretion, disqualify deeds of authorization and so notify the Shareholder who submitted deeds of authorization in the following cases:

37.1. If there is a reasonable suspicion that they are forged or falsified;

37.2. If they are not duly executed or completed;

37.3. If there is a reasonable suspicion that they are given with respect to shares for which one or more deeds of authorization have been given and not withdrawn; or

37.4. If more than one choice is marked for the same resolution.

Board of Directors

38. The Authority of the Board

38.1. The authority of the Board is as specified in the Companies Law and in the provisions of these Articles.

38.2. The Board may exercise any authority of the Company, which is not by the Companies Law, to be exercised by another organ of the Company.

38.3. Without derogating from the generality of Articles 38.1 and 38.2 above and subject thereto, the Board's authority shall include the following:

38.3.1. The Board may, from time to time, in its discretion, cause the Company to borrow or secure the payment of any sum or sums of money for the purposes of the Company, and may secure or provide for the repayment of such sum or sums in such manner, at such times and upon such terms and conditions in all respects as it deems appropriate, including, without limitation, by the issuance of bonds, perpetual or redeemable debentures or other securities, or any mortgages, charges, or other liens on the undertaking or the whole or any part of the property of the Company, both present and future, including its uncalled or called but unpaid capital;

38.3.2. The Board may, from time to time, set aside any amount(s) out of the profits of the Company as a reserve or reserves for any purpose(s) which the Board, in its sole discretion, shall deem appropriate, and may invest any sum so set aside in any manner and from time to time deal with and vary such investments, and dispose of all or any part thereof, and employ any such reserve or any part thereof in the business of the Company without being bound to keep the same separate from other assets of the Company, and may subdivide or redesignate any reserve or cancel the same or apply the funds therein for another purpose, all as the Board may from time to time deem appropriate;

38.3.3. Subject to the provisions of any Law, the Board may, from time to time, authorize any person to be the representative of the Company with respect to those objectives and subject to those conditions and for that time period, as the Board deems appropriate, and may also grant any such representative the authority to delegate any or all of the authorities, powers and discretion given to him by the Board.

39. Board Meetings

39.1. Convening Meetings of the Board

The Chairman of the Board, or any Director, may at any time, convene a meeting of the Board, at any time or in any event that such meeting is required by the provisions of the Companies Law; provided that such a meeting is convened at least once a year.

39.2. Notice of a Meeting of the Board

39.2.1. Any notice with respect to a meeting of the Board shall be given in writing, so long as the notice is given at least two (2) days prior to the date fixed for the meeting, unless all members of the Board or their Alternate Directors (as defined in Article 43.1 below) or their representatives agree on a shorter time period. Such notice shall be delivered personally, by mail, or transmitted via facsimile or e-mail or through other means of communication, to the address, facsimile number or to the e-mail address or to an address where messages can be delivered through other means of communication, as the case may be, as the Director informed the Company in advance.

39.2.2. A notice with respect to a meeting of the Board shall include the venue, date and time of the meeting of the Board, the issues on its agenda and any other material that the Chairman of the Board, or the convening Director, requests to be included in the notice with respect to the meeting.

39.3. The Agenda of Board Meetings

The agenda of any meeting of the Board shall be as determined by the Chairman of the Board, and if there is no Chairman, by an ordinary resolution of the Board, and shall include the following matters:

39.3.1. Matters for which the meeting is required to be convened in accordance with the Companies Law;

39.3.2. Any matter requested by a Director or by the Chief Executive Officer to be included in the meeting within a reasonable time (taking into account the nature of the matter) prior to the date of the meeting;

39.3.3. Any other matter determined by the Chairman of the Board, or by any Director of the Company when there is no Chairman.

39.4. Quorum

39.4.1. No business shall be transacted at a meeting of the Board unless a lawful quorum is present when the meeting proceeds to business and no resolution shall be passed unless the requisite quorum is present when the resolution is voted upon.

39.4.2. Unless otherwise unanimously decided by the Board, a quorum at a meeting of the Board shall be constituted by the presence of a majority of the Directors, then in office who are lawfully entitled to participate in the meeting.

39.4.3. If within 30 minutes from the time appointed for a meeting of the Board a quorum is not present, the meeting shall stand adjourned to the next business day thereafter. At such adjourned meeting, a quorum shall be required in accordance with Article 39.4.2 above. If an adjourned meeting is convened in accordance with this Article 39.4.3 and a quorum is not present within 30 minutes of the announced time, the meeting shall commence with any two (2) directors, Directors who are present at such adjourned meeting, all resolutions adopted shall be deemed binding upon the Company as if a legal quorum was present, further provided that such resolutions were in accord with the agenda of matters to be discussed at the meeting before it was adjourned.

39.5. Conducting a Meeting Through Means of Communication

The Board may conduct a meeting of the Board through the use of any means of communication, provided all of the participating Directors can hear each other simultaneously. A resolution approved by use of means of communications as aforesaid, shall be deemed to be a resolution lawfully adopted at a meeting of the Board.

39.6. Voting in the Board

Issues presented at meetings of the Board shall be decided upon by a majority of the votes of Directors present (or participating, in the case of a vote through a permitted means of communications) and lawfully entitled to vote thereon. Subject to the provision of Article 45 below, with respect to representatives of Directors that are companies, each Director shall have a single vote.

39.7. Written Resolution

Without derogating from the provisions of Article 39.5 above, a resolution in writing signed by all Directors then in office and lawfully entitled to vote thereon or to which all such Directors have given their consent (by letter, facsimile, e-mail or otherwise), shall be deemed to have been unanimously adopted by a meeting of the Board duly convened and held.

40. Composition of the Board; Election and Removal of Directors

40.1. The number of Directors shall not be less than 1 and shall not exceed 10 Directors.

40.2. The Directors shall be appointed, replaced and removed as follows:

40.2.1. The holders of the Special F Majority, for so long as the outstanding Preferred F Shares represent 8% of the voting power represented by the then issued and outstanding shares of the Company on a Fully-Diluted Basis, shall have the right (but not the obligation) to appoint, replace and remove one (1) Director, who shall be a strategic director nominated by the Special F Majority and reasonably acceptable to a majority of the other Investors Directors.

40.2.2. Any one or more Shareholder(s) (excluding Novartis or any of its Affiliates) who hold(s), together with its or their Permitted Transferees, Ordinary Shares, Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares and/or Preferred E Shares that represent an aggregate of 11% or more of the voting power represented by the then issued and outstanding share capital of the Company on an as-converted basis, shall have the right to appoint, replace and remove one (1) Director by virtue of such aggregate 11% holdings; provided, however, that any such aggregate 11% holdings that were utilized by such Shareholder(s) for the appointment of a certain director, may not be utilized (in whole or in part) - for as long as such director is incumbent - for the appointment of another director. This Article 40.2.2 shall not operate to derogate from the Special F Majority appointment right in Article 40.2.1.

40.2.3. The Board shall be entitled to appoint one (1) Director.

40.2.4. Last, the Board, by a resolution duly adopted by a majority of the Directors appointed in accordance with Articles 40.2.1 and 40.2.2 above, shall be entitled to appoint up to four (4) additional Directors, who shall be professional experts, and by a written notice given by two (2) or more of the Directors appointed in accordance with Articles 40.2.1 and 40.2.2 above, shall be entitled to remove any such professional expert Director(s).

40.3. For the avoidance of doubt, the Directors to be appointed under Article 40.2.3 or 40.2.4 shall not be deemed as Investors Directors.

40.4. Any appointment, dismissal or replacement of any Director, shall be made by written notice given to the Company, or resolution adopted, as the case may be, by the party(ies) entitled to respectively appoint, dismiss or replace such a Director.

40.5. Only those entitled to appoint Directors under Article 40.2 above shall be entitled to fill any vacancy, however created (including any position to which a Director was not elected), in the Board in respect of the Director they are entitled to appoint.

41. Qualification of Directors

No person shall be disqualified to serve as a Director (or an Alternate Director) by reason of his not holding shares in the Company or by reason of his having served as a Director in the past.

42. Directors Generally

Subject to the provisions of the Companies Law, and except for an accountant-auditor, a Director may hold another position in the Company.

43. Alternate Directors and Representative of a Director that is a Company

43.1. Alternate Directors

43.1.1. Subject to the provisions of the Companies Law, any Director may, by written notice to the Company, appoint an alternate for himself ("Alternate Director"), dismiss such Alternate Director and appoint another Alternate Director in place of any Alternate Director appointed by him whose office has been vacated for any reason whatsoever, whether for a certain meeting or a certain period of time or generally. Any notice given to the Company pursuant to this Article shall be in writing, delivered to the Company and signed by the appointing or dismissing Director, and shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

43.1.2. Anyone who is not qualified to be appointed as a Director and/or anyone serving as a Director or as an existing Alternate Director may not be appointed and may not serve as an Alternate Director.

43.2. Representative of a Director that is a Company

43.2.1. A Director that is a company or other corporate entity shall appoint an individual, qualified to be appointed as a Director in the Company, in order to serve on its behalf, either for a certain meeting or for a certain period of time or generally and such company or other entity may also dismiss that individual and appoint another in his stead ("Director's Representatives"). Any notice given to the Company pursuant to this Article shall be in writing, delivered to the Company and signed by the appointing or dismissing body, and shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

43.2.2. Subject to Article 43.2.1 any person, whether or not a Director, may serve as a Director's Representative. One person may act as a Director's Representative of several Directors, and in such event he shall have a number of votes (and shall be treated as the number of persons for purposes of establishing a quorum) equal to the number of Directors for whom he acts as a Director's Representative. If a Director's Representative is also a Director in his own right, his rights as a Director's Representative shall be in addition to his rights as a Director.

43.3. Provisions with Respect to Alternate Directors and Director's Representatives

43.3.1. An Alternate Director and a Director's Representative shall have all the authority of the Director who appointed him (except that neither an Alternate Director nor a Director's Representative may appoint an alternate for himself, unless the instrument appointing him otherwise expressly provides), and provided however, that an Alternate Director shall have no standing at any meeting of the Board or any committee thereof while the Director who appointed him is present.

43.3.2. The office of an Alternate Director or a Director's Representative shall be vacated under the circumstances, mutatis mutandis, set forth in Article 44, and such office shall ipso facto be vacated if the Director who appointed such Alternate Director or Director's Representative ceases to be a Director.

44. Termination of the Term of a Director

The term of a Director shall terminate in any of the following cases:

44.1. If he resigned from his office by way of a signed letter, filed with the corporate secretary at the Company's office;

44.2. If he is declared bankrupt;

44.3. If he is declared by an appropriate court to be incapacitated;

44.4. Upon his death and, in the event of a company or other corporate entity, upon the adoption of a resolution for its voluntary liquidation or the issuance of a liquidation order;

44.5. If he is convicted of a crime requiring his termination pursuant to the Companies Law;

44.6. If his term of office is terminated in accordance with the provisions of the Companies Law; or

44.7. Upon dismissal or replacement carried out by the nominating shareholders of the director pursuant to Article 40.4.

45. Continuing Directors in the Event of Vacancies

In the event of one or more vacancies in the Board, the continuing Directors may continue to act in every matter, subject to applicable law.

46. Compensation of Directors

46.1. Directors who do not hold other positions in the Company shall not receive any compensation from the Company, unless such compensation and its amount are approved by the General Meeting, subject to applicable Law.

46.2. The compensation of the Directors may be fixed, as an all-inclusive payment or as payment for participation in meetings or as any combination thereof.

46.3. The Company may reimburse expenses incurred by a Director in connection with the performance of his duties as a Director, to the extent provided in a resolution of the Board.

47. Personal Interest of a Director

Subject to compliance with the provisions of the Companies Law, the Company may enter into any contract or otherwise transact any business with any Director and may enter into any contract or otherwise transact any business with any third party in which contract or business a Director has a personal interest, directly or indirectly.

48. Committees of the Board of Directors

48.1. Subject to the provisions of the Companies Law, the Board may delegate its authorities or any part of them to committees, as it deems appropriate, and it may from time to time cancel the delegation of any such authority. Any such committee, while utilizing an authority as stated, is obligated to fulfill all of the instructions given to it from time to time by the Board.

48.2. Subject to the provisions of the Companies Law, each committee of the Board shall consist of at least two (2) Directors.

48.3. The provisions of these Articles with respect to meetings of the Board shall apply, mutatis mutandis, to the meetings and discussions of each committee of the Board, provided that no other terms are set by the Board in this matter, and provided that the lawful quorum for the meetings of the committee, as stated, shall be at least a majority of the members of the committee, unless otherwise required by Law.

49. Chairman of the Board

49.1. Appointment:

The Board may from time to time choose one of its members to serve as the Chairman of the Board, remove such Chairman from office and choose another in its place. The Chairman of the Board shall preside at every meeting of the Board, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes of the time fixed for the meeting, or if he is unwilling to take the chair, the Board shall appoint one of the Directors present to preside at the meeting.

49.2. Authority

49.2.1. The Chairman of the Board shall preside over meetings of the Board and shall sign the minutes of the meetings.

49.2.2. In the event of deadlock vote, the Chairman of the Board shall not have an additional or casting vote.

50. Validity of Acts Despite Defects

Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board, or of a committee of the Board, or by any person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of the participants in such meetings or any of them or any person(s) acting as aforesaid, or that they or any of them were disqualified, be as valid as if there was no such defect or disqualification.

Minutes

51. Minutes

51.1. Minutes of each General Meeting and of each meeting of the Board shall be recorded and duly entered in books provided for that purpose, which shall be kept in the Company's registered offices. Such minutes shall set forth all resolutions adopted at the meeting and, with respect to minutes of Board meetings, the names of the persons present at the meeting.

51.2. Any minutes as aforesaid, if purporting to be signed by the Chairman of the meeting or by the Chairman of the next succeeding meeting, shall constitute prima facie evidence of the matters recorded therein.

Officers; Auditor

52. The Chief Executive Officer

52.1. The Board may appoint and dismiss a Chief Executive Officer, and may appoint more than one person for such a position. The Chief Executive Officer may be a Director. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board may from time to time (subject to the provisions of the Companies Law and of any contract between any such person and the Company) fix his or their salaries and emolument, remove or dismiss him or them from office and appoint another in his or their place.

52.2. The Authority of the Chief Executive Officer

52.2.1. The Chief Executive Officer is responsible for the day-to-day management of the affairs of the Company within the framework of the policies set by the Board and subject to its instructions.

52.2.2. The Chief Executive Officer shall have all managerial and operational authorities, which were not conferred by Law or pursuant to these Articles to any other organ of the Company, and he shall be under the supervision of the Board.

52.2.3. The Board may assume the authority granted to the Chief Executive Officer, either with respect to a certain issue or for a certain period of time.

52.2.4. In the event the Board appoints more than one Chief Executive Officer, the Board may determine the respective positions and functions of the Chief Executive Officers and allocate their authorities, as the Board may deem appropriate.

52.2.5. In the event that the Chief Executive Officer is unable to exercise his authority, the Board may exercise such authority in his stead, or authorize another to exercise such authority.

52.2.6. The Board may instruct the Chief Executive Officer how to act in a particular matter; if the Chief Executive Officer does not obey the instruction, the Board may exercise the power required to implement the instruction in his stead.

52.2.7. The Chief Executive Officer, with the approval of the Board, may delegate to his subordinates any of his authority.

52.2.8. Subject to the provisions of the Companies Law, the Board may delegate to the Chief Executive Officer powers which the Board has pursuant to these Articles, as it deems fit, and it may delegate these powers, or any of them, for such period and objects, on such conditions and with such restrictions as it deems fit. The Board may alter or cancel any delegation of powers as aforesaid.

52.2.9. In the event that the Company did not appoint a Chief Executive Officer, the Board shall have all the authorities of the Chief Executive Officer as detailed in this Article 52.

52.3. Chief Executive Officer's reporting duties

52.3.1. The Chief Executive Officer must notify all Board members of any exceptional matter, which is material to the Company, or of any material deviation of the Company from the policy prescribed by the Board.

52.3.2. The Chief Executive Officer shall submit reports to the Board on the matters, at the times and on the scale prescribed by the Board.

52.3.3. The Chief Executive Officer shall report to the Chairman of the Board, on his demand, on matters relating to the Company's business and the proper management thereof.

53. Other Officers of the Company

The Board may appoint, in addition to the Chief Executive Officer, a Secretary to the Company and other Officers, personnel, agents and servants, define their positions and authorities, and set their compensation and terms of employment; and the Board may authorize the Chief Executive Officer to exercise any or all of its authorities stated in this Article 53.

54. The Auditor

54.1. The Shareholders at the Annual Meeting shall appoint an auditor for a period until the close of the following Annual Meeting or for a period not to extend beyond the close of the third Annual Meeting following the Annual Meeting in which he was appointed. Subject to the provisions of the Companies Law, the General Meeting is entitled at any time to terminate the service of the auditor.

54.2. The Board shall fix the compensation of the Auditor of the Company for its auditing activities, and shall also fix the compensation of the Auditor for additional services, if any, which are not auditing activities, and, in each case, shall report thereon to the Annual Meeting.

Distributions

55. General

The Company may effect a distribution to its Shareholders to the extent permitted by the Companies Law and subject to the other provisions of these Articles (including Articles 5.3.1 and 5.3.2 above). Except as permitted by the Companies Law or Companies Regulations, distributions shall not be made except from the profits of the Company legally available therefor.

56. Dividend and Bonus Shares

56.1. Right to Dividend or Bonus Shares

56.1.1. Subject to the other provisions of these Articles, a Shareholder shall be entitled to receive dividends or bonus shares, upon the resolution of the Company in accordance with Article 56.2 below, consistent with the rights attached to the shares held by such Shareholder and subject to this Article 56.

56.1.2. Subject to the provisions of Article 5.3, the Shareholders entitled to receive dividends or bonus shares shall be those who are registered in the Shareholder Register on the date of the resolution approving the distribution or allotment, or on such later date, as may be determined in such resolution.

56.1.3. Subject to Article 5.3 above, in the event the Company pays a dividend or distributes bonus shares, then, in each such case, the holders of Preferred Shares shall be entitled to receive such distribution, pari passu with the Ordinary Shares, and the amount of dividends or number of bonus shares, as the case may be, that shall be distributed in respect of each Preferred Share shall be calculated on the basis of the number of Ordinary Shares into which such Preferred Share could then be converted; provided however, anything in these Articles to the contrary notwithstanding, prior to an IPO, in the event of any Distribution made in cash, cash equivalents, or, if applicable, securities, the assets and proceeds distributed in such Distribution shall be distributed to the Shareholders in accordance with the provisions of Article 5.3.2 above.

56.2. Resolution of the Company with Respect to a Dividend or Bonus Shares

The resolution of the Company with respect to the distribution of a dividend or bonus shares shall be adopted by the General Meeting subject to Article 5.3.1 above, after presentation of the recommendation of the Board. The General Meeting may accept the Board's recommendation or decrease the amount recommended, but may not increase it, provided in each case the distribution is permitted in accordance with the provisions of the Companies Law.

56.3. Specific Dividend

Upon the recommendation of the Board approved by a resolution of the General Meeting adopted subject to Article 5.3 above, a dividend may be paid, in whole or in part, by the distribution of specific assets of the Company or by distribution of paid up shares, debentures or other securities of the Company or of any other companies, or in any combination thereof, the fair value of which shall be determined by the Board in good faith.

56.4. Deductions from Dividends

The Board may deduct from any distribution or other moneys payable to any Shareholder in respect of a share any and all sums of money then payable by him to the Company on account of calls or otherwise in respect of shares of the Company and/or on account of any other matter or transaction whatsoever.

56.5. Retention of Dividends

56.5.1. The Board may retain any dividend, bonus shares or other moneys payable or property distributable in respect of a share on which the Company has a lien, and may apply the same in or toward satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

56.5.2. The Board may retain any dividend, bonus shares or other moneys payable or property distributable in respect of a share in respect of which any person is, under these Articles, entitled to become a Shareholder, or which any person is, under said Articles, entitled to transfer, until such person shall become a Shareholder in respect of such share or shall transfer the same.

56.6. Mechanics of Payment

Any dividend or other moneys payable in cash in respect of a share, less the tax required to be withheld pursuant to the Law, may be paid by check sent by registered mail to, or left at, the registered address of the person entitled thereto or by transfer to a bank account specified by such person (or, if two or more persons are registered as joint holders of such share or are entitled jointly thereto as a result of the death or bankruptcy of the holder or otherwise, to any one of such persons or to his bank account), or to such person and at such address as the person entitled thereto may direct in writing. Every such check shall be made payable to the order of the person to whom it is sent, or to such person as the person entitled thereto as aforesaid may direct, and payment of the check by the banker upon whom it is drawn shall be a good discharge to the Company. Every such check shall be sent at the risk of the person entitled to the money represented thereby.

56.7. An Unclaimed Dividend

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. The payment by the Board of any unclaimed dividend or such other moneys into a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of seven (7) years from the date of declaration of such dividend, and any such other moneys or assets unclaimed after a like period from the date the same were payable, shall be forfeited and shall revert to the Company; provided, however, that the Board may, at its discretion, cause the Company to pay any such dividend or such other moneys, or any part thereof, to a person who would have been entitled thereto had the same not reverted to the Company.

56.8. Receipt from a Joint Holder

If two or more persons are registered as joint holders of any share, or are entitled jointly thereto as a result of the death or bankruptcy of the holder or otherwise, any one of them may give effectual receipts for any dividend, bonus shares or other moneys payable or property distributable in respect of such share.

56.9. Manner of Capitalization of Profits and the Distribution of Bonus Shares

Upon the recommendation of the Board approved by a resolution of the General Meeting, and subject to the provisions of the Companies Law, the Company may cause any moneys, investments, or other assets forming part of the undivided profits of the Company, standing to the credit of a reserve fund, or to the credit of a reserve fund for the redemption of capital, or in the hands of the Company and available for distribution, or representing premiums received on the issuance of shares and standing to the credit of the share premium account, to be capitalized and distributed as capital among such of the Shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion, or may cause any part of such capitalized fund to be applied on behalf of such Shareholders in paying up in full as the resolution may provide, any unissued shares or debentures or other securities of the Company which shall be distributed accordingly, in payment, in full or in part, of the uncalled liability on any issued shares or debentures or other securities, and may cause such distribution or payment to be accepted by such Shareholders in full satisfaction of their interest in such capitalized sum.

56.10. The Board may settle, as it deems fit, any difficulty arising with regard to the distribution of bonus shares, distributions referred to in Articles 56.3 and 56.9 hereof or otherwise, and in particular, to issue certificates for fractions of shares and sell such fractions of shares in order to pay their consideration to those entitled thereto, to set the value for the distribution of certain assets and to determine that cash payments shall be paid to the Shareholders on the basis of such value, or that fractions whose value is less than NIS 0.01 shall not be taken into account. The Board may pay cash or convey these certain assets to a trustee in favor of those people who are entitled to a dividend or to a capitalized fund, as the Board shall deem appropriate.

56.11. The provisions of this chapter shall also apply to the distribution of securities.

56.12. Allotment for a consideration lower than the nominal value. Where the Company resolves to allot shares, which have a nominal value for a consideration lower than their nominal value, including bonus shares, it must convert into share capital part of its profits, from premium on shares or from any other source included in its equity, which are mentioned in its last financial statements, in an amount equal to the difference between the nominal value and the consideration. Notwithstanding the foregoing, the Company may, with the court's approval, allot shares for a consideration lower than their nominal value.

56.13. In the event of a contradiction or uncertainty arising with respect to the application of this Article 56 and Article 5.3 above, the provisions of Article 5.3 shall supersede and be executed with disregard to the provisions of this Article 56.

57. Acquisition of Shares

57.1. Subject to Article 5.3 above, the Company is entitled to acquire or to finance an acquisition, directly or indirectly, of shares of the Company or securities convertible or exercisable into shares of the Company, including incurring an obligation to take any of these actions, subject to the fulfillment of the conditions of a permitted distribution under the Companies Law and to the provisions of these Articles. In the event that the Company so acquired any of its shares, any such share that was not cancelled by the Company, shall become a dormant share, and shall not confer any rights, so long as it held by the Company.

57.2. A subsidiary or another company controlled by the Company is entitled to acquire or finance an acquisition, directly or indirectly, of shares of the Company or securities convertible or exercisable into shares of the Company, or incur an obligation with respect thereto, to the same extent that the Company may make a distribution, subject to the terms of, and in accordance with the Companies Law and these Articles. In the event a subsidiary or such controlled company so acquired any of the Company's shares, any such share shall not confer any voting rights, so long as it is held by such subsidiary or controlled company.

Insurance, Indemnification and Release of Office Holders

58. Definition of Office Holder

For purposes of Articles 59, 60 and 61 below, the term "*Office Holder*" shall have the meaning ascribed to such term in the Companies Law.

59. Insurance of Office Holders

The Company may, to the extent permitted by the Companies Law, enter into a contract for the insurance of the liability of an Office Holder of the Company, in respect of a liability imposed on him as a result of an act performed or an omission committed by such Office Holder in his/her/its capacity as an Office Holder of the Company, in any of the following:

59.1. a breach of his/her/its duty of care to the Company or to another person;

59.2. a breach of his/her/its fiduciary duty to the Company, provided that the Office Holder acted in good faith and had reasonable grounds to assume that such act or omission would not harm the Company;

59.3. a monetary liability imposed on him/her/it in favor of another person.

60. Indemnification of Office Holders

60.1. Subject to applicable Law, the Company may, to the extent permitted by the Companies Law, indemnify an Office Holder with respect to any of the following liabilities and expenses, provided that such liabilities or expenses were imposed on, or incurred by such Office Holder in consequences of any act performed or omission committed by such Office Holder in his/her/its capacity as an Office Holder of the Company, as follows:

(A) any financial obligation imposed on such Office Holder in favor of another person by a court judgment, including a settlement or an arbitrator's award which were approved by court; or

(B) reasonable litigation expenses, including attorneys' fees, actually incurred by such Office Holder in connection with an investigation or proceeding which was conducted against such Office Holder by a competent authority which has been Terminated Without the Filing of an Indictment (*as such term is defined in the Companies Law*) against such Office Holder and without the Imposition on such Office Holders of a Monetary Liability In Lieu of a Criminal Proceeding (*as such term is defined in the Companies Law*), or which has been Terminated Without the Filing of an Indictment *(as such term is defined in the Companies Law)* against such Office Holder but with the Imposition on such Office Holder of a Monetary Liability in Lieu of a Criminal Proceeding *(as such term is defined in the Companies Law)* in respect of a crime which does not require the proof of *mens rea* (criminal thought) or in connection with a monetary sanction; or

(C) reasonable litigation expenses, including attorneys' fees, actually incurred by such Office Holder or charged to such Office Holder by a court, in a proceeding instituted against such Office Holder by the Company or on its behalf or by another person, or in any criminal proceeding in which such Office Holder was acquitted, or in any criminal proceedings in which such Office Holder was convicted of a crime which does not require the proof of *mens rea* (criminal thought).

60.2. The Company may, to the extent permitted by the Companies Law, undertake to indemnify an Office Holder as aforesaid:

(i) prospectively, provided that, in respect of Article 60.1, the undertaking shall be limited (A) to such events which, in the opinion of the Board, are anticipated in light of the Company's actual activities at the time the undertaking to indemnify is given, and (B) to such amounts and criteria which the Board has determined as being reasonable under the circumstances, and further provided that such undertaking to indemnify shall state (x) the events which, in the opinion of the Board, are anticipated in light of the Company's actual activities at the time the undertaking to indemnify was given, and (y) the amounts and criteria which the Board has determined as being reasonable under the circumstances, or

(ii) retroactively, as set forth in Articles 60.1(A) through 60.1(C).

61. Release of Office Holders

The Company may, to the extent permitted by the Companies Law, release an Office Holder of the Company, in advance, from his/her/its liability, in whole or in part, for damages resulting from the breach of his/her/its duty of care to the Company, provided however, that the Company may not exempt in advance a director from his/her/its liability for damages resulting from a breach of his/her/its duty of care to the Company in a "Distribution" (as defined in the Companies Law).

62. General

The provisions of Articles 59, 60 and 61 above are not intended, and shall not be interpreted, to restrict the Company in any manner in respect of the procurement of insurance and/or in respect of indemnification and/or release from liability in connection with any person who is not an Office Holder, including, without limitation, any employee, agent, consultant or contractor of the Company who is not an Office Holder, or in connection with any Office Holder to the extent that such insurance and/or indemnification and/or release from liability is permitted under the Law.

Winding Up

63. Winding Up

If the Company is wound up, then, subject to applicable law and to the rights of the holders of Preferred Shares with preferential rights upon winding up, as set forth in Article 5.3.2 above, the assets of the Company available for distribution among the Shareholders shall be distributed to them in proportion to the nominal value of their respective holdings of the shares in respect of which such distribution is being made.

Accounts

64. Books of Account

The Board shall cause accurate books of account to be kept in accordance with the provisions of the Companies Law and of any other applicable Law. Such books of account shall be kept at the registered office of the Company, or at such other place or places as the Board may deem appropriate, and they shall always be open to inspection by all Directors. Any Shareholders shall be entitled to receive a copy of the Audited financial statements with the opinion of the Company's auditor with respect to such financial statements.

65. Audit

Without derogating from the requirements of any applicable Law, at least once in every fiscal year the accounts of the Company shall be audited and the accuracy of the profit and loss account and balance sheet certified by one or more duly qualified auditors.

Rights of Signature

66. Rights of Signature

The Board shall be entitled to authorize any person or persons (who need not be Directors) to act and sign on behalf of the Company, and the acts and signature of such person(s) on behalf of the Company shall bind the Company insofar as such person(s) acted and signed within the scope of his or their authority. The Board may determine separate signatory rights in respect of different matters of the Company and in respect of the amounts in respect of which such persons are authorized to sign.

67. Notices

67.1. Any written notice or other document permitted or required to be given in accordance with these Articles, may be served by the Company or any Shareholder upon any Shareholder either personally or by sending it via facsimile *(facsimile would not be an applicable delivery method in the case of Clal Biotechnology Industries Ltd.)* or email, or mailed by registered or certified mail (airmail is sent to a place outside Israel), postage prepaid, or by prepaid express courier service, or otherwise delivered by hand or by messenger, addressed to such Shareholder at his address, facsimile number or email address, as the case may be, as set forth in the Shareholder Register (or such other address, facsimile number or email address as such Shareholder may have designated in writing for the receipt of notices and other documents). Any such notice or other document shall be deemed to have been received by the applicable addressee upon the earlier of (a) the date of personal delivery (or refusal to receive); (b) on the Business Day of its transmission by facsimile with electronic (or other) confirmation of transmission; (c) on the Business Day of its transmission via email, except where a notice is received stating that such email has not been successfully delivered); (d) one (1) Business Day after deposit with a return receipt express courier service; or (e) three (3) Business Days after deposit in local mail for registered or certified mail. If a notice is, in fact, received by the addressee, it shall be deemed to have been duly served, when received, notwithstanding that it was defectively addressed or failed, in some respect, to comply with the provisions of this Article 67.1.

67.2. Unless otherwise provided in these Articles, the provisions of Article 67.1 above shall also apply to written notices permitted or required to be given in accordance with these Articles (i) by the Company to any Director (addressed to such Director at his address, facsimile number or email address, as the case may be, as set forth in the Company's director register or at such other address, facsimile number or email address as such Director may have designated in writing in accordance with this Article 67 for the receipt of notices and other documents) or (ii) by any Director or Shareholder to the Company (addressed to the corporate secretary (if there is such incumbent) or the Chief Executive Officer of the Company, at the principal office of the Company or at its facsimile number or email address, as the case may be).

67.3. All notices to be given to the Shareholders shall, with respect to any share held by persons jointly, be given to whichever of such persons is named first in the Shareholder Register, and any notice so given shall be sufficient notice to the holders of such share.

67.4. Any Shareholder whose address is not described in the Shareholder Register, and who shall not have designated in writing an address for the receipt of notices, shall not be entitled to receive any notice from the Company.

67.5. Any Shareholder and any Director may waive his right to receive notices generally or during a specific time period and he may consent that a General Meeting of the Company or a meeting of the Board, as the case may be, shall be convened and held notwithstanding the fact that he did not receive a notice with respect thereto, or notwithstanding the fact that the notice was not received by him within the required time, in each case subject to the provisions of any Law prohibiting any such waiver or consent.

68. Conflicting Provisions

68.1. These Articles hereby amend, restate and supersede in their entirety any previously adopted Articles of Association of the Company, and any such previous Articles of Association are hereby terminated and of no further force and effect.

68.2. In the event that a Hebrew version of these Articles is filed with any regulatory or governmental agency, including the Israeli Registrar of Companies (regardless of whether or not such Hebrew version contains signatures of shareholders), then such Hebrew version shall be considered solely a convenience translation and shall have no binding effect as among the Company, its Shareholders and, to the extent permitted by applicable law, any third party. The English version shall be the only version of these Articles that is binding as among the Company, its Shareholders and, to the extent permitted by applicable law, any third party, and in the event of any contradiction or inconsistency between the English version and the Hebrew version, the English version shall prevail and the Hebrew version shall be disregarded, shall have no binding effect and shall have no impact on the interpretation of these Articles as among the Company, its Shareholders and, to the extent permitted by applicable law, any third party.

* * * * *

Exhibit 3.2

FIRST AMENDMENT
to the
Amended and Restated Articles of Association
of
GAMIDA CELL LTD.

Effective as of February 5, 2018

1. Capitalized terms not defined herein shall have the meaning ascribed to them in the Amended and Restated Articles of Association of Gamida Cell Ltd. (the "Company"), which were adopted by the Company on July 3, 2017 (the "Articles").

2. Article 18.1.1 of the Articles ('*General Restrictions*') is hereby amended in its entirety to read as follow:

"18.1 General Restrictions.

18.1.1 No sale, assignment, conveyance, pledge, hypothecation, grant of any security interest, or any other disposition or transfer by gift or otherwise (each, a "Transfer") of shares shall be effective nor registered unless the Transfer has been approved in good faith by the Board, and such Transfer is effected in compliance with the provisions of this Article 18 provided however, that the pledge, hypothecation or grant of any security interest in (each, a "Lien") any shares of the Company held by any Shareholder, for the primary purpose of securing a debt financing of such Shareholder, shall not be deemed a Transfer for purposes of this Article 18.1 and Articles 18.2 and 18.3 below to the extent that such Lien expressly provides by its terms that the realization of such Lien and the resulting intended transfer of the shares underlying such Lien to any party whatsoever shall be considered a Transfer for all intents and purposes of, and be subject to all of the provisions governing Transfers of shares under these Articles, including for purposes of this Article 18.1 and Articles 18.2 and 18.3 below. Any Transfer shall be conditioned upon an undertaking in writing signed by the transferee to assume and be bound by all obligations of the transferor under any instrument and agreement involving the transferor and the Company and applicable to such transferred shares. The Board may refuse to register a Transfer of shares, *inter alia*, (a) in the event that such a Transfer is to a competitor of the Company (either directly or indirectly), (b) in the event that such a Transfer would result in the Company having more than fifty (50) shareholders (calculated in accordance with the provisions of Article 2.1 above) or if it constitutes a public offering or public distribution of the Company's shares, and/or (c) in the event that such a Transfer is in violation of these Articles, and/or if the transferee does not agree, in writing, prior to such Transfer, to assume and be bound by all obligations of the transferor under any instrument and agreement involving the transferor and the Company and applicable to such transferred shares."

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Exhibit 3.4

The Companies Ordinance [New Version] 5743-1983

A limited liability company

Memorandum of Incorporation
As Amended by the Shareholders of the Company, September 14, 2006

of
Gamida Cell Ltd.

1. Name of the company in Hebrew: Gamida Cell Ltd.

2. In this memorandum of incorporation the following terms will have the following meanings:

"Person" – including a company and a corporation.

"Company" or "corporation" – including, if this term does not refer to the current Company, any other company, cooperative society, any other society, state, public or legal entity, partnership or group of persons, whether incorporated or not.

"Land" – including any right to or relating to land, whether the land is registerable or not, including buildings, plantations and anything connected to land.

3. The goals for which the Company has been incorporated are:

(A) Purchase by signing, buying, exchange or otherwise, shares, stocks, bonds, stocks of bonds, value notes, liabilities, sureties and securities, which have been produced or drafted by any company, corporation, government, public or ruling entity, whether central, municipal or local, in the State of Israel or anywhere else, possess, manage, hypothecate, pledge, sell, transfer, trade and deal in any way with shares, stocks, bonds, stocks of bonds, value notes, liabilities, sureties and securities as above, offer them for public signing, help in their sale and guarantee the capital, dividends and interest thereupon.

(B) Invest money in industry, in housing and construction establishments, in agriculture, in development establishments, in transport, shipping, aviation, banking, in trade and in any other investments, whether by purchase or against collateral of shares, stocks, bonds, stocks of bonds, value notes, liabilities and securities, sureties of any kind.

(C) Lend money, give advances or credit and guarantee the debts and contracts of those persons, companies and corporations, and in particular to customers and others that have business with the Company, under conditions as the Company sees fit, and receive from the aforementioned to whom the Company will lend money, give credit or guarantee as above all sorts of guarantees and sureties, as the Company sees fit, including but not limited to mortgages, hypothecations, floating charges and fixed charges, on all assets, mobile and immobile, and release and waive all such guarantees and sureties and redeem them under the conditions as the Company sees fit.

(D) Run a business of a trust company and all branches thereof, assume any function of trustee, administrator of estate and executor of will, director, agent, proxy, substitute, treasurer and any other function of trust and trusteeship, and fulfill and execute all duties and operations involved therein, and in general engage in all trust and agency businesses, whether for consideration or otherwise.

(E) Deal in any businesses of originators and founders of establishments, companies and corporations, financiers, concessionaires, contractors, capital holders, property holders, merchants, agents, couriers, brokers and proxies, and assume and execute any action or transaction that may assist, directly or indirectly, in achieving some or all of these goals.

(F) Initiate, found, establish, incorporate, manage, participate in and control all establishments, companies or corporations and act as a director of any company or corporation, within the goals of the Company.

(G) Borrow, obtain and secure payment of any amount of money in the form and under the conditions as the Company considers appropriate, including by issuing bonds, series of bonds and stock of bonds, secured by the property of the Company, in part or in full, including land and movable property, including unpaid capital, present and future, and purchase, redeem and release any such collateral; in addition the Company will be allowed to secure settlement of money that it has borrowed by giving mortgages, floating, fixed and special charges, and pledges on its land property and other assets, in part or in full, present and future, and redeem and settle any such mortgage, charge or hypothecation.

(H) Buy, acquire in any way, lease, rent, convert, establish, possess, manage, develop, sell, lease out, rent out, utilize and trade in all types of land, buildings, structures, homes, business establishments, stores, warehouses, facilities and any land, movable property and other property, as the Company sees fit with regard to some or all of its goals.

(I) Engage in all businesses of manufacturing, processing, development, trading, import, export, transport, supply, distribution, utilization, brokerage and servicing of technical and mechanical equipment, instruments, products, work tools, light industry tools, machinery, accessories, receptacles, packaging cases, raw materials, supplies, products, merchandise and materials, of any type and kind and for any use as the Company sees fit and deal in them for the sake of achieving some or all of its goals.

(J) Deal in research, exploration and development of natural resources and utilization thereof, establish, possess and manage works, stations and test farms, research laboratories and institutes, and finance, organize, employ, equip and send delegations, committees and experts.

(K) Request, register, buy or acquire in any other way or obtain rights of use or inspection, defend, extend and renew, inside and outside of Israel, all types of patents, patent rights, permissions of service, licenses, protections, concessions (hereinafter – “patent rights”) that in the opinion of the Company may provide it benefit, and use patent rights, work according to them, utilize them in any way, execute any agreement and perform any action related to patent rights and sell and transfer in another way patent rights and grant licenses and privileges with regard to patent rights.

(L) Engage in all tests, trials and scientific, technical, structural and other trials, including for refining them and in an attempt to refine them, for all inventions and patent rights to which the Company will be entitled, or use them or acquire them for itself or wish to acquire them for itself.

(M) Request, obtain, acquire, possess, maintain, utilize, sell and transfer, in any part of the world, plans, manufacturing processes, know-how, professional trade secrets, permits, licenses, holdings, concessions, leases and rights and benefits of any kind that qualify, permit or allow the Company to engage in businesses in which it is competent to engage.

(N) Engage in agreements with any government or authority, whether central, municipal, local or other, in any part of the world, as it deems beneficial to some or all of the goals of the Company, and obtain from any such government or authority any order, right, privilege or concession that the Company will deem to be beneficial to obtain, and execute, utilize and act in accordance with any such order, right, privilege or concession.

(O) Take the means that the Company considers necessary in order to advertise its operations and establishments, particularly by advertisements in the press, by radio and in other ways, by circulars, holding exhibitions and publishing booklets, and by awarding prizes and bonuses.

(P) Buy or acquire in any other way and receive any business – as an existing business or otherwise – and any property, assets, goodwill, rights and liabilities of any person, company or corporation, if this may yield benefit to the Company or advance any matter that is within any of the goals of the Company.

(Q) Establish and found, or participate in the foundation or establishment of any company or corporation for the purchase or assumption, in whole or in part, of the Company's property, rights and duties, and for any other goal that in the opinion of this Company, may assist, directly or indirectly, this Company in advancing any interest within any of the goals of this Company.

(R) Consolidate or merge with any company.

(S) Enter a partnership or agreement for distribution of profits, consolidation of profits or cooperation with any person or company executing or entitled to execute a business or businesses that the Company is competent to execute.

(T) Sell and transfer the enterprise of the Company, in whole or in part, for the consideration as the Company sees fit, and in particular in exchange for shares, bonds or other securities of other companies whose goals are similar, in whole or in part, to the goals of the Company.

(U) Engage in any contract, agreement or obligation of any kind and type and sign any document, deed, contract and agreement within the goals of the Company.

(V) Insure the Company, its property, facilities, establishments and operations, in whole or in part, against any damage, loss, risk or liability.

(W) Invest and deal with the money of the Company that is not immediately required for its business affairs in the manner that the Company will determine from time to time.

(X) Given and subject to receipt of approval of the competent court, distribute some or all of its assets among its members in kind or in any other way in accordance with the provisions of the Companies Ordinance [New Version] 5743-1983.

(Y) Give allowances, bonuses, awards, to its employees and directors, or those who will be its employees and directors, and to their families, and the Company will be able to establish or support or help in the opening of schools, education and science institutes or trading companies, whether these institutions and companies are related to the business affairs of the Company or not, and the Company will be able to establish and support clubs or other institutions for the benefit of the business affairs of the Company or for the benefit of its employees and directors.

(Z) Perform all actions or each of the actions set forth in the Second Addendum to the Companies Ordinance, and it is declared hereby that any purpose or permission for action that will be added to the Second Addendum to the Companies Ordinance by any amendment of that ordinance will be considered as having been explicitly added to this memorandum of incorporation; but any purpose or permission for action that is removed from the Second Addendum to the Companies Ordinance by any amendment of that ordinance or in any other manner will not be considered as being removed from this memorandum of incorporation and will continue to be considered as included in this memorandum of incorporation unless that purpose or permission for action is prohibited by law then in effect in Israel.

(AA) Perform all of the actions related to involving or seeming to the Company to be related to or involving the goals included in this memorandum of incorporation, explicitly or implicitly, or which may lead to achievement of some or all of these goals.

(BB) Perform some or all of the action above, whether in Israel or outside of Israel in all parts of the world, whether as clients, agents, owners, trustees, contractors or in any other manner, whether by itself or in partnership with others and by agents, trustees, contractors or in any other way.

(CC) Engage in any occupation permitted by law.

(DD) It is also agreed and declared hereby that except as explicitly stated otherwise in this memorandum of incorporation, each of the goals and each of the permissions for action set forth in each of the subsections of this section, including, considering the provisions of Subsection (Z) and this section are key goals that are independent of each other, and they must not be restricted or reduced in any way from the drawing of conclusions from any other section of that section or from the name of the Company or reliance thereupon.

4. The liability of the members is limited.

5. The capital of the Company shall be as set forth in the Company's Articles of Association as may be in effect from time to time.

6. We, the persons whose names and addresses appear below, wish to incorporate as a company in accordance with this memorandum of incorporation and we agree to take the number of shares int he capital of the Company as indicated beside our names one after another.

Names of the signers	**Their addresses**	**Identity / company No.**	**Number and classification of shares**	**Signature**
GLE Trust Services Ltd.	2 Ibn Gabirol St. Tel Aviv	51-149358-7	99	[Signature]
GLE Trust Assets Ltd.	2 Ibn Gabirol St. Tel Aviv	51-149359-5	1	[Signature]

[Stamp] GLE Trust Services Ltd. [Stamp] GLE Trust Assets Ltd.

Today, the *28th* of the month of *1* year 1998

Exhibit 4.1

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR QUALIFIED UNDER ANY STATE OR FOREIGN SECURITIES LAW, AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THIS WARRANT AND/OR SUCH SECURITIES, OR THE HOLDER RECEIVES AN OPINION OF COUNSEL FOR THE HOLDER OF THE WARRANT AND/OR SUCH SECURITIES SATISFACTORY TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE SECURITIES ACT AND THE QUALIFICATION REQUIREMENTS UNDER APPLICABLE STATE OR FOREIGN LAW.

Warrant No.«Warrant_No»

GAMIDA CELL LTD.

WARRANT

Dated «Closing_Date» (the "Closing")
To purchase
«Number_of_F2_Shares_underlying_Warrants» Series F-2 Preferred Shares (as defined below) (subject to adjustment hereunder) of
Gamida Cell Ltd. (the "Company")
at a per share price and subject to the terms detailed below
VOID AFTER 16:00 local Israel time
on the last day of the Warrant Period (as defined below)

THIS IS TO CERTIFY THAT «Warrant_Holder» (the "Holder"), is entitled to purchase from the Company, during the Warrant Period, an aggregate of up to «Number_of_F2_Shares_underlying_Warrants» Series F-2 Preferred Shares of the Company, nominal value NIS 0.01 per share (the "Series F-2 Preferred Shares"), as may be adjusted from time to time hereunder, at a price per share of US$«Exercise_Price» (as may be adjusted from time to time hereunder) (the "Exercise Price") (it being acknowledged that the amount and type of Series F-2 Preferred Shares that the Holder is entitled to purchase from the Company pursuant to this Warrant and the Exercise Price thereof, are subject to further adjustments in accordance herewith and in accordance with the provisions of the Articles of Association of the Company (as in effect from time to time) ("Amended Articles")).

Unless otherwise is specifically set forth herein, capitalized terms used but not defined herein shall have the meanings ascribed to them in that certain Series F Preferred Share Purchase Agreement dated as of June 18, 2017 (the "SPA"), by and among the Company and the Investors (as such term is defined in the SPA).

1. EXERCISE OF WARRANT

1.1. Number of Warrant Shares.

1.1.1. In General. The number of Series F-2 Preferred Shares into which this Warrant may be exercised at any time (the "Warrant Shares") shall equal the Base Number (as defined below). For the avoidance of doubt, the Base Number and the number and type of Warrant Shares, shall be subject to adjustment in accordance with the provisions hereof (including but not limited to Section 4) and the Amended Articles.

1.1.2. As of Closing. As of the Closing: (a) the "Base Number" (which shall initially be the number of Warrant Shares which the Holder is to be granted the right to purchase, at the Closing, as reflected on the Capitalization Table attached to the SPA) is «Number_of_F2_Shares_underlying_Warrants» Series F-2 Preferred Shares, (b) the aggregate Base Number of Series F-2 Preferred Shares are convertible into an equal number of Ordinary Shares of the Company, nominal value NIS 0.01 per share (the "Ordinary Shares"), and (c) the number of Warrant Shares is thus equal to «Number_of_F2_Shares_underlying_Warrants» Series F-2 Preferred Shares. Upon each adjustment hereunder of the number or type of the Warrant Shares, the Base Number shall be adjusted in the same manner in which such number or type of Warrant Shares was adjusted.

1.2. Exercise Price. Without derogating from, and in addition to, any other provision hereof (including but not limited to Section 4), the Exercise Price shall be, and shall be adjusted, as follows:

1.2.1. In General. The Exercise Price hereunder shall at all times equal 120% of the Original Issue Price of the Series F-1 Preferred Shares, as determined (and as may be adjusted) in accordance with the Amended Articles.

1.2.2. As of Closing. As of the Closing, (A) the Original Issue Price of the Series F-1 Preferred Shares equals the Investment Price Per Share under the SPA, *i.e.* US$«OIP_F1», and (B) as such, the Exercise Price equals US$«Exercise_Price» (*i.e.* 120% of the Investment Price Per Share).

1.2.3. Adjustments. Upon each adjustment to the Original Issue Price of the Series F-2 Preferred Shares under the Amended Articles, the Exercise Price shall concurrently be reduced (and, for the avoidance of doubt, not increased) to equal the new adjusted Original Issue Price of the Series F-2 Preferred Shares thereunder.

1.2.4. Increase of Warrant Shares. Upon each reduction to the Exercise Price, the number of Warrant Shares (i.e. the Base Number) shall be correspondingly increased, such that, as a result of such adjustments, the aggregate Exercise Price of all Warrant Shares that are subject to this Warrant shall remain unchanged.

1.2.5. Exercise Upon Certain Transactions. If this Warrant is exercised in the context of an IPO (as defined in the Amended Articles) (including, for the purposes of this Warrant, any subsequent public offering) or a Deemed Liquidation (as defined in the Amended Articles), then, even if the exercise of this Warrant in such case shall be required to occur no later than immediately prior to the closing of such transaction, the Original Issue Price of the Series F-2 Preferred Shares for the purposes hereof shall be the Original Issue Price of the Series F-2 Preferred Shares as adjusted (if applicable) in accordance with the Amended Articles upon (and taking into account the consummation of) such applicable event. In such event, the Exercise Price and the number of Warrant Shares shall be adjusted accordingly, as of immediately prior to such transaction, such that the aggregate Exercise Price of all Warrant Shares that are subject to this Warrant shall remain unchanged.

1.3. Warrant Period. This Warrant may be exercised, subject to the terms and conditions hereof, in whole or in part, at any time and from time to time during the period commencing on the Closing and ending upon the earlier of (i) at 16:00 (Israel time) on «M_4TH_Anniversary_of_Closing» (i.e. the date that is the 4th anniversary of the Closing) or, if no Qualified IPO (as defined in the Amended Articles) has occurred by September 30, 2018, then 16:00 (Israel time) on «M_5TH_Anniversary_of_Closing» (i.e. the date that is the 5th anniversary of the Closing), or (ii) as of immediately prior to the closing of the Deemed Liquidation. The above period shall be referred to herein as the "Warrant Period". This Warrant and all the rights conferred hereby shall automatically terminate, expire and be of no further force and effect at the aforementioned time on the last day of the Warrant Period.

1.4. Exercise for Cash. The Holder may exercise this Warrant in whole or in part and from time to time during the Warrant Period, by presentation and surrender thereof at the principal office of the Company or at such other office or agency as the Company may designate from time to time, accompanied by:

1.4.1. A duly executed notice of exercise, in the form attached hereto as Exhibit A (the "Exercise Notice"); and

1.4.2. Payment to the Company of an amount in US Dollars equal to the Exercise Price times the number of Warrant Shares for which this Warrant is then being exercised, payable by wire transfer of immediately available funds to the Company's bank account.

1.5. Exercise on Net Issuance Basis. In the event of an exercise of this Warrant in connection with (and as of immediately prior to) a Deemed Liquidation or an IPO, or after an IPO, then in lieu of payment to the Company of the Exercise Price per Warrant Share in cash accordance with the payment method as set forth in Section 1.4 above, the Holder may elect to convert this Warrant (or any portion thereof), without the payment by the Holder of any consideration, into the number of Warrant Shares calculated pursuant to the formula below, by presentation and surrender of this Warrant at the principal office of the Company or at such other office or agency the Company may designate from time to time, accompanied by a duly executed Exercise Notice indicating cashless exercise (the "Net Issuance Notice"). Thereupon, the Company shall issue to the Holders such number of number of fully paid and non-assessable Warrant Shares as is computed using the following formula:

$$X = \frac{Y*(A - B)}{A}$$

Where:

X = the number of Warrant Shares to be issued to the Holder pursuant to this Section 1.5;

Y = the number of Warrant Shares otherwise purchasable upon exercise in full of this Warrant (or such lesser number of shares as Holder may designate in case of a partial exercise of this Warrant) as of the time the net issue election is made pursuant to this Section 1.5;

A = the fair market value of one Warrant Share (or of the number of securities into which one Warrant Share has been converted in accordance with the Amended Articles) at the time the net issuance election under this Section 1.5 is made; and

B = the Exercise Price per Warrant Share in effect at the time the net issue election is made pursuant to this Section 1.5.

For purposes hereof, the "fair market value" of one (1) Warrant Share as of a particular date shall be: (a) if the exercise pursuant to this Section 1.5 is made (after an IPO) not in connection with a Deemed Liquidation event, the average of the daily closing bid and asked prices of a Warrant Share (or of the number of securities into which one Warrant Share has been converted in accordance with the Amended Articles) as quoted on the stock exchange providing the primary market for such securities, for the period of ten (10) consecutive trading days ending on the day immediately prior to the date of exercise of this Warrant; (b) if the exercise pursuant to this Section 1.5 is in connection with a Deemed Liquidation, then the aggregate consideration per Warrant Share payable in such Deemed Liquidation. In the event that a portion of the price in the transaction is not in cash or publicly traded securities, then the applicable fair market value of the non-cash consideration shall be determined by the Company's auditors; or (c) if the exercise pursuant to this Section 1.5 is immediately prior to the closing of an IPO, then the public offering price (before deduction of discounts, commissions or expenses) in such offering.

1.6. Issuance of Warrant Shares. The Warrant shall be deemed exercised upon receipt by the Company of this Warrant, accompanied by (a) the duly executed Exercise Notice and the applicable aggregate Exercise Price pursuant to Section 1.4 above; or (b) the duly executed Net Issuance Notice pursuant to Section 1.5 above, as the case may be, the Company shall promptly (i) issue to the Holder the Warrant Shares to which the Holder is entitled; and (ii) deliver to the Holder an executed share certificate evidencing such Warrant Shares, and (iii) in any event, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise of this Warrant, at the close of business on the date this Warrant is exercised with respect to the shares for which this Warrant is being exercised, notwithstanding that the share transfer books of the Company shall then be closed or that certificates representing such shares shall not then be actually delivered to the Holder.

1.7. Fractional Shares. No fractions of Warrant Shares shall be issued in connection with the exercise of this Warrant, and the number of shares issued shall be rounded to the nearest whole number.

1.8. Loss or Destruction of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonable expense reimbursement and indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

1.9. Partial Exercise; Effective Date of Exercise. In case of any partial exercise of this Warrant, the Company shall cancel this Warrant upon surrender hereof and shall execute and deliver a new Warrant of like tenor and date for the balance of the Warrant Shares purchasable hereunder. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above. The person entitled to receive the Warrant Shares shall be treated for all purposes as the holder of record of such shares as of the close of business on the date the Holder is deemed to have exercised this Warrant.

1.10. Conditional Exercise. If this Warrant is exercised in the context of an IPO or Deemed Liquidation, then such exercise shall be deemed conditional on the closing of such transaction, and, if such transaction does not close, then this Warrant shall not be considered exercised at such time (unless the Holder explicitly notifies the Company otherwise).

1.11. Right to Exercise into Ordinary Shares. The Holder shall have the right, at its sole discretion, to exercise this Warrant into the number of Ordinary Shares into which the Warrant Shares otherwise purchasable hereunder could be converted at such time in accordance with the provisions of the Amended Articles (as in effect from time to time). If at any time the entire class of Series F-2 Preferred Shares is converted into Ordinary Shares or another class of shares pursuant and subject to the provisions of the Amended Articles, then this Warrant shall automatically be deemed to be exercisable for such number of Ordinary Shares or shares of such other class, into which the Warrant Shares would have been converted had the Warrant Shares been issued and outstanding on the date of such conversion, and the Exercise Price shall equal the Exercise Price in effect as of immediately prior to such conversion divided by the number of Ordinary Shares or shares of such other class into which one Warrant Share would have been converted, all subject to further adjustment thereafter from time to time in accordance with the provisions of this Warrant.

2. TAXES

2.1. The Holder acknowledges that the grant of the Warrant, the issue of the Warrant Shares and the execution and/or performance of this Warrant may have tax consequences to the Holder and that the Company is not able to ensure or represent to the Holder the nature and extent of such tax consequences.

2.2. The Company shall pay all of the applicable taxes and other charges (in each case, if any) payable by the Company in connection with the issuance of the Warrant Shares and the preparation and delivery of share certificates pursuant to Section 1 in the name of the Holder, if any, but shall not pay any taxes payable by the Holder by virtue of the holding, issuance, exercise or sale of this Warrant or the Warrant Shares by the Holder, which shall be the obligation of the Holder.

2.3. The Company shall withhold taxes, if and as required according to the requirements under the applicable laws, rules, and regulations for withholding taxes at source, provided that the Company shall inform the Holder of such withholding requirement at least 10 (ten) business days prior to such anticipated withholding, so as to allow the Holder to obtain and provide the Company with an appropriate certificate of exemption, if available. No withholding shall be made if an exemption is obtained and delivered to the Company, for as long as it is valid in accordance with applicable law.

3. RESERVATION OF SHARES; NO IMPAIRMENT

3.1. Reservation of Shares. The Company hereby agrees that, at all times prior to the expiration or exercise of this Warrant, it will maintain and reserve, free from pre-emptive or similar rights, (a) such number of authorized but unissued Warrant Shares, as will be sufficient to permit the exercise of this Warrant in full, and (b) such number of Ordinary Shares into which such Warrant Shares shall, at any time, be convertible, so that this Warrant may be exercised into Series F-2 Preferred Shares and/or into Ordinary Shares, without additional authorization of shares.

3.2. No Impairment. Subject to the provisions of Section 8.1 below, the Company will not, by amendment of its organizational documents or through reorganization, recapitalization, consolidation, merger, dissolution, transfer of assets, issue or sale of securities or any other voluntary act, avoid or seek to avoid the observance or performance of any of the covenants, stipulations, conditions or terms to be observed or performed hereunder, but will at all times in good faith assist in the carrying out of all the provisions hereof and in the taking of all such actions and making all such adjustments as may be necessary or appropriate in order to fulfill the provisions hereof.

4. ADJUSTMENT

4.1. In addition to, and without derogating from, the other provisions hereof, the Amended Articles, the number and type of Warrant Shares purchasable upon the exercise of this Warrant and the Exercise Price payable therefor shall be subject to adjustment from time to time, as follows:

4.1.1. Conversion Price Adjustment. The Conversion Price (or any equivalent term used to define the price at which preferred shares can be converted into Ordinary Shares under the Amended Articles) of the Warrant Shares shall be the then-applicable Conversion Price of the class of shares constituting the Warrant Shares pursuant to the Amended Articles.

4.1.2. Adjustment for Dividends in Kind. In case at any time or from time to time on or after the Closing, the holders of the class of shares of which the Warrant Shares are a part shall have received or, on or after the record date fixed for the determination of eligible shareholders, shall have become entitled to receive, without payment therefor, other or additional shares of the Company by way of dividend or bonus shares, then, and in each case, the Holder of this Warrant shall, upon the exercise hereof, be entitled to receive, in addition to the number of Warrant Shares receivable thereupon, and without payment of any additional consideration therefor, the amount of such other or additional shares of the Company which such Holder would be entitled to receive had it been the holder of record of such Warrant Shares on the date thereof and had thereafter, during the period from the date thereof to and including the date of such exercise, retained such shares and/or all other additional shares receivable by it as aforesaid during such period, giving effect to all adjustments called for during such period elsewhere in this Section 4.

4.1.3. Share Splits and Reverse Share Splits. If, at any time on or after the Closing, the Company shall subdivide its outstanding shares of all classes or of the class of the Warrant Shares into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall forthwith be proportionately reduced and the number of shares receivable upon exercise of this Warrant shall forthwith be proportionately increased; and, conversely, if at any time on or after the Effective Date, the outstanding number of shares of the class of the Warrant Shares shall be combined into a smaller number of shares, then the Exercise Price in effect immediately prior to such combination shall forthwith be proportionately increased and the number of shares receivable upon exercise of the Warrant shall forthwith be proportionately decreased; in each case, such that the aggregate Exercise Price of all Warrant Shares that are subject to this Warrant shall not change.

4.1.4. Adjustment for Reclassification or Reorganization. In case of any reclassification or change of the outstanding securities of the Company or of any consolidation, merger or reorganization of the Company on or after the Effective Date, then and in each such case the Holder of this Warrant, upon the exercise hereof at any time after the consummation of such reclassification, change, consolidation, merger or reorganization, shall be entitled to receive, in lieu of or in addition to the shares or other securities and property receivable upon the exercise hereof prior to such reclassification, change, consolidation, merger or reorganization, the shares or other securities to which such Holder would have been entitled upon such reclassification, change, consolidation, merger or reorganization if such Holder had exercised this Warrant immediately prior thereto, all subject to further adjustment as provided elsewhere in this Section 4; in each such case, the terms of this Section 4 shall be applicable to the shares or other securities or property receivable upon the exercise of this Warrant after such consummation. In such case the Exercise Price shall be adjusted appropriately such that the aggregate Exercise Price of all Warrant Shares that are subject to this Warrant shall not change.

4.2. Certificate of Adjustment. Whenever an adjustment is effected under this Warrant, the Company shall promptly compute such adjustment and deliver to the Holder a certificate setting forth the number of Warrant Shares (or any other securities) for which this Warrant is exercisable and the Exercise Price as a result of such adjustment, a brief statement of the facts requiring such adjustment and the computation thereof and when such adjustment has or will become effective.

4.3. Parallel Adjustments. For the avoidance of any doubt, it is the intention of the parties that any adjustments made to the exercise price and the number of warrant shares purchasable pursuant to the warrants granted by the Company to the Investors under the SPA, shall also be made to the Exercise Price and the number of Warrant Shares purchasable hereunder even if the Holder did not actually invest funds under the SPA.

5. NOTICE OF CERTAIN EVENTS

5.1. If at any time during the Warrant Period, any of the Notice Events set forth in Section 5.2 below shall occur, then, in any one or more of such events, the Company shall deliver to the Holder written notice thereof, at the time it so notifies the holders of a majority of the other shares of the Company who are not represented on the Company's Board of Directors, provided that in case of a Notice Event set forth in Section 5.2(iii) such a notice shall be given not less than seven (7) days prior to the record date in respect thereof.

5.2. For the purposes hereof, a "Notice Event" shall mean any of the following: (i) an IPO; or (ii) a Liquidation (as defined in the Amended Articles) or a Deemed Liquidation, or (iii) the date on which the Company shall distribute a dividend in cash or other property other than Bonus Shares (as defined in the Amended Articles).

6. RIGHTS OF THE HOLDER

6.1. No Current Rights as Shareholder. This Warrant shall not entitle the Holder, by virtue hereof, to any voting rights, rights to receive dividends or other rights as a holder of the Warrant Shares or any other securities of the Company which may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of share, reclassification of share, change of par value, consolidation, merger, conveyance, or other-wise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until the Warrant shall have been exercised and the Warrant Shares purchasable upon the exercise hereof shall have become deliverable as expressly set forth herein.

6.2. Certain Restrictions. The Holder acknowledges that the Warrant Shares shall be subject to certain rights, privileges, restrictions and limitations as set forth in this Warrant and the Amended Articles.

6.3. Lockup. In the event of an IPO, any "lock-up" restrictions applicable to this Warrant and/or the Warrant Shares which may be acquired hereunder, shall terminate no later than upon the end of the "lock-up" period applicable to the Series F-1 Preferred Shares (or the Ordinary Shares into which they may be converted) in such IPO.

7. REPRESENTATIONS

7.1. The Holder represents and warrants to the Company as follows: (i) the Holder understands that the Warrant and the Warrant Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration and pros-pectus delivery requirements of the Securities Act; (ii) the Holder has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the purchase of this Warrant and the Warrant Shares, and of protecting its interests in connection therewith; (iii) the Holder is able to bear the economic risk of the purchase of the Warrant Shares pursuant to the terms of this Warrant.

7.2. The Company represents and warrants to the Holder as follows: (i) this Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms; (ii) the Warrant Shares (and the Ordinary Shares into which such Warrant Shares are convertible) are duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms hereof, will be validly issued, fully paid (subject to the full payment of the exercise price, or valid net issuance exercise, by the Holder) and non-assessable and not subject to any third party rights or liens except for any liens created by the Holder to whom such Warrant Shares are issued and except for those restrictions on transfer set forth in the Amended Articles; and (iii) the execution and delivery of this Warrant are not, and the issuance of the Warrant Shares upon exercise of this Warrant in accordance with the terms hereof and the issuance of the Ordinary Shares into which such Warrant Shares are convertible in accordance with the terms hereof and the Amended Articles, will not be, inconsistent with the Company's governing documents, do not and will not conflict with or contravene any, and will be issued in compliance with all applicable laws, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound or require the consent or approval of, the giving of notice to, the registration with or the taking of any action in respect of or by, any government authority or agency or other person, other than those consents or approvals that shall have been previously obtained and reports of issuance to the Israeli Registrar of Companies and to NATI (if applicable).

8. MISCELLANEOUS

8.1. Entire Agreement; Amendment. This Warrant sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all existing agreements, promised or understandings, whether written or oral, among them concerning such subject matter. All section headings herein are inserted for convenience only and shall not modify or affect the construction or interpretation of any provision of this Warrant. No modification or amendment of this Warrant will be valid unless executed in writing by the Company and the Holder; *provided however* that in the event that the Special F Majority (as defined in the Amended Articles) agree with the Company to amend all of the Warrants granted pursuant to the SPA in the same manner, then this Warrant shall be deemed automatically amended in accordance with such amendment, without the need for further action or approval on the part of the Holder.

8.2. Waiver. No failure or delay on the part of any of the parties in exercising any right, power or privilege hereunder and/or under any applicable laws or the exercise of such right or power in a manner inconsistent with the provisions of this Warrant or applicable law shall operate as a waiver thereof. Any waiver must be evidenced in writing signed by the party against whom the waiver is sought to be enforced.

8.3. Successors and Assigns. Except as otherwise expressly limited herein, this Warrant shall inure to the benefit of, be binding upon, and be enforceable by the Holder and its respective successors, and administrators.

8.4. Assignment. Any provision of this Warrant to the contrary notwithstanding, the Holder may not offer, sell or otherwise dispose of this Warrant to any third party, other than (i) to its Permitted Transferee (as defined in the Amended Articles) or (ii) simultaneously with the duly effected transfer of the Series F-1 Preferred Shares held by the Holder and in accordance with the restrictions on transfer of shares contained in the Amended Articles, assuming (for this purpose only) that this Warrant has been exercised; in each case, subject to the transferor and transferee providing the Company with a duly executed Assignment Form in the form attached hereto as Schedule 8.4, and with transferee providing the Company with a confirmation in writing that it is bound by all terms and conditions of this Warrant as if it were an original party to it..

8.5. Governing Law. This Warrant shall be exclusively governed and construed in accordance with the laws of the State of Israel, without regard to conflicts of laws provisions of the State of Israel or of any other state, which may result in the application of another law.

8.6. Jurisdiction. The competent courts in Tel Aviv-Jaffa shall have sole and exclusive jurisdiction over all matters relating to this Warrant.

8.7. Notices. Any notice and other communication required or permitted to be given to a party pursuant to the provisions of this Warrant will be in writing, mailed by registered or certified mail, postage prepaid, or prepaid express courier service, transmitted by facsimile or email, or otherwise delivered by hand or by messenger, addressed to such party's address as set forth below, and will be effective and deemed given to such party on the earliest of the following: (a) the date of personal delivery (or refusal to receive); (b) one (1) Business Day (as defined in the SPA) after transmission via email, except where a notice is received stating that such email has not been successfully delivered); (c) one (1) Business Day after deposit with a return receipt express courier service; or (d) three (3) Business Days after deposit in local mail for registered or certified mail. All notices not delivered personally or by facsimile or email will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified at the address set forth in the Amended Investors' Rights Agreement, or at such other address as such other party may designate in accordance with this Section 8.7.

8.8. Severability. In the event one or more of the provisions of this Warrant should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Warrant, which shall remain enforceable, to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Warrant (including, without limitation, the portion of this Warrant containing any provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

8.9. Counterparts. This Warrant may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.10. Titles and Subtitles. The titles of the sections and subsections of this Warrant are for convenience of reference only and are not to be considered in construing this Warrant.

8.11. Preamble. The preamble hereto is an integral part hereof.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Gamida Cell Ltd. has caused this Warrant to Purchase Preferred F-2 Shares to be executed effective as of the date first written above.

GAMIDA CELL LTD.

By: _____

(Name & Title of Signatory)

AGREED AND ACCEPTED:

«Warrant_Holder»

By (sign name): _____

Print Name:

Title:

[Signature Page to
Warrant to Purchase Series F-2 Preferred Shares / 2017]

Exhibit A

Exercise Notice

Date: _____

To: Gamida Cell Ltd. (the "Company")

The undersigned, pursuant to the provisions set forth in the Warrant to Purchase Series F-2 Preferred Shares, dated as of «Closing_Date» to which this Exercise Notice is attached (the "Warrant"), hereby elects to purchase _____ Warrant Shares , and

☐ tenders herewith payment in full for the Exercise Price for the Warrant Shares being purchased.

or alternatively,

☐ the Holder is making a net issue election.

The undersigned makes again here, with respect to the securities it is acquiring upon the exercise of the Warrant as contemplated hereby, the same representations, warranties and acknowledgements for the benefit of the Company, as it made in the Warrant.

Please issue a certificate representing the Warrant Shares in the name of the undersigned or (subject to compliance with any applicable conditions to a transfer of shares of the Company under the Articles of Association or otherwise) as otherwise indicated below and deliver it to the address stated below, and if the number of Warrant Shares shall not be all the Warrant Shares purchasable upon exercise of the Warrant, then please also issue a new Warrant for the balance of the Warrant Shares purchasable upon exercise of this Warrant in the name of the undersigned or as otherwise indicated below and deliver it to the address stated below:

Name:

Address:

ID / Social Security No./ company number:

Signature: _____

Schedule 8.4

Assignment Form

(To assign the foregoing Warrant to purchase shares of Gamida Cell Ltd., execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the Warrant To Purchase Series F-2 Preferred Shares of Gamida Cell Ltd., dated «Closing_Date», and all rights evidenced and obligations imposed thereby are hereby assigned and transferred to the undersigned transferee, who is hereby assuming and receiving all rights and obligations of the Holder under the Warrant and under the SPA and all of the schedules and exhibits attached thereto and contemplated thereby:

HOLDER

Holder's Name: _____

Holder's Signature: _____

Holder's Address: _____

_____

_____

Dated: _____

TRANSFEREE

Transferee's name: _____

Transferee's signature: _____

Transferee's Address: _____

_____

_____

Dated: _____

Exhibit 10.2

GAMIDA CELL LTD.

EMPLOYEE SHARE AND OPTION PLAN (1998)

A. NAME AND PURPOSE

1. **Name**: This plan, as amended from time to time, shall be known as the "Gamida Cell Ltd. Employee Share and Option Plan (1998)" (the "Plan").

2. **Purpose**: The purpose and intent of the Plan is to provide incentives to employees of Gamida Cell Ltd. (the "Company") by providing them with opportunities to purchase Ordinary Shares, nominal value New Israeli Shekels ("NIS") 0.01 each (the "Ordinary Shares") and/or Ordinary Shares B, nominal value NIS 0.01 each (the "Ordinary Shares B") (the Ordinary Shares and the Ordinary Shares B subject to the Plan are hereinafter collectively referred to as the "Shares"), of the Company, pursuant to a plan approved by the Board of Directors of the Company which is designed to benefit from, and is made pursuant to, the provisions of Section 102 of the Israeli Income Tax Ordinance [New Version], 1961 ("Income Tax Ordinance"), and the rules and **A.** regulations promulgated thereunder.

B. GENERAL TERMS AND CONDITIONS OF THE PLAN

3. **Administration**:

3.1 The Plan will be administered by the Board of Directors of the Company (the "Board"). The Board shall be entitled from time to time to adopt all such resolutions for purposes of implementing the Plan as it shall deem necessary and/or appropriate and shall have full power and authority to interpret the provisions of the Plan and of any Options granted pursuant thereto, which interpretation shall be final and binding.

3.2 Subject to the general terms and conditions of this Plan, the Board shall have the full authority in its discretion, from time to time and at any time, to determine (i) the persons ("Grantees") to whom Shares or options to purchase Shares ("Option(s)") shall be issued or granted, as the case may be ("Shares and Options are collectively referred to herein as "Awards"), (ii) the number of Shares to be covered by each Option and the number of Shares to be issued, (iii) the time or times at which the Awards shall be granted or issued, (iv) the schedule and conditions on which such Options may be exercised and on which such Shares shall be paid for, and/or (v) any other matter which is necessary or desirable for, or incidental to, the administration of the Plan. In determining the number of Shares covered by the Awards to be granted to each Grantee, the Board may consider, among other things, the Grantee's salary and the duration of the Grantee's employment by the Company.

3.3 No member of the Board shall be liable for any act or determination made in good faith with respect to the Plan or any Option granted thereunder.

4. **Eligible Grantees**:

4.1 The Board, at its discretion, may grant Awards to any employee of the Company. Anything in this Plan to the contrary notwithstanding, all grants of Awards to Directors and Office Holders -"Nosei Misra" - as such term is defined in the Israeli Companies Ordinance (New Version), 1983, as amended from time to time (the "Companies Ordinance") -shall be authorized and implemented only in accordance with the provisions of the Companies Ordinance.

4.2 The grant of an Award to a Grantee hereunder, shall neither entitle such Grantee to participate, nor disqualify him from participating, in any other grant of options or shares pursuant to this Plan or any other share option plan of the Company.

5. **Grant of Options and Issuance of Shares in Trust: Dividend and Voting Rights**:

5.1 Grant of Options and Issuance of Shares in Trust.

(a) Subject to Section 7.1 hereof, the effective date of the grant of an Award (the "Date of Grant") shall be the date specified by the Board in its determination relating to the grant of such Award. The Board shall promptly give the Grantee written notice (the "Notice of Grant") of the grant of an Award.

(b) Anything herein to the contrary notwithstanding, all Awards granted under the Plan shall be granted by the Company to a trustee designated by the Board and approved by the Israeli Commissioner of Income Tax (the "Trustee"), and the Trustee shall hold each such Award and the Shares issued upon exercise of any Option in trust (the "Trust") for the benefit of the Grantee in respect of whom such Option was granted (the "Beneficial Grantee"). All certificates representing Shares issued to the Trustee under the Plan shall be deposited with the Trustee, and shall be held by the Trustee until such time that such Shares are released from the Trust as herein provided.

(c) Anything herein to the contrary notwithstanding, no Options or Shares shall be released from the Trust until the later of (i) two (2) years after the Date of Grant, and (ii), with respect to Options, the vesting of such Options pursuant to Section 7.3 hereof (such later date being hereinafter referred to as the "Release Date").

(d) Subject to the terms hereof, at any time after the Release Date with respect to any Options or Shares the following shall apply:

(i) Options granted, and/or Shares issued to the Trustee shall continue to be held by the Trustee, on behalf of the Beneficial Grantee. From and after the Release Date, upon the written request of any Beneficial Grantee, the Trustee shall release from the Trust the Options granted and/or the Shares issued, on behalf of such Beneficial Grantee, by executing and delivering to the Company such instrument(s) as the Company may require, giving due notice of such release to such Beneficial Grantee, provided, however, that the Trustee shall not so release any such Options and/or Shares to such Beneficial Grantee unless the latter, prior to, or concurrently with, such release, provides the Trustee with evidence, satisfactory in form and substance to the Trustee, that all taxes, if any, required to be paid upon such release have, in fact, been paid.

(ii) Alternatively, from and after the Release Date, upon the written instructions of the Beneficial Grantee to sell any Shares, and subject to the first refusal rights as set forth below in Section 10.3, the Trustee shall use its best efforts to effect such sale and shall transfer such Shares to the purchaser thereof concurrently with the receipt, or after having made suitable arrangements to secure the payment of the proceeds, of the purchase price in such transaction. The Trustee shall withhold from such proceeds any and all taxes required to be paid in respect of such sale, shall remit the amount so withheld to the appropriate tax authorities and shall pay the balance thereof directly to the Beneficial Grantee, reporting to such Beneficial Grantee and to the Company the amount so withheld and paid to said tax authorities.

5.2 Dividend. All Shares issued under the Plan shall entitle the Beneficial Grantee thereof to receive dividends with respect thereto. The Company shall withhold from such amounts any and all taxes required to be paid in respect of such dividends, shall remit the amount so withheld to the appropriate tax authorities and shall pay the balance thereof directly to such Beneficial Grantee.

5.3 Share Dividends. In the event a share dividend (bonus shares) or other rights to acquire shares in the Company are declared on the Shares held in trust, such dividend shares or other rights shall be held by the Trustee for the benefit of the Grantee until the Release Date of the Shares as to which the share dividends or other rights were declared.

5.4 Voting Rights. Until the Initial Public Offering of the Company's shares ("IPO"), Ordinary Shares B issued upon exercise of Options granted to a Grantee under the Plan shall not entitle such Grantee to participate at, nor to vote on any matter submitted to, the meetings of the Company's shareholders.

6. **Reserved Shares**: The Company has reserved 9,999 authorized but unissued Ordinary Shares and 940 authorized but unissued Ordinary Shares B for purposes of the Plan, subject to adjustments as provided in Section 12 hereof. All Shares under the Plan, in respect of which the right hereunder of a Grantee to purchase the same shall, for any reason, terminate, expire or otherwise cease to exist, shall again be afor grant through Options under the Plan.

7. **Grant of Awards**:

7.1 The Board in its discretion may award to Grantees Awards under the Plan. Awards may be granted at any time after the passage of thirty (30) days following the delivery by the Company and the Trustee to the appropriate income tax authorities of a notification in the form prescribed by said income tax authorities that the Company intends to execute an entitling allotment pursuant to the Income Tax Ordinance.

7.2 The Notice of Grant shall state, inter alia, the number of Shares covered thereby, the dates when the Options may be exercised and the Shares may be transferred to the Grantee, the exercise price, and such other terms and conditions as the Board at its discretion may prescribe, provided that they are consistent with this Plan.

7.3 Without derogating from the rights and powers of the Board under Section 7.2 hereof, unless otherwise specified by the Board, the Options shall be for a term of ten (10) years and the schedule pursuant to which such Options shall vest, and the Beneficial Grantee thereof shall be entitled to pay for and acquire the Shares, shall be such that the Options shall be fully vested on the first business day following the passing of four (4) years from the Date of Grant (the "Vesting Period") as follows: fifty percent (50%) of such Options shall vest on the second anniversary of the Adoption Date (the "Adoption Date" for the purpose of this Plan means the Date of Grant or any other date determined by the Board for a given grant of Options) and twenty five percent (25%) of such Options shall vest on each of the third and fourth anniversaries of the Adoption Date. Vesting period of an Option means, for the purpose of the Plan and its related instruments, the period between the Adoption Date and the date on which the holder of an Option may exercise the rights awarded pursuant to terms of the Option.

8. **Exercise Price; Purchase Price**:

8.1 The exercise price per Share covered by each Option shall be determined by the Board in its sole and absolute discretion; provided, however, that such exercise price shall not be less than the nominal value of the Shares into which such Option is exercisable.

8.2 As consideration for the Shares granted hereunder, the Beneficial Grantee shall pay the Company, on the Date of Grant, a purchase price per Share which will be determined by the Board in its sole and absolute discretion; provided, however, that such purchase price shall not be less than the nominal value of the Shares granted for his benefit.

9. **Exercise of Options**:

9.1 Options shall be exercisable pursuant to the terms under which they were awarded and subject to the terms and conditions of the Plan.

9.2 The exercise of an Option shall be made by a written notice of exercise (the "Notice of Exercise") delivered by the Beneficial Grantee (or, with respect to Options held in the Trust, by the Trustee upon receipt of written instructions from the Beneficial Grantee) to the Company at its principal executive office, specifying the number of Shares to be purchased and accompanied by the payment therefor, and containing such other terms and conditions as the Board shall prescribe from time to time.

9.3 Anything herein to the contrary notwithstanding, but without derogating from the provisions of Section 11 hereof, if any Option has not been exercised and/or the Shares covered thereby have not been paid for within ten (10) years after the Date of Grant (or any shorter period set forth in the Notice of Grant), such Option and the right to acquire such Shares shall terminate and all interests and rights of the Grantee in and to the same shall ipso facto expire.

9.4 Each payment for Shares shall be in respect of a whole number of Shares, and shall be effected in cash or by a bank check payable to the order of the Company, or such other method of payment acceptable to the Company.

10. **Transfer and Sale of the Shares**:

10.1 Anything herein to the contrary notwithstanding, no Share shall be transferable to or by the Beneficial Grantee at any time prior to the Release Date.

10.2 Subject to the first refusal rights specified in subsection 10.3 below, the transfer of a Share which is held in trust shall be made, after the Release Date, by a written notice of transfer (the "Notice of Transfer"), in a form acceptable to the Company, delivered by the Trustee upon receipt of written instructions from the Beneficial Grantee to the Board, specifying the number of Shares to be transferred and accompanied by the payment therefor, and containing such other terms and conditions as the Board shall prescribe from time to time.

10.3 Until such time as the Company shall effectuate an IPO, the transfer of Shares by the Beneficial Grantee shall be subject to a right of first refusal on the part of the holders of the Company's Ordinary Shares and Series A Preferred Shares as provided in the Company's Articles of Association and the procedures set forth therein shall govern the sale, transfer, assignment or other disposition of the Shares by the Beneficial Grantee.

11. **Termination of Employment**:

11.1 In the event that a Grantee ceases, for any reason, to be employed by the Company, all Options theretofore granted to such Grantee shall terminate as follows:

(a) All Options, which are not vested and not exercisable at the time of the cessation of employment shall terminated immediately.

(b) If the Grantee ceases to be employed by reason of such Grantee's death or "Disability" (as hereinafter defined), such Options (to the extent exercisable at the time of the Grantee's cessation of employment) shall be exercisable by the Grantee's legal representative, estate, or other person to whom the Grantee's rights are transferred by will or by laws of descent or distribution at any time until thirty (30) days after the TO (but in no event after the expiration date of such Option), and shall thereafter terminate. For purposes hereof, "Disability" shall mean the inability, due to illness or injury, to engage in any gainful occupation for which the individual is suited by education, training or experience, which condition continues for at least six (6) months.

(c) If the Grantee ceases to be employed for any other reason, such Options (to the extent exercisable at the time of the Grantee's cessation of employment) shall be exercisable at any time until the end of six (6) months from the cessation of the Grantee's employment (but in no event after the expiration date of such Option), and shall thereafter terminate; provided, however, that if the Grantee dies within such six (6) months period, such Options (to the extent exercisable at the time of the Grantee's termination of employment) shall be exercisable by the Grantee's legal representative, estate or other person to whom the Grantee's rights are transferred by will or by laws of descent or distribution at any time until the end of six (6) months from the Employee's death (but in no event after the expiration date of such Option), and shall thereafter terminate.

(d) Notwithstanding the aforesaid in Section 11.1(e) above, if the Grantee's termination of employment is due to (i) breach of the Grantee's fiduciary duties towards the Company, or (ii) breach of the Grantee's duty of care towards the Company, or (iii) the Grantee has committed any flagrant criminal offense, or (iv) the Grantee has committed a fraudulent act towards the Company, or (v) the Grantee caused intentionally, by act or omission, any financial damage to the Company, all the Options whether vested or not shall ipso facto expire immediately and be of no legal effect.

(e) If a Grantee should retire, he shall, subject to the approval of the Board, continue to enjoy such rights, if any, under the Plan and on such terms and conditions, with such limitations and subject to such requirements as the Board in its discretion may determine.

11.2 Whether the cessation of employment of a particular Grantee is for reason of "Disability" for the purposes of paragraph 11.1(b) hereof or by virtue of "retirement" for purposes of paragraph 11.1(e) hereof, or is a termination of employment other than by reason of such Disability or retirement, or is for reasons as set forth in paragraph 11.1(d) hereof, shall be finally and conclusively determined by the Board in its absolute discretion.

11.3 Notwithstanding the foregoing provisions of Section 11.1, the Board may provide, either at the time an Option is granted or thereafter, that such Option may be exercised after the periods provided for in Section 11.1, but in no event beyond the term of the Option.

11.4 The following provisions shall apply to Shares issued upon exercise of Options under the Plan in the event that the Grantee's employment shall be terminated for any reason:

(a) Subject to the provisions of 11.4 (b) below, Shares which have been purchased and paid for in full at the time of the termination of the Grantee's employment with the Company shall be retained by the Grantee.

(b) Notwithstanding the aforesaid in Section 11.4 (a) above, if the Grantee's employment with the Company is terminated due to the Grantee having (i) breached his fiduciary duties towards the Company, or (ii) materially breached his employment agreement with the Company, or (iii) disclosed a professional or business secret of the Company not in good faith and with the intent of harming the Company's business and/or competing therewith, or (iv) embezzled the Company's assets, or (iv) breached any non-competition clauses in the Grantee's employment agreement with the Company, or (v) committed an offense of a disreputable nature in connection with the Company's business and/or within the framework of his position with the Company, then all such purchased and paid for Shares shall be subject to repurchase at their nominal value by (i) the Company, if permitted by law; (ii) if the Company is not permitted by law, then any affiliate or subsidiary of the Company determined by the Board, or (iii) any other third party or parties designated by the Board, provided however that in no case shall the Company provide financial assistance to any other party to purchase the Shares if doing so is prohibited by law.

(c) Whether the termination of the employment of a particular Grantee is for reasons as set forth in Section 11.4 (b) above shall be finally and conclusively determined by the Board in its absolute discretion.

12. **Adjustment Upon Changes in Capitalization**

12.1 Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the number of Shares which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per share of Shares covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares or the payment of a stock dividend (bonus shares) with respect to the Shares or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option.

12.2 If the Company is liquidated or dissolved while unexercised Options remain outstanding under the Plan, then all such outstanding Options may be exercised in full by the Grantees as of the effective date of any such liquidation or dissolution of the Company by the Grantees giving notice in writing to the Company of their intention to so exercise. To the extent it has not been so exercised, each Option will terminate as of the effective date of such liquidation or dissolution.

12.3 If upon a merger, consolidation, reorganization, recapitalization or the like with or into another corporation, the shares of the Company shall be exchanged for other securities of a successor corporation or a parent or subsidiary of such successor corporation (the "Successor Entity"), then, each Option shall, at the sole and absolute discretion of the Board, either:

(a) be substituted for options to purchase shares of the Successor Entity, and appropriate adjustments shall be made in the purchase price per share to reflect such exchange; or

(b) be exercisable within a time period specified by the Board, without regard to the vesting provisions herein and the Shares issued upon such exercise exchanged for the securities of the Successor Entity. All Options not exercised within the time period specified by the Board shall terminate.

13. **Non-Transferability**:

13.1 No Option shall be assignable or transferable by the Grantee to whom granted otherwise than by will or the laws of descent and distribution, and an Option may be exercised during the lifetime of the Grantee only by such Grantee or by such Grantee's guardian or legal representative. The terms of such Option shall be binding upon the beneficiaries, executors, administrators, heirs and successors of such Grantee.

13.2 Shares of the Company shall not be sold or transferred directly or indirectly to a competitor of the Company.

13.3 Without derogating from the provisions of subsection 10.3 relating to first refusal rights and subject said provisions, any sale or transfer of Shares shall be subject to the approval of the Board, which shall not be unreasonably withheld, provided that the Grantee is not then in breach of any of his or her obligations to the Company.

14. **Term and Amendment of the Plan**:

14.1 The Plan was authorized by the Board on November 1, 1998, and shall expire on November 1, 2008 (except as to Awards outstanding on that date), but such expiration shall not affect the instructions contained herein or in any applicable law with respect to the Options and Shares held in the Trust at such time of expiration.

14.2 Subject to applicable laws, the Board may, at any time and from time to time, terminate or amend the Plan in any respect. In no event may any action of the Company alter or impair the rights of a Grantee, without his consent, under any Award previously granted to him.

15. **Tax Consequences**: If requested in writing by the underwriters for the Qualified Public Offering , each holder of Registrable Shares who is a party to this Agreement shall agree not to sell publicly any shares of Registrable Shares or any other shares of Ordinary Shares A (other than shares of Registrable Shares or other shares of Ordinary Shares A being registered in such offering), without the consent of such underwriters, for a period of not more than 180 days following the effective date of the registration statement relating to such offering; provided, however, that all persons entitled to registration rights with respect to shares of Ordinary Shares A who are not parties to this Agreement, all other persons selling shares of Ordinary Shares A in such offering, all persons holding in excess of 1% of the capital stock of the Company on a fully diluted basis and all executive officers and directors of the Company shall also have agreed not to sell publicly their Ordinary Shares A under the circumstances and pursuant to the terms set forth in this Section 13(f).

16. **Miscellaneous**:

16.1 **Continuance of Employment**: Neither the Plan nor the grant of an Award thereunder shall impose any obligation on the Company to continue the employment of any Grantee, and nothing in the Plan or in any Award granted pursuant thereto shall confer upon any Grantee any right to continue in the employ of the Company, or restrict the right of the Company to terminate such employment at any time.

16.2 **Governing Law**: The Plan and all instruments issued thereunder or in connection therewith, shall be governed by, and interpreted in accordance with, the laws of the State of Israel.

16.3 **Application of Funds**: The proceeds received by the Company from the sale of Shares pursuant to Awards granted under the Plan will be used for general corporate purposes of the Company.

16.4 **Multiple Agreements**: The terms of each Award may differ from other Awards granted under the Plan at the same time, or at any other time. The Board may also grant more than one Award to a given Grantee during the term of the Plan, either in addition to, or in substitution for, one or more Awards previously granted to that Grantee. The grant of multiple Awards may be evidenced by a single Notice of Grant or multiple Notices of Grant, as determined by the Board.

16.5 **Non-Exclusivity of the Plan**: The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

Exhibit 10.3

GAMIDA CELL LTD.

STOCK OPTION PLAN (1999)

A. NAME AND PURPOSE

1. N**ame**: This plan, as amended from time to time, shall be known as the "Gamida Cell Ltd. Stock Option Plan (1999)" (the "Plan").

2. **Purpose:** The purpose and intent of the Plan is to reward and provide incentives to consultants and other persons whose services are considered valuable to Gamida Cell Ltd. (the "Company") by providing them with opportunities to purchase Ordinary Shares B, nominal value NIS 0.01 each (the " Shares ") of the Company, pursuant to a plan approved by the Board of Directors of the Company.

B. GENERAL TERMS AND CONDITIONS OF THE PLAN

3. **Administration:**

3.1. The Plan will be administered by the Board of Directors of the Company (the "Board") . The Board shall be entitled from time to time to adopt all such resolutions for purposes of implementing the Plan as it shall deem necessary and/or appropriate and shall have full power and authority to interpret the provisions of the Plan and of any Options granted pursuant thereto, which interpretation shall be final and binding.

3.2. Subject to the general terms and conditions of this Plan, the Board shall have the full authority in its discretion, from time to time and at any time, to determine (i) the persons ("Grantees") to whom options to purchase Shares ("Option(s)") shall be granted, (ii) the number of Shares to be covered by each Option, (iii) the time or times at which the Options shall be granted, (iv) the schedule and conditions on which such Options may be exercised, and/or (v) any other matter which is necessary or desirable for, or incidental to, the administration of the Plan. In determining the number of Shares covered by the Options to be granted to each Grantee, the Board may consider, among other things, the Grantee's remuneration for services rendered to the Company and the nature and duration of the services rendered by the Grantee to the Company.

3.3. No member of the Board shall be liable for any act or determination made in good faith with respect to the Plan or any Option granted thereunder.

4. **Eligible Grantees:**

4.1. The Board, at its discretion, may grant Options under the Plan to any Director or Officer of the Company who is not an employee of the Company, consultants, advisors and all other persons whose services are considered valuable to the Company. Anything in this Plan to the contrary notwithstanding, all grants of Options to Directors and Office Holders - "Nosei Misra" - as such term is defined in the Israeli Companies Ordinance (New Version), 1983, as amended from time to time (the "Companies Ordinance") - shall be authorized and implemented only in accordance with the provisions of the Companies Ordinance.

4.2. The grant of an Option to a Grantee hereunder, shall neither entitle such Grantee to participate, nor disqualify him from participating, in any other grant of options or shares pursuant to this Plan or any other share option plan of the Company.

5. **Dividend and Voting Rights:**

5.1. Dividends and Share Dividends. All Shares issued under the Plan shall entitle the Grantee thereof to receive dividends, including share dividends (bonus shares), with respect thereto. The Company shall withhold from such amounts any and all taxes required to be paid in respect of such dividends, shall remit the amount so withheld to the appropriate tax authorities and shall pay the balance thereof directly to such Grantee.

5.2. Voting Rights. Until the Initial Public Offering of the Company's shares ("IPO"), Ordinary Shares B issued upon exercise of Options granted to a Grantee under the Plan shall not entitle such Grantee to participate at, nor to vote on any matter submitted to, the meetings of the Company's shareholders.

6. **Reserved Shares:** The Company has reserved an aggregate amount of 3,760 authorized but unissued Ordinary Shares B for purposes of the Plan, subject to adjustments as provided in Section 12 hereof. All Shares under the Plan, in respect of which the right hereunder of a Grantee to purchase the same shall, for any reason, terminate, expire or otherwise cease to exist, shall again be available for grant through Options under the Plan.

7. **Grant of Options; Exercise Period; Term of Option**

7.1. The Board in its discretion may grant to Grantees Options under the Plan by issuing a Notice of Grant.

7.2. The Notice of Grant shall state, inter alia, the number of Shares covered thereby, the dates when the Options may be exercised, the exercise price, and such other terms and conditions as the Board at its discretion may prescribe, provided that they are consistent with this Plan.

7.3. Without derogating from the rights and powers of the Board under Section 7.2 hereof, unless otherwise specified by the Board, the Options shall be for a term of seven (7) years and the schedule pursuant to which such Options shall vest, and the Grantee thereof shall be entitled to pay for and acquire the Shares, shall be such that the Options shall be fully vested on the first business day following the passing of three (3) years from the Date of Grant (the "Vesting Period") with one-third of such Options vesting on each of the first, second and third anniversaries of the Adoption Date (the "Adoption Date" for purpose of this Plan means the Date of Grant or any other date determined by the Board for a given grant of Options). Vesting Period of an Option means, for purpose of the Plan and its related instruments, the period between the Adoption Date and the date on which the holder of an Option may exercise the rights awarded pursuant to terms of the Option.

7.4. Anything herein to the contrary notwithstanding, all Options granted under the Plan shall be granted by the Company to a trustee designated by the Board (the "Trustee"), and the Trustee shall hold each such Option and the Shares issued upon exercise of any Option in trust (the "Trust") for the benefit of the Grantee in respect of whom such Option was granted (the "Beneficial Grantee"). All certificates representing Shares issued to the Trustee under the Plan shall be deposited with the Trustee and shall be held by the Trustee until such time that such Shares are released from the Trust, as follows:

(a) Upon the request of any Beneficial Grantee, the Trustee shall release from the Trust the Shares issued, on behalf of such Beneficial Grantee, by executing and delivering to the Company such instrument(s) as the Company may require, giving due notice of such release to such Beneficial Grantee, provided however, that the Trustee shall not so release any such Shares to such Beneficial Grantee unless the latter, prior to, or concurrently with, such release, provides the Trustee with evidence, satisfactory in form and substance to the Trustee, that all taxes or other compulsory payments, if any, required to be paid upon such release have, in fact, been paid and/or have been withheld at source by the Company, as the case may be.

(b) Alternatively, upon the written instructions of the Beneficial Grantee to sell any Shares, and subject to the first refusal rights as set forth below in Section 10, the Trustee shall use its best efforts to effect such sale and shall transfer such Shares to the purchaser thereof concurrently with the receipt, or after having made suitable arrangements to secure the payment of the proceeds, of the purchase price in such transaction. Any and all taxes and other compulsory payments required to be paid in respect of such sale shall be withheld, the amounts so withheld remitted to the appropriate tax authorities, and the balance thereof paid directly to the Beneficial Grantee, all in a manner to be determined by the Trustee and the Company.

7.5. Notwithstanding anything herein to the contrary, the Option shall terminate upon the seventh anniversary of the Date of Grant if not earlier terminated or exercised.

8. **Exercise Price:**

The exercise price per Share covered by each Option shall be determined by the Board in its sole and absolute discretion; provided, however, that such exercise price shall not be less than the nominal value of the Shares into which such Option is exercisable.

9. **Exercise of Options:**

9.1. Options shall be exercisable pursuant to the terms under which they were awarded and subject to the terms and conditions of the Plan.

9.2. The exercise of an Option shall be made by a written notice of exercise (the “Notice of Exercise”) delivered by the Beneficial Grantee to the Company at its principal executive office, with a copy delivered to the Trustee, specifying the number of Shares to be purchased and accompanied by the payment therefor, and containing such other terms and conditions as the Board shall prescribe from time to time.

9.3. Anything herein to the contrary notwithstanding, but without derogating from the provisions of Section 12.2 and 12.3 hereof, if any Option has not been exercised and/or the Shares covered thereby have not been paid for within seven (7) years after the Date of Grant (or any shorter period set forth in the Notice of Grant), such Option and the right to acquire such Shares shall terminate and all interests and rights of the Grantee in and to the same shall ipso facto expire.

9.4. Each payment for Shares shall be in respect of a whole number of Shares, and shall be effected in cash or by a bank check payable to the order of the Company, or such other method of payment acceptable to the Company.

10. Termination of Service:

10.1. In the event that the services rendered by the Grantee to the Company shall be terminated for any reason, all Options theretofore granted to such Grantee shall terminate as follows:

(a) All Options, which are not vested and not exercisable at the time of the termination of service, shall terminate immediately.

(b) If the services rendered by the Grantee are terminated by reason of such Grantee's death or Disability (as hereinafter defined), such Options (to the extent exercisable at the time of the termination of the Grantee's services) shall be exercisable by the Grantee's legal representative, estate, or other person to whom the Grantee's rights are transferred by will or by laws of descent or distribution at any time until thirty (30) days after the Public Offering (but in no event after the expiration date of such Option), and shall thereafter terminate. For purposes hereof, "Disability" shall mean the inability, due to illness or injury, to engage in any gainful occupation for which the individual is suited by education, training or experience, which condition continues for at least six (6) months.

(c) If the services rendered by the Grantee are terminated for any other reason, such Options (to the extent exercisable at the time of the termination of the Grantee's services) shall be exercisable at any time until the end of six (6) months from said termination (but in no event after the expiration date of such Option), and shall thereafter terminate; provided, however, that if the Grantee dies within such six (6) months period, such Options (to the extent exercisable at the time of the termination of the Grantee's services) shall be exercisable by the Grantee's legal representative, estate or other person to whom the Grantee's rights are transferred by will or by laws of descent or distribution at any time until thirty (30) days after the Public Offering (but in no event after the expiration date of such Option), and shall thereafter terminate.

(d) Notwithstanding the aforesaid in Section 10.1(c) above, if the services of the Grantee are terminated due to the Grantee's having (i) breached his fiduciary duties towards the Company, or (ii) breached his duty of care towards the Company, or (iii) committed any flagrant criminal offense, or (iv) committed a fraudulent act against the Company, or (v) intentionally caused, by act or omission, any financial damage to the Company, or (vi) materially breached the provisions of his services agreement with the Company, all the Options whether vested or not shall ipso facto expire immediately and be of no legal effect.

10.2. Whether the termination of the services of a particular Grantee is for reason of Disability for the purposes of paragraph 10.1(b) hereof or is a termination other than by reason of such Disability, or is for reasons as set forth in paragraph 10.1(d) hereof, shall be finally and conclusively determined by the Board in its absolute discretion.

10.3. Notwithstanding the foregoing provisions of Section 10.1, the Board may provide, either at the time an Option is granted or thereafter, that such Option may be exercised after the periods provided for in Section 10.1, but in no event beyond the term of the Option.

10.4. The following provisions shall apply to Shares issued upon exercise of Options under the Plan in the event that the services of the Grantee shall be terminated for any reason:

(a) Subject to the provisions ofsechon 10.4 (b) below, Shares which have been purchased and paid for in full at the time of the termination of the Grantee's services to the Company shall be retained by the Grantee.

(b) Notwithstanding the aforesaid in Section 10.4 (a) above, if the services of the Grantee to the Company are terminated due to the Grantee having (i) breached his fiduciary duties towards the Company, or (ii) materially breached his services agreement with the Company, or (iii) disclosed a professional or business secret of the Company not in good faith and with the intent of harming the Company's business and/or competing therewith, or (iv) embezzled the Company's assets, or (iv) breached any non-competition clauses in the Grantee's service agreement with the Company, or (v) committed an offense of a disreputable nature in connection with the Company's business and/or within the framework of the services rendered by him to the Company, then all such purchased and paid for Shares shall be subject to repurchase at their nominal value by (i) the Company, if permitted by law; (ii) if the Company is not permitted by law, then any affiliate or subsidiary of the Company determined by the Board, or (iii) any other third party or parties designated by the Board, provided however that in no case shall the Company provide financial assistance to any other party to purchase the Shares if doing so is prohibited by law.

(c) Whether the termination of the services of a particular Grantee is for reasons as set forth in Section 10.4 (b) above shall be finally and conclusively determined by the Board in its absolute discretion.

11. **Transfer and Sale of the Shares:**

Until such time as the Company shall effectuate an IPO, the transfer of Shares by the Beneficial Grantee (or by the Trustee in accordance with Section 7.4(b) above) shall be subject to a right of first refusal on the part of the Company's existing shareholders as provided in the Company's Articles of Association and the procedures set forth therein shall govern the sale, transfer, assignment or other disposition of the Shares by the Beneficial Grantee.

12. **Adjustment Upon Changes in Capitalization**

12.1. Subject to any action by the shareholders of the Company, as may be required in accordance with the Company's Articles of Association and/or applicable law, the number of Shares covered by each outstanding Option, and the number of Shares which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, as well as the price per share of Shares covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares or the payment of a stock dividend (bonus shares) with respect to the Shares or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company; provided, however, and for the removal of doubt, that conversion of any convertible securities of the Company and/or the conversion of any owners' loans into equity, shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option.

12.2. If the Company is liquidated or dissolved while unexercised Options remain outstanding under the Plan, then all such outstanding Options may be exercised in full by the Grantees as of the effective date of any such liquidation or dissolution of the Company by the Grantees giving notice in writing to the Company of their intention to so exercise. To the extent it has not been so exercised, each Option will terminate as of the effective date of such liquidation or dissolution.

12.3. If upon a merger, consolidation, reorganization, recapitalization or the like with or into another corporation, the shares of the Company shall be exchanged for other securities of a successor corporation or a parent or subsidiary of such successor corporation (the "Successor Entity"), then, each Option shall, at the sole and absolute discretion of the Board, either:

(a) be substituted for options to purchase shares of the Successor Entity, and appropriate adjustments shall be made in the purchase price per share to reflect such exchange; or

(b) be exercisable within a time period specified by the Board, without regard to the vesting provisions herein and the Shares issued upon such exercise exchanged for the securities of the Successor Entity. All Options not exercised within the time period specified by the Board shall terminate.

13. **Non-Transferability:**

13.1. No Option shall be assignable or transferable by the Grantee to whom granted otherwise than by will or the laws of descent and distribution, and an Option may be exercised during the lifetime of the Grantee only by such Grantee or by such Grantee's guardian or legal representative. The terms of such Option shall be binding upon the beneficiaries, executors, administrators, heirs and successors of such Grantee.

13.2. Shares of the Company shall not be sold or transferred directly or indirectly to a competitor of the Company.

13.3. Without derogating from the provisions of Section 10, and subject to said provisions, any sale or transfer of Shares shall be subject to the approval of the Board, which shall not be unreasonably withheld, provided that the Grantee is not then in breach of any of his or her obligations to the Company.

14. **Term and Amendment of the Plan:**

14.1. The Plan was authorized by the Board on July13, 1999, and shall expire on July 13, 2009 (except as to Options outstanding on that date).

14.2. Subject to applicable laws, the Board may, at any time and from time to time, terminate or amend the Plan in any respect. In no event may any action of the Company alter or impair the rights of a Grantee, without his consent, under any Option previously granted to him.

15. **Tax Consequences:** All tax consequences and obligations regarding any other compulsory payments arising from the grant or exercise of any Option, from the payment for, or the subsequent disposition of, Shares covered thereby or from any other event or act (of the Company or the Grantee) hereunder, shall be borne solely by the Grantee, and the Grantee shall indemnify the Company and the Trustee and hold them harmless against and from any and all liability for any such tax or other compulsory payment, or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax or other compulsory payment from any payment made to the Grantee. No Shares shall be delivered to a Grantee under this Plan unless and until all taxes have been fully paid in a manner to be determined by the Trustee and the Company.

16. **Miscellaneous:**

16.1. **Continuance of Employment:** Neither the Plan nor the grant of an Option thereunder shall impose any obligation on the Company to continue to retain the services of any Grantee, and nothing in the Plan or in any Option granted pursuant thereto shall confer upon any Grantee any right to continue to render services to the Company, or restrict the right of the Company to terminate such service at any time.

16.2. **Governing Law:** The Plan and all instruments issued thereunder or in connection therewith, shall be governed by, and interpreted in accordance with, the laws of the State of Israel.

16.3. **Application of Funds:** The proceeds received by the Company from the sale of Shares pursuant to Options granted under the Plan will be used for general corporate purposes of the Company.

16.4. **Multiple Agreements:** The terms of each Option may differ from other Options granted under the Plan at the same time, or at any other time. The Board may also grant more than one Option to a given Grantee during the term of the Plan, either in addition to, or in substitution for, one or more Options previously granted to that Grantee. The grant of multiple Awards may be evidenced by a single Notice of Grant or multiple Notices of Grant, as determined by the Board.

16.5. **Non-Exclusivity of the Plan:** The adoption of the Plan by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangement or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

Exhibit 10.4

ISRAELI SHARE OPTION PLAN
FINAL

Gamida Cell Ltd.
THE 2003 ISRAELI SHARE OPTION PLAN
(*In compliance with Amendment No. 132 of the Israeli Tax Ordinance, 2002)

TABLE OF CONTENTS

PREFACE

This plan, as amended from time to time, shall be known as the "**Gamida Cell Ltd 2003 Israeli Share Option Plan**" (the "**ISOP**").

1. PURPOSE OF THE ISOP

The ISOP is intended to provide an incentive to retain, in the employ of the Company and its Affiliates (as defined below), persons of training, experience, and ability, to attract new employees, directors, consultants, service providers and any other entity which the Board shall decide their services are considered valuable to the Company, to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company by providing them with opportunities to purchase shares in the Company, pursuant to the ISOP.

2. DEFINITIONS

For purposes of the ISOP and related documents, including the Option Agreement, the following definitions shall apply:

2.1. "**Affiliate**" means any "employing company" within the meaning of Section 102(a) of the Ordinance.

2.2. "**Approved 102 Option**" means an Option granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Optionee.

2.3. "**Board**" means the Board of Directors of the Company.

2.4. "**Capital Gain Option (CGO)**" as defined in Section 5.4 below.

2.5. "**Cause**" means, termination of Employee's employment with Company as a result of the occurrence of any one of the following: (i) Employee has committed a dishonorable criminal offense; (ii) Employee is in breach of his duties of trust or loyalty to Company; (iii) Employee deliberately causes harm to Company's business affairs; (iv) Employee breaches the confidentiality and/or non-competition and/or non-solicitation and/or assignment of inventions provisions of this Agreement; and/or (v) circumstances that do not entitle Employee to severance payments under any applicable law and/or under any judicial decision of a competent tribunal.

2.6. "**Chairman**" means the chairman of the Committee.

2.7. "**Committee**" means a share option compensation committee appointed by the Board, which shall consist of no fewer than two members of the Board.

2.8. "**Company**" means Gamida Cell lid, an Israeli company.

2.9. "**Companies Law**" means the Israeli Companies Law 5759-1999.

2.10. "**Controlling Shareholder**" shall have the meaning ascribed to it in Section 32(9) of the Ordinance.

2.11. "**Date of Grant**" means, the date of grant of an Option, as determined by the Board and set forth in the Optionee's Option Agreement.

2.12. "**Employee**" means a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding Controlling Shareholder.

2.13. "**Expiration date**" means the date upon which an Option shall expire, as set forth in Section 10.2 of the ISOP.

2.14. "**Fair Market Value**" means as of any date, the value of a Share determined as follows:

(i) If the Shares are listed on any established stock exchange or a national market system, including without limitation the NASDAQ National Market system, or the NASDAQ SmallCap Market of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported in the Wall Street Journal, or such other source as the Board deems reliable. Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the Date of Grant the Company's shares are listed on any established stock exchange or a national market system or if the Company's shares will be registered for trading within ninety (90) days following the Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be;

(ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or;

(iii) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Board.

2.15. "**IPO**" means the underwritten initial public offering of the Company's shares pursuant to a registration statement filed with and declared effective under the Israeli Securities Law, 1968, under the U.S. Securities Act of 1933, as amended, or under any similar law of any other jurisdiction.

2.16. "**ISOP**" means this 2003 Israeli Share Option Plan.

2.17. "**ITA**" means the Israeli Tax Authorities.

2.18. "**Non-Employee**" means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.

2.19. "**Ordinary Income Option (OIO)**" as defined in Section 5.5 below.

2.20. "**Option**" means an option to purchase one or more Shares of the Company pursuant to the ISOP.

2.21. "**102 Option**" means any Option granted to Employees pursuant to Section 102 of the Ordinance.

2.22. "**3(i) Option**" means an Option granted pursuant to Section 3(i) of the Ordinance to any person who is Non- Employee.

2.23. "**Optionee**" means a person who receives or holds an Option under the ISOP.

2.24. "**Option Agreement**" means the share option agreement between the Company and an Optionee that sets out the terms and conditions of an Option.

2.25. "**Ordinance**" means the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.

2.26. "**Purchase Price**" means the purchase price for each Share underlying an Option.

2.27. "**Section 102**" means section 102 of the Ordinance as now in effect or as hereafter amended.

2.28. "**Share**" means the Company's ordinary shares, NIS 0.01 par value each.

2.29. "**Successor Company**" means any entity into which or with the Company is merged or by which the Company is acquired, pursuant to a Transaction in which the Company is not the surviving entity.

2.30. "**Transaction**" means (i) merger, acquisition or reorganization of the Company with one or more other entities in which the Company is not the surviving entity, (ii) a sale of all or substantially all of the assets or shares of the Company.

2.31. "**Trustee**" means any individual appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.

2.32. "**Unapproved 102 Option**" means an Option granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

2.33. "**Vested Option**" means any Option, which has vested and is exercisable according to the Vesting Dates or otherwise (such as in the event of acceleration if applicable).

2.34. "**Vesting Dates**" means, with respect to each Option, the date as of which the Optionee shall he entitled to exercise such Option or a portion thereof, as set forth in section 11 of the ISOP.

3. ADMINISTRATION OF THE ISOP

3.1. The Board shall have the power to administer the ISOP either directly or upon the recommendation of the Committee, all as provided by applicable law and in the Company's Articles of Association. Notwithstanding the above, for all intents and purposes hereunder, the Board shall automatically have residual authority if no Committee shall be constituted or if such Committee shall cease or otherwise be unable to operate for any reason.

3.2. The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places as the Chairman shall determine or as otherwise specified in the Articles of Association of the Company. The Committee shall keep records of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

3.3. The Committee shall have the power to recommend to the Board and the Board shall have the full power and authority to: (i) designate Optionees; (ii) determine the terms and provisions of the respective Option Agreements (which need not be identical), including, but not limited to, the number of Options to be granted to each Optionee, the number of Shares to be covered by each Option, provisions concerning the time and the extent to which the Options may be exercised and the nature and duration of restrictions as to the transferability or restrictions constituting substantial risk of forfeiture and to cancel or suspend awards, as necessary; (iii) determine the Fair Market Value of the Shares covered by each Option; (iv) make an Election (as defined in Section 5.6 below) as to the type of Approved 102 Option; and (v) designate the type of Options. The Committee shall have full power and authority to: (i) alter any restrictions and conditions of any Options or Shares subject to any Options (ii) interpret the provisions and supervise the administration of the ISOP; (iii) accelerate the right of an Optionee to exercise in whole or in part, any previously granted Option; (iv) determine the Purchase Price of the Option; (v) prescribe, amend and rescind rules and regulations relating to the ISOP in cases specifically set forth hereunder; and (vi) make all other determinations deemed necessary or advisable for the administration of the ISOP.

3.4. Notwithstanding the above, the Committee shall not be entitled to grant Options to the Optionees, however, it will be authorized to issue Shares underlying Options which have been granted by the Board and duly exercised pursuant to the provisions herein in accordance with section 112(a)(5) of the Companies Law.

3.5. The Board shall have the authority to grant, at its discretion, to the holder of an outstanding Option, in exchange for the surrender and cancellation of such Option, a new Option having a purchase price equal to, lower than or higher than the Purchase Price of the original Option so surrendered and canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the ISOP.

3.6. Subject to the Company's Articles of Association, all decisions and selections made by the Board or the Committee pursuant to the provisions of the ISOP shall be made by a majority of its members except that no member of the Board or the Committee shall vote on, or be counted for quorum purposes, with respect to any proposed action of the Board or the Committee relating to any Option to be granted to that member. Any decision reduced to writing shall be executed in accordance with the *visions of the Company's Articles of Association, as the same may be in effect from time to time.

3.7. The interpretation and construction by the Committee of any provision of the ISOP or of any Option Agreement thereunder shall be final and conclusive unless otherwise determined by the Board.

3.8. Subject to the Company's Articles of Association, to applicable law, to the Company's decision, and to all approvals legally required, each member of the Board or the Committee shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by such member, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the ISOP unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the member may have as a director or otherwise under the Company's Articles of Association, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise.

4. DESIGNATION OF PARTICIPANTS

4.1. The persons eligible for participation in the ISOP as Optionees shall include any Employees and/or Non-Employees of the Company or of any Affiliate thereof; provided, however, that (i) Employees may only be granted 102 Options; and (ii) Non-Employees may only be granted 3(i) Options;.

4.2. The grant of an Option hereunder shall neither entitle the Optionee to participate nor disqualify the Optionee from participating in, any other grant of Options pursuant to the ISOP or any other option or share plan of the Company or any of its Affiliates.

4.3. Anything in the ISOP to the contrary notwithstanding, all grants of Options to directors and office holders shall be authorized and implemented in accordance with the provisions of the Companies Law or any successor act or regulation, as in effect from time to time.

5. DESIGNATION OF OPTIONS PURSUANT TO SECTION 102

5.1. The Company may designate Options granted to Employees pursuant to Section 102 as Unapproved 102 Options or Approved 102 Options.

5.2. The grant of Approved 102 Options shall be made under this ISOP adopted by the Board as described in Section 16 below, and shall be conditioned upon the approval of this ISOP by the ITA.

5.3. Approved 102 Option may either be classified as Capital Gain Option ("**CGO**") or Ordinary Income Option ("**OIO**").

5.4. Approved 102 Option elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) shall be referred to herein as **CGO**.

5.5. Approved 102 Option elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) shall be referred to herein as **OIO**.

5.6. The Company's election of the type of Approved 102 Options as CGO or OIO granted to Employees (the "**Election**"), shall be appropriately filed with the LTA before the Date of Grant of an Approved 102 Option under such Election. Such Election shall become effective beginning the first Date of Grant of an Approved 102 Option under such Election and shall remain in effect until the end of the year following the year dining which the Company first granted Approved 102 Options under such Election. The Election shall obligate the Company to grant *only* the type of Approved 102 Option it has elected, and shall apply to all Optionees who were granted Approved 102 Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Options simultaneously.

5.7. All Approved 102 Options must be held in trust by a Trustee, as described in Section 6 below.

5.8. For the avoidance of doubt, the designation of Unapproved 102 Options and Approved 102 Options shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and the regulations promulgated thereunder.

5.9. With regards to Approved 102 Options, the provisions of the ISOP and/or the Option Agreement shall be subject to the provisions of Section 102 and the Tax Assessing Officer's permit, and the said provisions and permit shall be deemed an integral part of the ISOP and of the Option Agreement. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the ISOP or the Option Agreement, shall be considered binding upon the Company and the Optionees.

6. TRUSTEE

6.1. Approved 102 Options which shall be granted under the ISOP and/or any Shares allocated or issued upon exercise of such Approved 102 Options and/or other shares received subsequently following any realization of rights, including without limitation bonus shares, shall be allocated or issued to the Trustee (and registered in the Trustee's name on behalf of the respective Optionee in the shareholders register of the Company) and held for the benefit of the Optionees for such period of time as required by Section 102 or any regulations, rules or orders or procedures promulgated thereunder (the "**Holding Period**"). All certificates representing Shares issued to the Trustee under the Plan shall be deposited with the Trustee, and shall be held by the Trustee until such time that such Shares are released from the aforesaid trust as herein provided. In the case the requirements for Approved 102 Options are not met, then the Approved 102 Options may be treated as Unapproved 102 Options, all in accordance with the provisions of Section 102 and regulations promulgated thereunder.

6.2. Notwithstanding anything to the contrary, the Trustee shall not release any Shares allocated or issued upon exercise of Approved 102 Options prior to the full payment of the Optionee's tax liabilities arising from Approved 102 Options which were granted to such Optionee and/or any Shares allocated or issued upon exercise of such Options.

6.3. With respect to any Approved 102 Option, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, an Optionee shall not sell or release from trust any Share received upon the exercise of an Approved 102 Option and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Optionee.

6.4. Upon receipt of Approved 102 Option, the Optionee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the ISOP, or any Approved 102 Option or Share granted to him thereunder.

7. SHARES RESERVED FOR THE ISM RESTRICTION THEREON

7.1. The Company has reserved an aggregate of ( ) authorized but unissued Shares, for the purposes of this ISOP and for the purposes of any other share option plans which were previously, or may in the future be, adopted by the Company, subject to adjustment as set forth in Section 9 below (to date, some of such Shares have already been issued upon exercise of options granted under other share option plans of the Company). Any Shares which remain unissued and which are not subject to the outstanding Options at the termination of the ISOP shall cease to be reserved for the purpose of the ISOP, but until termination of the ISOP the Company shall at all times reserve sufficient number of Shares to meet the requirements of the ISOP. Should any Option for any reason expire or be canceled prior to its exercise or relinquishment in full, the Shares subject to such Option may again be subjected to an Option under the ISOP or under the Company's other share option plans.

7.2. Each Option granted pursuant to the ISOP, shall be evidenced by a written Option Agreement between the Company and the Optioned, in such form as the Board or the Committee shall from time to time approve. Each Option Agreement shall state, among other matters, the number of Shares to which the Option relates, the type of Option granted thereunder (whether a CGO, OIO, Unapproved 102 Option or a 3(i) Option), the Vesting Dates, the Purchase Price per share, the Expiration Date and such other terms and conditions as the Committee or the Board in its discretion may prescribe, provided that they are consistent with this ISOP.

7.3. The Company, at its sole discretion, may require that, until the consummation of an IPO, any Shares issued upon exercise of Options (and securities of the Company issued with respect thereto) shall be voted by an irrevocable proxy (the "**Proxy**") pursuant to the directions of the Board, such Proxy to be assigned to the person or persons designated by the Board and to provide for the power of such designated person(s) to act, instead of the Optionee and on its behalf, with respect to any and all aspects of the Optionee's shareholdings in the Company. The Proxy may be contained in the Option Agreement of an Optionee or otherwise as the Committee determines. If contained in the Option Agreement, no further document shall be required to implement such Proxy, and the signature of the Optionee on the Option Agreement shall indicate approval of the Proxy thereby granted. Such person or persons designated by the Board shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the person(s) may have as a director or otherwise under the Company's Articles of Association, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise. Without derogating from the above, with respect to Approved 102 Options, such shares shall be voted in accordance with the provisions of Section 102 and any rules, regulations or orders promulgated thereunder.

8. PURCHASE PRICE

8.1. The Purchase Price of each Share subject to an Option shall be determined by the Committee in its sole and absolute discretion in accordance with applicable law, subject to any guidelines as may be determined by the Board from time to time. Each Option Agreement will contain the Purchase Price determined for each Optionee.

8.2. The Purchase Price shall be payable upon the exercise of the Option in a form satisfactory to the Committee, including without limitation, by cash or check. The Committee shall have the authority to postpone the date of payment on such terms as it may determine.

8.3. The Purchase Price shall be denominated in the currency of the primary economic environment of, either the Company or the Optionee (that is the functional currency of the Company or the currency in which the Optionee is paid) as determined by the Company.

9. ADJUSTMENTS

Upon the occurrence of any of the following described events, Optionee's rights to purchase Shares under the ISOP shall be adjusted as hereafter provided:

9.1. In the event of Transaction, the unexercised Options then outstanding under the ISOP shall be assumed or substituted for options to purchase an appropriate number of shares of each class of shares or other securities of the Successor Company (or a parent or subsidiary of the Successor Company), per each Share underlying the assumed or substituted Option, as were distributed to the holders of Shares of the Company per each Share held by them, in connection with and pursuant to the Transaction. In the case of such assumption and/or substitution of Options, appropriate adjustments shall be made to the Purchase Price so as to reflect such action and all other terms and conditions of the Option Agreements shall remain unchanged, including but not limited to the vesting schedule, all subject to the determination of the Committee or the Board, which determination shall be in their sole discretion and final. The Company shall notify the Optionee of the Transaction in such form and method as it deems applicable and at such time in advance as notification was given to the holders of other Shares which were issued either upon exercise of Options under this ISOP or upon exercise of options to purchase shares of the Company granted under any other share option plan of the Company.

9.2. Notwithstanding the above and subject to any applicable law, the Board or the Committee shall have full power and authority to determine with respect to any Options, that in the Option Agreement applicable to such Options there shall be a clause instructing that if, in any such Transaction, the Successor Company (or parent or subsidiary of the Successor Company) does not agree to assume or substitute any unexercised Options underlying such Option Agreement, the Vesting Dates of such Options shall be accelerated so that any such unexercised Options that are then unvested shall be immediately vested and exercisable as of the date which is ten (10) days prior to the effective date of the Transaction and for a period of 10-days thereafter (upon expiration of which period the Options shall expire).

Notwithstanding the above and subject to any applicable law, unless the Board or the Committee determines otherwise with respect to certain Option(s), if, in any such Transaction, the Successor Company (or parent or subsidiary of the Successor Company) does not agree to assume or substitute for the Options, all unexercised Options shall expire as of immediately prior to the consummation of the Transaction.

9.3. For the purposes of section 9.1 above, an Option shall be considered assumed or substituted if, following the Transaction, the assumed or substituted Option confers the right to purchase or receive, for each Share underlying such an assumed or substituted Option immediately prior to the Transaction, the consideration (whether shares, options, cash, or other securities or property) received in the Transaction for each Share held by holders of Shares of the Company on the effective date of the Transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Transaction is not solely shares (or their equivalent) of the Successor Company or its parent or subsidiary, the Committee may, with the consent of the Successor Company, provide for the consideration to be received upon the exercise of the assumed or substituted Option to be solely shares (or their equivalent) of the Successor Company or its parent or subsidiary equal in Fair Market Value to the per Share consideration received by holders of a majority of the outstanding shares in the Transaction; and provided further that the Committee may determine, in its discretion, that in lieu of such assumption or substitution of Options for options of the Successor Company or its parent or subsidiary, such Options will be substituted for any other type of asset or property including cash which is fair under the circumstances.

9.4. If the Company is voluntarily liquidated or dissolved while unexercised Options remain outstanding under the ISOP, the Company shall immediately notify all unexercised Option holders of such liquidation, and the Option holders shall then have ten (10) days to exercise any unexercised Vested Option held by them at that time, in accordance with the exercise procedure set forth herein. Upon the expiration of such ten-days period, all remaining unexercised Options will terminate immediately.

9.5. If the outstanding shares of the Company shall at any time be changed or exchanged by declaration of a share dividend (bonus shares), share split, combination or exchange of shares, recapitalization, or any other like event by or of the Company, and as often as the same shall occur, then the number, class and kind of the Shares subject to the ISOP or subject to any Options therefore granted, and the Purchase Prices, shall be appropriately and equitably adjusted so as to maintain the proportionate number of Shares without changing the aggregate Purchase Price, provided, however, that the Purchase Price shall not be less than the par value of the Share underlying any such Options, and provided further, that no adjustment shall be made by reason of the distribution of subscription rights (rights offering) on outstanding shares. Upon happening of any of the foregoing, the class and aggregate number of Shares issuable pursuant to the ISOP (as set forth in Section 7 hereof), in respect of which Options have not yet been exercised, shall be appropriately adjusted, all as will be determined by the Board whose determination shall be final.

9.6. Except as expressly provided herein, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option.

9.7. Anything herein to the contrary notwithstanding, if prior to the completion of the MO, a Transaction is consummated pursuant to which, all or substantially all of the shares of the Company are sold, or exchanged for securities of another Company, then each Optionee shall be obliged to sell or exchange, as the case may be, any Shares such Optionee purchased under the ISOP (in accordance with the value of the Optionee's Shares pursuant to the terms of the Transaction), and perform any action and/or execute any document required in order to effectuate such Transaction, all in accordance with the instructions issued by the Board in connection with the Transaction, whose determination shall be final.

10. TERM AND EXERCISE OF OPTIONS

10.1. Options shall be exercised by the Optionee by giving written notice to the Company and/or to any third party designated by the Company (the "**Representative**"), in such form and method as may be determined by the Company and when applicable, by the Trustee in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and/or the Representative and the payment of the Purchase Price at the Company's or the Representative's principal office. The notice shall specify the number of Shares with respect to which the Option is being exercised.

10.2. Options, to the extent not previously exercised, shall terminate forthwith upon the earlier of: (i) the date set forth in the Option Agreement (unless otherwise determined in accordance with the provisions of this ISOP with respect to any Option(s), such date shall be seven (7) years from the respective Date of Grant); and (ii) the expiration of any extended period in any of the events set forth in section 10.5 below.

10.3. The Options may be exercised by the Optionee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable, prior to the Expiration Date, and provided that, subject to the provisions of section 10.5 below, the Optionee is employed by or providing services to the Company or any of its Affiliates, at all times during the period beginning with the granting of the Option and ending upon the date of exercise.

10.4. Subject to the provisions of section 10.5 below, in the event of termination of Optionee's employment or services, with the Company or any of its Affiliates, all Options granted to such Optionee will immediately expire. A notice of termination of employment or service shall be deemed to constitute termination of employment or service. For the avoidance of doubt, in case of such termination of employment or service, the unvested portion of the Optionee's Option shall not vest and shall not become exercisable and any unvested portion of the Optionee's Option shall revert to the ISOP.

10.5. Notwithstanding anything to the contrary hereinabove and unless otherwise determined in the Optionee's Option Agreement, an Option may be exercised after the date of termination of Optionee's employment or service with the Company or any Affiliates during an additional period of time beyond the date of such termination, but only with respect to the number of Vested Options at the time of such termination according to the Vesting Dates, if:

(i) termination is without Cause, in which event any Vested Option still in force and unexpired may be exercised within a period of ninety (90) days after the date of such termination; or-

(ii) termination is the result of death, Retirement or Disability (each, as hereinafter defined) of the Optionee, in which event any Vested Option still in force and unexpired may be exercised within a period of twelve (12) months after the date of such termination; or -

(iii) prior to the date of such termination, the Committee shall authorize an extension of the terms of all or part of the Vested Options beyond the date of such termination for a period not to exceed the period during which the Options by their terms would otherwise have been exercisable.

For avoidance of any doubt, notwithstanding anything herein to the contrary, if termination of employment or service is for Cause, any outstanding unexercised Option (whether vested or non-vested), will immediately expire and terminate, and the Optionee shall not have any right in connection to such outstanding Options.

As used herein: (i) the term "**Disability**" means an Optionee's inability to perform his/her duties to the Company, or to any of its Affiliates, for a consecutive period of at least 180 days, by reason of any medically determinable physical or mental impairment, as determined by a physician selected by the Optionee and acceptable to the Company; and (ii) the term "**Retirement**" means an Optionee's retirement pursuant to applicable law or in accordance with the terms of any tax-qualified retirement plan maintained by the Company or any of its Affiliates in which the Optionee participates.

10.6. To avoid doubt, the Optionees shall not be deemed owners of the Shares issuable upon the exercise of Options and shall not have any of the rights or privileges of shareholders of the Company in respect of any Shares purchasable upon the exercise of any Option, nor shall they be deemed to be a class of shareholders or creditors of the Company for purpose of the operation of sections 350 and 351 of the Companies Law or any successor to such section, until registration of the Optionee as holder of such Shares in the Company's register of shareholders upon exercise of the Option in accordance with the provisions of the ISOP, but in case of Options and Shares held by the Trustee, subject to the provisions of Section 6 of the ISOP.

10.7. Any form of Option Agreement authorized by the ISOP may contain such other provisions as the Committee may, from time to time, deem advisable.

10.8. With respect to Unapproved 102 Option, if the Optionee ceases to be employed by the Company or any Affiliate, the Optionee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulation or orders promulgated thereunder.

10.9. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

10.10. With respect to Unapproved 102 Options, if the Optionee ceases to be employed by the Company or any Affiliate, the Optionee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of Sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

11. VESTING OF OPTIONS

11.1. Subject to the provisions of the ISOP, each Option shall vest and become exercisable commencing on the Vesting Date thereof, as determined by the Board or by the Committee, and for the number of Shares as shall be provided in the Option Agreement. However, no Option shall be exercisable after the Expiration Date.

11.2. An Option may be subject to such other terms and conditions on the time or times when it may be exercised, as the Committee may deem appropriate. The vesting provisions of individual Options may vary.

12. SHARES SUBJECT TO RIGHT OF FIRST REFUSAL AND BRING ALONG

12.1. Notwithstanding anything to the contrary in the Articles of Association of the Company, none of the Optionees shall have a right of first refusal in relation with any Sale (as hereinafter defined) of shares in the Company.

12.2. Unless otherwise determined by the Committee, until such time as the Company shall complete an FPO, an Optionee shall not have the right to sell Shares issued upon the exercise of an Option within six (6) months and one day of the later of the date of exercise of such Option or issuance of such Shares (if such an issuance is not made immediately upon exercise).

12.3. A sale, transfer, assignment or other disposition (collectively, "**Sale**") of Shares issuable upon the exercise of an Option shall be subject to the right of first refusal of other shareholders of the Company as set forth in the Articles of Association of the Company or in any agreement among the Company and all or substantially all of its shareholders. In the event that neither the Articles of Association of the Company nor any such agreement shall provide for applicable rights of first refusal, then, unless otherwise determined by the Committee, until such time as the Company shall complete an IPO, the Sale of Shares issuable upon the exercise of an Option shall be subject to a right of first refusal on the part of the Repurchaser(s), as follows:

(a) Repurchaser(s) means (i) the Company, if permitted by applicable law, (ii) if the Company is not permitted by applicable law, then any Affiliate of the Company designated by the Committee; or (iii) if no decision is reached by the Committee, then the Company's existing shareholders (save, for avoidance of doubt, for other Optionees who already exercised their Options), pro rata in accordance with their respective shareholdings in the Company's issued and outstanding share capital.

(b) The Optionee shall give a notice of sale (hereinafter the "**Notice**") to the Company in order to offer the Shares to the Repurchaser(s). The Company will forward the Notice to the applicable Repurchaser(s).

(c) The Notice shall specify the name of each proposed purchaser or other transferee (hereinafter the "**Proposed Transferee**"), the number of Shares offered for sale, the price per Share and the payment terms. The Repurchaser(s) will be entitled for thirty (30) days from the day of receipt of the Notice (hereinafter the "**Notice Period**"), to purchase all or part of the offered Shares (if the Repurchaser(s) are shareholders of the Company, then such entitlement shall be on a pro rata basis based upon their respective holdings in the Company's issued and outstanding share capital).

(d) If by the end of the Notice Period not all of the offered Shares have been purchased by the Repurchaser(s), the Optionee shall be entitled to Sell such remaining unpurchased Shares at any time during the ninety (90) days following the end of the Notice Period on terms not more favorable to the Proposed Transferee than those set out in the Notice, provided that the Proposed Transferee agree§ in writing that the provisions of this section shall continue to apply to the Shares in the hands of such Proposed Transferee. Any Sale of Shares issued under the ISOP by the Optionee that is not made in accordance with the ISOP or the Option Agreement shall be null and void.

(e) If the consideration to be paid for the Shares is not cash, the value of the consideration shall be determined in good faith by the Company's Board of Directors, and if the Company cannot for any reason pay for the Shares in the form of non-cash consideration, the Company may pay the cash equivalent thereof, as determined by the Board of Directors.

12.4. Prior to an IPO, and in addition to the right of first refusal, any transfer of Shares by an Optionee shall require the Board of Directors' approval as to the identity of the transferee and as required under the Company's Articles of Association. The Board of Directors may refuse to approve the transfer of Shares to any competitor of the Company or to any other person or entity the Board determines, in its discretion, may be detrimental to the Company.

12.5. Anything herein to the contrary notwithstanding, the Optionees shall be bound by the "bring along" provisions of any agreement among the Company and all or substantially all of its shareholders, as in effect from time to time, to the effect that if, prior to the completion of the IPO, shareholders holding a certain percentage of the Company's share capital (as set forth in such agreement) ("**Proposing Holders**"), elect to sell all of their equity securities in the Company to a third party, or agree to merge or consolidate the Company with or into another entity, and such sale or merger is conditioned upon the sale of all remaining stock of the Company to such third party, or to the agreement of all of the shareholders, the Optionees shall be required, if so demanded by the Proposing Holders, to sell or transfer all of their equity securities in the Company to such third party at the same price and upon the same terms and conditions as the Proposing Holders.

13. PURCHASE FOR INVESTMENT; LIMITATIONS UPON IPO; REPRESENTATIONS

13.1. The Company's obligation to issue or allocate Shares upon exercise of an Option granted under the ISOP is expressly conditioned upon: (a) the Company's completion of any registration or other qualifications of such Shares under all applicable laws, rules and regulations or (b) representations and undertakings by the Optionee (or his legal representative, heir or legatee, in the event of the Optionee's death) to assure that the sale of the Shares complies with any registration exemption requirements which the Company in its sole discretion shall deem necessary or advisable. Such required representations and undertakings may include representations and agreements that such Optionee (or his legal representative, heir, or legatee): (a) is purchasing such Shares for investment and not with any present intention of selling or otherwise disposing thereof; and (b) agrees to have placed upon the face and reverse of any certificates evidencing such Shares a legend setting forth (i) any representations and undertakings which such Optionee has given to the Company or a reference thereto and (ii) that, prior to effecting any sale or other disposition of any such Shares, the Optionee must furnish to the Company an opinion of counsel, satisfactory to the Company, that such sale or disposition will not violate the applicable laws, rules, and regulations, whether of the State of Israel or of the United States or any other State having jurisdiction over the Company and the Optionee.

13.2. The Optionee acknowledges that in the event that the Company's shares shall be registered for trading in any public market, Optionee's rights to sell the Shares may be subject to certain limitations (including a lock-up period), as will be requested by the Company or its underwriters, and the Optionee unconditionally agrees and accepts any such limitations.

13.3. Upon the grant of Options to an Optionee or the issuance of Shares upon the exercise thereof, the Company shall obtain from such the representations and undertakings as follows:

(a) That the Optionee is familiar with the Company, its activity and its financial and commercial forecast, and that the Optionee knows that there is no certainty that the exercise of the Options will be financially worthwhile. The Optionee hereby undertakes not to have any claim against the Company or any of its directors, employees, stockholders or advisors if it emerges, at the time of exercising the Options, that the Optionee's investment in the Company's Shares was not worthwhile, for any reason whatsoever.

(b) That the Optionee knows that his rights regarding the Options and the Shares are subject for all intents and purposes to the instructions of the Company's documents of incorporation and to the agreements of the stockholders in the Company.

(c) That the Optionee knows that in addition to the allocations set forth above, the Company has allocated and/or is entitled to allocate Options and Shares to other employees and other people, and the Optionee shall have no claim regarding such allocations, their quantity, the relationship among them and between them and the other stockholders in the Company, exercising of the options or any matter related to or stemming from them.

(d) That the Optionee knows that neither the ISOP nor the grant of Option or Shares thereunder shall impose any obligation on the Company to continue the engagement of the Optionee, and nothing in the ISOP or in any Option or Shares granted pursuant thereto shall confer upon any Optionee any right to continue being engaged by the Company, or restrict the right of the Company to terminate such engagement at any time.

14. DIVIDENDS

With respect to all Shares (but excluding, for avoidance of any doubt, any unexercised Options) allocated or issued upon the exercise of Options purchased by the Optionee and held by the Optionee or by the Trustee, as the case may be, the Optionee shall be entitled to receive dividends in accordance with the quantity of such Shares, subject to the provisions, of the Company's Articles of Association (and all amendments thereto) and subject to any applicable taxation on distribution of dividends, and when applicable subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

15. RESTRICTIONS ON ASSIGNABILITY AND SALE OF OPTIONS

15.1. No Option or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect to it given to any third party whatsoever, except as specifically allowed under the ISOP, and during the lifetime of the Optionee each and all of such Optionee's rights to purchase Shares hereunder shall be exercisable only by the Optionee.

Any such action made directly or indirectly, for an immediate validation or for a future one, shall be void.

15.2. As long as Options and/or Shares are held by the Trustee on behalf of the Optionee, all rights of the Optionee over the Shares are personal, can not be transferred, assigned, pledged or mortgaged, other than by will or pursuant to the laws of descent and distribution.

16. EFFECTIVE DATE AND DURATION OF THE ISOP

The ISOP shall be effective as of the day it was adopted by the Board and shall terminate at the end of thirteen (13) years from such day of adoption, unless terminated earlier in accordance with Section 17 hereof. Notwithstanding the foregoing, and unless otherwise determined, with respect to outstanding Options only, the provisions of the ISOP shall survive its termination, and for that purpose only, the ISOP shall be in full force and effect

17. AMENDMENTS OR TERMINATION

The Board may at any time, but when applicable, after consultation with the Trustee, amend, alter, suspend or terminate the ISOP. No amendment, alteration, suspension or termination of the ISOP shall impair the rights Of any Optionee, unless mutually agreed otherwise between the Optionee and the Company, which agreement must be in writing and signed by the Optionee and the Company. Termination of the ISOP shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the ISOP prior to the date of such termination.

18. GOVERNMENT REGULATIONS

The ISOP, and the grant and exercise of Options hereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules, and regulations, whether of the State of Israel or of the United States or any other State having jurisdiction over the Company and the Optionee, including , without limitation, the United States Securities Act of 1933, the Companies Law, the Securities Law, 1968, and the Ordinance and to such approvals by any governmental agencies or national securities exchanges as may be required. Nothing herein shall be deemed to require the Company to register the Shares under the securities laws of any jurisdiction.

19. CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES

Neither the ISOP nor the Option Agreement with the Optionee shall impose any obligation on the Company or an Affiliate thereof, to continue any Optionee in its employ or service, and nothing in the ISOP or in any Option granted pursuant thereto shall confer upon any Optionee any right to continue in the employ or service of the Company or an Affiliate thereof or restrict the right of the Company or an Affiliate thereof to terminate such employment or service at any time.

20. GOVERNING LAW & JURISDICTION

The ISOP shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of Tel-Aviv, Israel shall have sole jurisdiction in any matters pertaining to the (SOP.

21. TAX CONSEQUENCES

21.1. Any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby or from any other event or act (of the Company and/or its Affiliates, the Trustee or the Optionee), hereunder, shall be borne solely by the Option= The Company and/or its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Optionee shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee.

21.2. The Company and/or, when applicable, the Trustee shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.

22. NON-EXCLUSIVITY OF THE ISOP

The adoption of the ISOP by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of Options otherwise than under the ISOP, and such arrangements may be either. applicable generally or only in specific cases.

For the avoidance of doubt, prior grant of options to Optionees of the Company under their employment agreements, and not in the framework of any previous option plan, shall not be deemed an approved incentive arrangement for the purpose of this Section.

23. MULTIPLE AGREEMENTS

The terms of each Option may differ from other Options granted under the ISOP at the same time, or at any other time. The Board may also grant more than one Option to a given Optionee during the term of the ISOP, either in addition to, or in substitution for, one or more Options previously granted to that Optionee.

Exhibit 10.5

ISRAELI SHARE OPTION PLAN

FINAL

Gamida Cell Ltd.
THE 2014 ISRAELI SHARE OPTION PLAN
(*In compliance with Amendment No. 132 of the Israeli Tax Ordinance, 2002)

TABLE OF CONTENTS

PREFACE

This plan, as amended from time to time, shall be known as the "Gamida Cell Ltd 2014 Israeli Share Option Plan" (the **"ISOP").**

1. **PURPOSE OF THE ISOP**

2. **The ISOP is intended to provide an incentive to retain, in the employ of the Company and its Affiliates (as defined below), persons of training, experience, and ability, to attract new employees, directors, consultants, service providers and any other entity which the Board shall decide their services are considered valuable to the Company, to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company by providing them with opportunities to purchase shares in the Company, pursuant to the ISOP.DEFINITIONS**

For purposes of the ISOP and related documents, including the Option Agreement, the following definitions shall apply:

2.1. **"Affiliate"** means any "employing company" within the meaning of Section 102(a) of the Ordinance.

2.2. **"Approved 102 Option"** means an Option granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Optionee.

2.3. **"Board"** means the Board of Directors of the Company.

2.4. **"Capital Gain Option (CGO)"** as defined in Section 5.4 below.

2.5. **"Cause"** means, termination of Employee's employment with Company as a result of the occurrence of any one of the following: (i) Employee has committed a dishonorable criminal offense; (ii) Employee is in breach of his duties of trust or loyalty to Company; (iii) Employee deliberately causes harm to Company's business affairs; (iv) Employee breaches the confidentiality and/or non-competition and/or non-solicitation and/or assignment of inventions provisions of this Agreement; and/or (v) circumstances that do not entitle Employee to severance payments under any applicable law and/or under any judicial decision of a competent tribunal.

2.6. **"Chairman"** means the chairman of the Committee.

2.7. **"Committee"** means a share option compensation committee appointed by the Board, which shall consist of no fewer than two members of the Board.

2.8. **"Company"** means Gamida Cell Ltd, an Israeli company.

2.9. **"Companies Law"** means the Israeli Companies Law 5759-1999.

2.10. **"Controlling Shareholder"** shall have the meaning ascribed to it in Section 32(9) of the Ordinance.

2.11. **"Date of Grant"** means, the date of grant of an Option, as determined by the Board and set forth in the Optionee's Option Agreement.

2.12. **"Employee"** means a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding Controlling Shareholder.

2.13. **"Expiration date"** means the date upon which an Option shall expire, as set forth in Section 10.2 of the ISOP.

2.14. **"Fair Market Value"** means as of any date, the value of a Share determined as follows:

(i) If the Shares are listed on any established stock exchange or a national market system, including without limitation the NASDAQ National Market system, or the NASDAQ SmallCap Market of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported in the Wall Street Journal, or such other source as the Board deems reliable. Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the Date of Grant the Company's shares are listed on any established stock exchange or a national market system or if the Company's shares will be registered for trading within ninety (90) days following the Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be;

(ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or;

(iii) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Board.

2.15. **"IPO"** means the underwritten initial public offering of the Company's shares pursuant to a registration statement filed with and declared effective under the Israeli Securities Law, 1968, under the U.S. Securities Act of 1933, as amended, or under any similar law of any other jurisdiction.

2.16. **"ISOP"** means this 2014 Israeli Share Option Plan.

2.17. **"ITA"** means the Israeli Tax Authorities.

2.18. **"Non-Employee"** means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.

2.19. **"Ordinary Income Option (OIO)"** as defined in Section 5.5 below.

2.20. **"Option"** means an option to purchase one or more Shares of the Company pursuant to the ISOP.

2.21. **"102 Option"** means any Option granted to Employees pursuant to Section 102 of the Ordinance.

2.22. **"3(i) Option"** means an Option granted pursuant to Section 3(i) of the Ordinance to any person who is Non- Employee.

2.23. **"Optionee"** means a person who receives or holds an Option under the ISOP.

2.24. **"Option Agreement"** means the share option agreement between the Company and an Optionee that sets out the terms and conditions of an Option.

2.25. **"Ordinance"** means the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.

2.26. **"Purchase Price"** means the purchase price for each Share underlying an Option.

2.27. **"Section 102"** means section 102 of the Ordinance as now in effect or as hereafter amended.

2.28. **"Share"** means either the Company's ordinary B shares, NIS 0.01 par value each, or Special ordinary C shares, NIS 0.01 par value each par value each, as defined under the Company's Articles of Association and as shall be designated by the Board in respect of the relevant Option, as of the Date of Grant of the Option, and as indicated in the relevant Option Agreement, respectively.

2.29. **"Successor Company"** means any entity into which or with the Company is merged or by which the Company is acquired, pursuant to a Transaction.

2.30. **"Transaction"** means (i) merger, acquisition or reorganization of the Company with one or more other entities, (ii) a sale of all or substantially all of the assets or shares of the Company, (iii) Deemed Liquidation as such term is defined under the Company's Articles of Association, as the same may be in effect from time to time.

2.31. **"Trustee"** means any individual appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.

2.32. **"Unapproved 102 Option"** means an Option granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.

2.33. **"Vested Option"** means any Option, which has vested and is exercisable according to the Vesting Dates or otherwise (such as in the event of acceleration if applicable).

3. "Vesting Dates" **means, with respect to each Option, the date as of which the Optionee shall be entitled to exercise such Option or a portion thereof, as set forth in section 11 of the ISOP.ADMINISTRATION OF THE ISOP**

3.1. The Board shall have the power to administer the ISOP either directly or upon the recommendation of the Committee, all as provided by applicable law and in the Company's Articles of Association. Notwithstanding the above, for all intents and purposes hereunder, the Board shall automatically have residual authority if no Committee shall be constituted or if such Committee shall cease or otherwise be unable to operate for any reason.

3.2. The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places as the Chairman shall determine or as otherwise specified in the Articles of Association of the Company. The Committee shall keep records of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

3.3. The Board and/or the Committee, if applicable subject to the approval of the Board, to the extent required under applicable law (and subject further to applicable laws) shall have the full power and authorityto: (i) designate Optionees; (ii) determine the terms and provisions of the respective Option Agreements (which need not be identical), including, but not limited to, the number of Options to be granted to each Optionee, the number of Shares to be covered by each Option, provisions concerning the time and the extent to which the Options may be exercised and the nature and duration of restrictions as to the transferability or restrictions constituting substantial risk of forfeiture and to cancel or suspend awards, as necessary; (iii) determine the Fair Market Value of the Shares covered by each Option; (iv) make an Election (as defined in Section 5.6 below) as to the type of Approved 102 Option; (v) designate the type of Options; (vi) alter any restrictions and conditions of any Options or Shares subject to any Options (vii) interpret the provisions and supervise the administration of the ISOP; (viii) accelerate the right of an Optionee to exercise in whole or in part, any previously granted Option; (ix) determine the Purchase Price of the Option; (x) prescribe, amend and rescind rules and regulations relating to the ISOP in cases specifically set forth hereunder; and (xi) make all other determinations deemed necessary or advisable for the administration of the ISOP.

3.4. The Board or the Committee shall have the authority to grant, at its discretion, to the holder of an outstanding Option, in exchange for the surrender and cancellation of such Option, a new Option having a purchase price equal to, lower than or higher than the Purchase Price of the original Option so surrendered and canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the ISOP.

3.5. Subject to the Company's Articles of Association, all decisions and selections made by the Board or the Committee pursuant to the provisions of the ISOP shall be made by a majority of its members except that no member of the Board or the Committee shall vote on, or be counted for quorum purposes, with respect to any proposed action of the Board or the Committee relating to any Option to be granted to that member. Any decision reduced to writing shall be executed in accordance with the provisions of the Company's Articles of Association, as the same may be in effect from time to time.

3.6. The interpretation and construction by the Board or the Committee of any provision of the ISOP or of any Option Agreement thereunder shall be final and conclusive unless otherwise determined by the Board.

3.7. Subject to the Company's Articles of Association, to applicable law, to the Company's decision, and to all approvals legally required, , each member of the Board or the Committee shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by such member, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the ISOP unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the member may have as a director or otherwise under the Company's Articles of Association, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise.

4. **DESIGNATION OF PARTICIPANTS**

4.1. The persons eligible for participation in the ISOP as Optionees shall include any Employees and/or Non-Employees of the Company or of any Affiliate thereof; provided, however, that (i) Employees may only be granted 102 Options; and (ii) Non-Employees may only be granted 3(i) Options.

4.2. The grant of an Option hereunder shall neither entitle the Optionee to participate nor disqualify the Optionee from participating in, any other grant of Options pursuant to the ISOP or any other option or share plan of the Company or any of its Affiliates.

4.3. Anything in the ISOP to the contrary notwithstanding, all grants of Options to directors and office holders shall be authorized and implemented in accordance with the provisions of the Companies Law or any successor act or regulation, as in effect from time to time.

5. **DESIGNATION OF OPTIONS PURSUANT TO SECTION 102**

5.1. The Company may designate Options granted to Employees pursuant to Section 102 as Unapproved 102 Options or Approved 102 Options.

5.2. The grant of Approved 102 Options shall be made under this ISOP adopted by the Board as described in Section 16 below, and shall be conditioned upon the approval of this ISOP by the ITA.

5.3. Approved 102 Option may either be classified as Capital Gain Option **("CGO")** or Ordinary Income Option **("OIO").**

5.4. Approved 102 Option elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) shall be referred to herein as **CGO.**

5.5. Approved 102 Option elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) shall be referred to herein as **OIO.**

5.6. The Company's election of the type of Approved 102 Options as CGO or OIO granted to Employees (the **"Election"),** shall be appropriately filed with the ITA before the Date of Grant of an Approved 102 Option under such Election. Such Election shall become effective beginning the first Date of Grant of an Approved 102 Option under such Election and shall remain in effect until the end of the year following the year during which the Company first granted Approved 102 Options under such Election. The Election shall obligate the Company to grant *only* the type of Approved 102 Option it has elected, and shall apply to all Optionees who were granted Approved 102 Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Options simultaneously.

5.7. All Approved 102 Options must be held in trust by a Trustee, as described in Section 6 below.

5.8. For the avoidance of doubt, the designation of Unapproved 102 Options and Approved 102 Options shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and the regulations promulgated thereunder.

5.9. With regards to Approved 102 Options, the provisions of the ISOP and/or the Option Agreement shall be subject to the provisions of Section 102 and the Tax Assessing Officer's permit, and the said provisions and permit shall be deemed an integral part of the ISOP and of the Option Agreement. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the ISOP or the Option Agreement, shall be considered binding upon the Company and the Optionees.

6. **TRUSTEE**

6.1. Approved 102 Options which shall be granted under the ISOP and/or any Shares allocated or issued upon exercise of such Approved 102 Options and/or other shares received subsequently following any realization of rights, including without limitation bonus shares, shall be allocated or issued to the Trustee (and registered in the Trustee's name on behalf of the respective Optionee in the shareholders register of the Company) and held for the benefit of the Optionees for such period of time as required by Section 102 or any regulations, rules or orders or procedures promulgated thereunder (the **"Holding Period").** All certificates representing Shares issued to the Trustee under the Plan shall be deposited with the Trustee, and shall be held by the Trustee until such time that such Shares are released from the aforesaid trust as herein provided. In the case the requirements for Approved 102 Options are not met, then the Approved 102 Options may be treated as Unapproved 102 Options, all in accordance with the provisions of Section 102 and regulations promulgated thereunder.

6.2. Notwithstanding anything to the contrary, the Trustee shall not release any Shares allocated or issued upon exercise of Approved 102 Options prior to the full payment of the Optionee's tax liabilities arising from Approved 102 Options which were granted to such Optionee and/or any Shares allocated or issued upon exercise of such Options.

6.3. With respect to any Approved 102 Option, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, an Optionee shall not sell or release from trust any Share received upon the exercise of an Approved 102 Option and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Optionee.

6.4. Upon receipt of Approved 102 Option, the Optionee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the ISOP, or any Approved 102 Option or Share granted to him thereunder.

7. **SHARES RESERVED FOR THE ISOP; RESTRICTION THEREON**

7.1. The Company has reserved a sufficient quantity of authorized but unissued Shares, for the purposes of this ISOP and for the purposes of any other share option plans which were previously, or may in the future be, adopted by the Company, subject to adjustment as set forth in Section 9 below (to date, some of such Shares have already been issued upon exercise of options granted under other share option plans of the Company). Any Shares which remain unissued and which are not subject to the outstanding Options at the termination of the ISOP shall cease to be reserved for the purpose of the ISOP, but until termination of the ISOP the Company shall at all times reserve sufficient number of Shares to meet the requirements of the ISOP. Should any Option for any reason expire or be canceled prior to its exercise or relinquishment in full, the Shares subject to such Option may again be subjected to an Option under the ISOP or under the Company's other share option plans.

7.2. Each Option granted pursuant to the ISOP, shall be evidenced by a written Option Agreement between the Company and the Optionee, in such form as the Board or the Committee shall from time to time approve. Each Option Agreement shall state, among other matters, the number of Shares to which the Option relates, the type of Option granted thereunder (whether a CGO, OIO, Unapproved 102 Option or a 3(i) Option), the Vesting Dates, the Purchase Price per share, the Expiration Date and such other terms and conditions as the Committee or the Board in its discretion may prescribe, provided that they are consistent with this ISOP.

7.3. The Company, at its sole discretion, may require that, until the consummation of an IPO, any Shares issued upon exercise of Options (and securities of the Company issued with respect thereto) shall be voted by an irrevocable proxy (the **"Proxy")** pursuant to the directions of the Board, such Proxy to be assigned to the person or persons designated by the Board and to provide for the power of such designated person(s) to act, instead of the Optionee and on its behalf, with respect to any and all aspects of the Optionee's shareholdings in the Company. The Proxy may be contained in the Option Agreement of an Optionee or otherwise as the Committee determines. If contained in the Option Agreement, no further document shall be required to implement such Proxy, and the signature of the Optionee on the Option Agreement shall indicate approval of the Proxy thereby granted. Such person or persons designated by the Board shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the person(s) may have as a director or otherwise under the Company's Articles of Association, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise. Without derogating from the above, with respect to Approved 102 Options, such shares shall be voted in accordance with the provisions of Section 102 and any rules, regulations or orders promulgated thereunder.

8. **PURCHASE PRICE**

8.1. The Purchase Price of each Share subject to an Option shall be determined by the Board or the Committee in its sole and absolute discretion in accordance with applicable law, subject to any guidelines as may be determined by the Board from time to time. Each Option Agreement will contain the Purchase Price determined for each Optionee.

8.2. The Purchase Price shall be payable upon the exercise of the Option in a form satisfactory to the Board or the Committee, including without limitation, by cash or check. The Board or the Committee shall have the authority to postpone the date of payment on such terms as it may determine.

8.3. The Purchase Price shall be denominated in the currency of the primary economic environment of, either the Company or the Optionee (that is the functional currency of the Company or the currency in which the Optionee is paid) as determined by the Company.

9. **ADJUSTMENTS**

Upon the occurrence of any of the following described events, Optionee's rights to purchase Shares under the ISOP shall be adjusted as hereafter provided:

9.1. In the event of Transaction, the unexercised Options then outstanding under the ISOP shall be assumed or substituted for options to purchase an appropriate number of shares of each class of shares or other securities of the Successor Company (or a parent or subsidiary of the Successor Company), per each Share underlying the assumed or substituted Option, as were distributed to the holders of Shares of the Company per each Share held by them, in connection with and pursuant to the Transaction. In the case of such assumption and/or substitution of Options, appropriate adjustments shall be made to the Purchase Price so as to reflect such action and all other terms and conditions of the Option Agreements shall remain unchanged, including but not limited to the vesting schedule, all subject to the determination of the Committee or the Board, which determination shall be in their sole discretion and final. The Company shall notify the Optionee of the Transaction in such form and method as it deems applicable and at such time in advance as notification was given to the holders of other Shares which were issued either upon exercise of Options under this ISOP or upon exercise of options to purchase shares of the Company granted under any other share option plan of the Company.

9.2. Notwithstanding the above and subject to any applicable law, the Board or the Committee shall have full power and authority to determine with respect to any Options, that in the Option Agreement applicable to such Options there shall be a clause instructing that if, in any such Transaction, the Successor Company (or parent or subsidiary of the Successor Company) does not agree to assume or substitute any unexercised Options underlying such Option Agreement, the Vesting Dates of such Options shall be accelerated so that any such unexercised Options that are then unvested shall be immediately vested and exercisable as of the date which is ten (10) days prior to the effective date of the Transaction and for a period of 10-days thereafter (upon expiration of which period the Options shall expire).

Notwithstanding the above and subject to any applicable law, unless the Board or the Committee determines otherwise with respect to certain Option(s), if, in any such Transaction, the Successor Company (or parent or subsidiary of the Successor Company) does not agree to assume or substitute for the Options, all unexercised Options shall expire as of immediately prior to the consummation of the Transaction.

9.3. For the purposes of section 9.1 above, an Option shall be considered assumed or substituted if, following the Transaction, the assumed or substituted Option confers the right to purchase or receive, for each Share underlying such an assumed or substituted Option immediately prior to the Transaction, the consideration (whether shares, options, cash, or other securities or property) received in the Transaction for each Share held by holders of Shares of the Company on the effective date of the Transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Transaction is not solely shares (or their equivalent) of the Successor Company or its parent or subsidiary, the Committee may, with the consent of the Successor Company, provide for the consideration to be received upon the exercise of the assumed or substituted Option to be solely shares (or their equivalent) of the Successor Company or its parent or subsidiary equal in Fair Market Value to the per Share consideration received by holders of a majority of the outstanding shares in the Transaction; and provided further that the Committee may determine, in its discretion, that in lieu of such assumption or substitution of Options for options of the Successor Company or its parent or subsidiary, such Options will be substituted for any other type of asset or property including cash which is fair under the circumstances.

9.4. If the Company is voluntarily liquidated or dissolved while unexercised Options remain outstanding under the ISOP, the Company shall immediately notify all unexercised Option holders of such liquidation, and the Option holders shall then have ten (10) days to exercise any unexercised Vested Option held by them at that time, in accordance with the exercise procedure set forth herein. Upon the expiration of such ten-days period, all remaining unexercised Options will terminate immediately.

9.5. If the outstanding shares of the Company shall at any time be changed or exchanged by declaration of a share dividend (bonus shares), share split, combination or exchange of shares, recapitalization, or any other like event by or of the Company, and as often as the same shall occur, then the number, class and kind of the Shares subject to the ISOP or subject to any Options therefore granted, and the Purchase Prices, shall be appropriately and equitably adjusted so as to maintain the proportionate number of Shares without changing the aggregate Purchase Price, provided, however, that the Purchase Price shall not be less than the par value of the Share underlying any such Options, and provided further, that no adjustment shall be made by reason of the distribution of subscription rights (rights offering) on outstanding shares. Upon happening of any of the foregoing, the class and aggregate number of Shares issuable pursuant to the ISOP (as set forth in Section 7 hereof), in respect of which Options have not yet been exercised, shall be appropriately adjusted, all as will be determined by the Board or the Committee whose determination shall be final.

9.6. Except as expressly provided herein, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Option.

9.7. Without derogating from the provisions of the ISOP, it is to be clarified that in the event that the Company's shares shall be registered for trading on the Tel-Aviv Stock Exchange Ltd., no exercise of an Option shall be made on the determination dates of the distribution of any share dividend (bonus shares), share split, combination or exchange of shares, recapitalization, or any other like event by or of the Company (the: "**Company's Event**"). Also, it is to be clarified that if the "X" date of a Company's Event occurs prior to the determination date of a Company's Event, no exercise of an Option shall be made on the "X" date.

9.8. Anything herein to the contrary notwithstanding, if prior to the completion of the IPO, a Transaction is consummated pursuant to which, all or substantially all of the shares of the Company are sold, or exchanged for securities of another Company, then each Optionee shall be obliged to sell or exchange, as the case may be, any Shares such Optionee purchased under the ISOP (in accordance with the value of the Optionee's Shares pursuant to the terms of the Transaction), and perform any action and/or execute any document required in order to effectuate such Transaction, all in accordance with the instructions issued by the Board in connection with the Transaction, whose determination shall be final.

10. **TERM AND EXERCISE OF OPTIONS**

10.1. Options shall be exercised by the Optionee by giving written notice to the Company and/or to any third party designated by the Company (the **"Representative"),** in such form and method as may be determined by the Company and when applicable, by the Trustee in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and/or the Representative and the payment of the Purchase Price at the Company's or the Representative's principal office. The notice shall specify the number of Shares with respect to which the Option is being exercised.

10.2. Options, to the extent not previously exercised, shall terminate forthwith upon the earlier of: (i) the date set forth in the Option Agreement; and (ii) the expiration of any extended period in any of the events set forth in section 10.5 below.

10.3. The Options may be exercised by the Optionee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable, prior to the Expiration Date, and provided that, subject to the provisions of section 10.5 below, the Optionee is employed by or providing services to the Company or any of its Affiliates, at all times during the period beginning with the granting of the Option and ending upon the date of exercise.

10.4. Subject to the provisions of section 10.5 below, in the event of termination of Optionee's employment or services, with the Company or any of its Affiliates, all Options granted to such Optionee will immediately expire. A notice of termination of employment or service shall be deemed to constitute termination of employment or service. For the avoidance of doubt, in case of such termination of employment or service, the unvested portion of the Optionee's Option shall not vest and shall not become exercisable and any unvested portion of the Optionee's Option shall revert to the ISOP.

10.5. Notwithstanding anything to the contrary hereinabove and unless otherwise determined in the Optionee's Option Agreement, an Option may be exercised after the date of termination of Optionee's employment or service with the Company or any Affiliates during an additional period of time beyond the date of such termination, but only with respect to the number of Vested Options at the time of such termination according to the Vesting Dates, if:

(i) termination is without Cause, in which event any Vested Option still in force and unexpired may be exercised within a period of ninety (90) days after the date of such termination; or-

(ii) termination is the result of death, Retirement or Disability (each, as hereinafter defined) of the Optionee, in which event any Vested Option still in force and unexpired may be exercised within a period of twelve (12) months after the date of such termination; or -

(iii) prior to the date of such termination, the Board or the Committee shall authorize an extension of the terms of all or part of the Vested Options beyond the date of such termination for a period not to exceed the period during which the Options by their terms would otherwise have been exercisable.

For avoidance of any doubt, notwithstanding anything herein to the contrary, if termination of employment or service is for Cause, any outstanding unexercised Option (whether vested or non-vested), will immediately expire and terminate, and the Optionee shall not have any right in connection to such outstanding Options.

As used herein: (i) the term **"Disability"** means an Optionee's inability to perform his/her duties to the Company, or to any of its Affiliates, for a consecutive period of at least 180 days, by reason of any medically determinable physical or mental impairment, as determined by a physician selected by the Optionee and acceptable to the Company; and (ii) the term **"Retirement"** means an Optionee's retirement pursuant to applicable law or in accordance with the terms of any tax-qualified retirement plan maintained by the Company or any of its Affiliates in which the Optionee participates.

10.6. To avoid doubt, the Optionees shall not be deemed owners of the Shares issuable upon the exercise of Options and shall not have any of the rights or privileges of shareholders of the Company in respect of any Shares purchasable upon the exercise of any Option, nor shall they be deemed to be a class of shareholders or creditors of the Company for purpose of the operation of sections 350 and 351 of the Companies Law or any successor to such section, until registration of the Optionee as holder of such Shares in the Company's register of shareholders upon exercise of the Option in accordance with the provisions of the ISOP, but in case of Options and Shares held by the Trustee, subject to the provisions of Section 6 of the ISOP.

10.7. Any form of Option Agreement authorized by the ISOP may contain such other provisions as the Committee may, from time to time, deem advisable.

10.8. With respect to Unapproved 102 Option, if the Optionee ceases to be employed by the Company or any Affiliate, the Optionee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulation or orders promulgated thereunder.

10.9. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

11. VESTING OF OPTIONS

11.1. Subject to the provisions of the ISOP, each Option shall vest and become exercisable commencing on the Vesting Date thereof, as determined by the Board or by the Committee, and for the number of Shares as shall be provided in the Option Agreement. However, no Option shall be exercisable after the Expiration Date.

11.2. An Option may be subject to such other terms and conditions on the time or times when it may be exercised, as the Board or the Committee may deem appropriate. The vesting provisions of individual Options may vary.

12. SHARES SUBJECT TO RIGHT OF FIRST REFUSAL AND BRING ALONG

12.1. Notwithstanding anything to the contrary in the Articles of Association of the Company, none of the Optionees shall have a right of first refusal in relation with any Sale (as hereinafter defined) of shares in the Company.

12.2. Unless otherwise determined by the Committee, until such time as the Company shall complete an IPO, an Optionee shall not have the right to sell Shares issued upon the exercise of an Option within six (6) months and one day of the later of the date of exercise of such Option or issuance of such Shares (if such an issuance is not made immediately upon exercise).

12.3. A sale, transfer, assignment or other disposition (collectively, **"Sale")** of Shares issuable upon the exercise of an Option shall be subject to the right of first refusal of other shareholders of the Company as set forth in the Articles of Association of the Company or in any agreement among the Company and all or substantially all of its shareholders. In the event that neither the Articles of Association of the Company nor any such agreement shall provide for applicable rights of first refusal, then, unless otherwise determined by the Committee, until such time as the Company shall complete an IPO, the Sale of Shares issuable upon the exercise of an Option shall be subject to a right of first refusal on the part of the Repurchaser(s), as follows:

(a) Repurchaser(s) means (i) the Company, if permitted by applicable law, (ii) if the Company is not permitted by applicable law, then any Affiliate of the Company designated by the Committee; or (iii) if no decision is reached by the Committee, then the Company's existing shareholders (save, for avoidance of doubt, for other Optionees who already exercised their Options), pro rata in accordance with their respective shareholdings in the Company's issued and outstanding share capital.

(b) The Optionee shall give a notice of sale (hereinafter the **"Notice")** to the Company in order to offer the Shares to the Repurchaser(s). The Company will forward the Notice to the applicable Repurchaser(s).

(c) The Notice shall specify the name of each proposed purchaser or other transferee (hereinafter the **"Proposed Transferee"),** the number of Shares offered for sale, the price per Share and the payment terms. The Repurchaser(s) will be entitled for thirty (30) days from the day of receipt of the Notice (hereinafter the **"Notice Period"),** to purchase all or part of the offered Shares (if the Repurchaser(s) are shareholders of the Company, then such entitlement shall be on a pro rata basis based upon their respective holdings in the Company's issued and outstanding share capital).

(d) If by the end of the Notice Period not all of the offered Shares have been purchased by the Repurchaser(s), the Optionee shall be entitled to Sell such remaining unpurchased Shares at any time during the ninety (90) days following the end of the Notice Period on terms not more favorable to the Proposed Transferee than those set out in the Notice, provided that the Proposed Transferee agrees in writing that the provisions of this section shall continue to apply to the Shares in the hands of such Proposed Transferee. Any Sale of Shares issued under the ISOP by the Optionee that is not made in accordance with the ISOP or the Option Agreement shall be null and void.

(e) If the consideration to be paid for the Shares is not cash, the value of the consideration shall be determined in good faith by the Company's Board of Directors, and if the Company cannot for any reason pay for the Shares in the form of non-cash consideration, the Company may pay the cash equivalent thereof, as determined by the Board of Directors.

12.4. Prior to an IPO, and in addition to the right of first refusal, any transfer of Shares by an Optionee shall require the Board of Directors' approval as to the identity of the transferee and as required under the Company's Articles of Association. The Board of Directors may refuse to approve the transfer of Shares to any competitor of the Company or to any other person or entity the Board determines, in its discretion, may be detrimental to the Company.

12.5. Anything herein to the contrary notwithstanding, the Optionees shall be bound by the "bring along" provisions of any agreement among the Company and all or substantially all of its shareholders, as in effect from time to time, to the effect that if, prior to the completion of the IPO, shareholders holding a certain percentage of the Company's share capital (as set forth in such agreement) **("Proposing Holders"),** elect to sell all of their equity securities in the Company to a third party, or agree to merge or consolidate the Company with or into another entity, and such sale or merger is conditioned upon the sale of all remaining stock of the Company to such third party, or to the agreement of all of the shareholders, the Optionees shall be required, if so demanded by the Proposing Holders, to sell or transfer all of their equity securities in the Company to such third party at the same price and upon the same terms and conditions as the Proposing Holders.

13. **PURCHASE FOR INVESTMENT; LIMITATIONS UPON IPO; REPRESENTATIONS**

13.1. The Company's obligation to issue or allocate Shares upon exercise of an Option granted under the ISOP is expressly conditioned upon: (a) the Company's completion of any registration or other qualifications of such Shares under all applicable laws, rules and regulations or (b) representations and undertakings by the Optionee (or his legal representative, heir or legatee, in the event of the Optionee's death) to assure that the sale of the Shares complies with any registration exemption requirements which the Company in its sole discretion shall deem necessary or advisable. Such required representations and undertakings may include representations and agreements that such Optionee (or his legal representative, heir, or legatee): (a) is purchasing such Shares for investment and not with any present intention of selling or otherwise disposing thereof; and (b) agrees to have placed upon the face and reverse of any certificates evidencing such Shares a legend setting forth (i) any representations and undertakings which such Optionee has given to the Company or a reference thereto and (ii) that, prior to effecting any sale or other disposition of any such Shares, the Optionee must furnish to the Company an opinion of counsel, satisfactory to the Company, that such sale or disposition will not violate the applicable laws, rules, and regulations, whether of the State of Israel or of the United States or any other State having jurisdiction over the Company and the Optionee.

13.2. The Optionee acknowledges that in the event that the Company's shares shall be registered for trading in any public market, Optionee's rights to sell the Shares may be subject to certain limitations (including a lock-up period), as will be requested by the Company or its underwriters, and the Optionee unconditionally agrees and accepts any such limitations.

13.3. Upon the grant of Options to an Optionee or the issuance of Shares upon the exercise thereof, the Company shall obtain from such the representations and undertakings as follows:

(a) That the Optionee is familiar with the Company, its activity and its financial and commercial forecast, and that the Optionee knows that there is no certainty that the exercise of the Options will be financially worthwhile. The Optionee hereby undertakes not to have any claim against the Company or any of its directors, employees, stockholders or advisors if it emerges, at the time of exercising the Options, that the Optionee's investment in the Company's Shares was not worthwhile, for any reason whatsoever.

(b) That the Optionee knows that his rights regarding the Options and the Shares are subject for all intents and purposes to the instructions of the Company's documents of incorporation and to the agreements of the stockholders in the Company.

(c) That the Optionee knows that in addition to the allocations set forth above, the Company has allocated and/or is entitled to allocate Options and Shares to other employees and other people, and the Optionee shall have no claim regarding such allocations, their quantity, the relationship among them and between them and the other stockholders in the Company, exercising of the options or any matter related to or stemming from them.

(d) That the Optionee knows that neither the ISOP nor the grant of Option or Shares thereunder shall impose any obligation on the Company to continue the engagement of the Optionee, and nothing in the ISOP or in any Option or Shares granted pursuant thereto shall confer upon any Optionee any right to continue being engaged by the Company, or restrict the right of the Company to terminate such engagement at any time.

14. DIVIDENDS

With respect to all Shares (but excluding, for avoidance of any doubt, any unexercised Options) allocated or issued upon the exercise of Options purchased by the Optionee and held by the Optionee or by the Trustee, as the case may be, the Optionee shall be entitled to receive dividends in accordance with the quantity of such Shares, subject to the provisions of the Company's Articles of Association (and all amendments thereto) and subject to any applicable taxation on distribution of dividends, and when applicable subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

15. RESTRICTIONS ON ASSIGNABILITY AND SALE OF OPTIONS

15.1. No Option or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect to it given to any third party whatsoever, except as specifically allowed under the ISOP, and during the lifetime of the Optionee each and all of such Optionee's rights to purchase Shares hereunder shall be exercisable only by the Optionee.

Any such action made directly or indirectly, for an immediate validation or for a future one, shall be void.

15.2. As long as Options and/or Shares are held by the Trustee on behalf of the Optionee, all rights of the Optionee over the Shares are personal, can not be transferred, assigned, pledged or mortgaged, other than by will or pursuant to the laws of descent and distribution.

16. **EFFECTIVE DATE AND DURATION OF THE ISOP**

The ISOP shall be effective as of the day it was adopted by the Board and shall terminate at the end of ten (10) years from such day of adoption, unless terminated earlier in accordance with Section 17 hereof. Notwithstanding the foregoing, and unless otherwise determined, with respect to outstanding Options only, the provisions of the ISOP shall survive its termination, and for that purpose only, the ISOP shall be in full force and effect.

17. **AMENDMENTS OR TERMINATION**

The Board may at any time, but when applicable, after consultation with the Trustee, amend, alter, suspend or terminate the ISOP. No amendment, alteration, suspension or termination of the ISOP shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Company, which agreement must be in writing and signed by the Optionee and the Company. Termination of the ISOP shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the ISOP prior to the date of such termination.

18. **GOVERNMENT REGULATIONS**

The ISOP, and the grant and exercise of Options hereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules, and regulations, whether of the State of Israel or of the United States or any other State having jurisdiction over the Company and the Optionee, including , without limitation, the United States Securities Act of 1933, the Companies Law, the Securities Law, 1968, and the Ordinance and to such approvals by any governmental agencies or national securities exchanges as may be required. Nothing herein shall be deemed to require the Company to register the Shares under the securities laws of any jurisdiction.

19. **CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES**

Neither the ISOP nor the Option Agreement with the Optionee shall impose any obligation on the Company or an Affiliate thereof, to continue any Optionee in its employ or service, and nothing in the ISOP or in any Option granted pursuant thereto shall confer upon any Optionee any right to continue in the employ or service of the Company or an Affiliate thereof or restrict the right of the Company or an Affiliate thereof to terminate such employment or service at any time.

20. **GOVERNING LAW & JURISDICTION**

The ISOP shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of Tel-Aviv, Israel shall have sole jurisdiction in any matters pertaining to the ISOP.

21. **TAX CONSEQUENCES**

21.1. Any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby or from any other event or act (of the Company and/or its Affiliates, the Trustee or the Optionee), hereunder, shall be borne solely by the Optionee. The Company and/or its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Optionee shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee.

21.2. The Company and/or, when applicable, the Trustee shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.

22. **NON-EXCLUSIVITY OF THE ISOP**

The adoption of the ISOP by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of Options otherwise than under the ISOP, and such arrangements may be either applicable generally or only in specific cases.

For the avoidance of doubt, prior grant of options to Optionees of the Company under their employment agreements, and not in the framework of any previous option plan, shall not be deemed an approved incentive arrangement for the purpose of this Section.

23. **MULTIPLE AGREEMENTS**

The terms of each Option may differ from other Options granted under the ISOP at the same time, or at any other time. The Board may also grant more than one Option to a given Optionee during the term of the ISOP, either in addition to, or in substitution for, one or more Options previously granted to that Optionee.

Exhibit 10.6

GAMIDA CELL LTD.
2017 SHARE INCENTIVE PLAN

Unless otherwise defined, terms used herein shall have the meaning ascribed to them in Section 2 hereof.

1. PURPOSE; TYPES OF AWARDS; CONSTRUCTION.

1.1. Purpose. The purpose of this 2017 Share Incentive Plan (as amended, this "Plan") is to afford an incentive to Service Providers of Gamida Cell Ltd., an Israeli company (together with any successor corporation thereto, the "Company"), or any Affiliate of the Company, which now exists or hereafter is organized or acquired by the Company or its Affiliates, to continue as Service Providers, to increase their efforts on behalf of the Company or its Affiliates and to promote the success of the Company's business, by providing such Service Providers with opportunities to acquire a proprietary interest in the Company by the issuance of Shares or restricted Shares ("Restricted Shares") of the Company, and by the grant of options to purchase Shares ("Options"), Restricted Share Units ("RSUs") and other Share-based Awards pursuant to Sections 11 through 13 of this Plan.

1.2. Types of Awards. This Plan is intended to enable the Company to issue Awards under various tax regimes, including:

(i) pursuant and subject to the provisions of Section 102 of the Ordinance (or the corresponding provision of any subsequently enacted statute, as amended from time to time), and all regulations and interpretations adopted by any competent authority, including the Israeli Income Tax Authority (the "ITA"), including the Income Tax Rules (Tax Benefits in Stock Issuance to Employees) 5763-2003 or such other rules so adopted from time to time (the "Rules") (such Awards that are intended to be (as set forth in the Award Agreement) and which qualify as such under Section 102 of the Ordinance and the Rules, "102 Awards");

(ii) pursuant to Section 3(9) of the Ordinance or the corresponding provision of any subsequently enacted statute, as amended from time to time (such Awards, "3(9) Awards");

(iii) Incentive Stock Options within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted United States federal tax statute, as amended from time to time, to be granted to Employees who are deemed to be residents of the United States, for purposes of taxation, or are otherwise subject to U.S. Federal income tax (such Awards that are intended to be (as set forth in the Award Agreement) and which qualify as an incentive stock option within the meaning of Section 422(b) of the Code, "Incentive Stock Options"); and

(iv) Awards not intended to be (as set forth in the Award Agreement) or which do not qualify as an Incentive Stock Option to be granted to Service Providers who are deemed to be residents of the United States for purposes of taxation, or are otherwise subject to U.S. Federal income tax ("Nonqualified Stock Options").

In addition to the issuance of Awards under the relevant tax regimes in the United States of America and the State of Israel, and without derogating from the generality of Section 25, this Plan contemplates issuances to Grantees in other jurisdictions or under other tax regimes with respect to which the Committee is empowered, but is not required, to make the requisite adjustments in this Plan and set forth the relevant conditions in an appendix to this Plan or in the Company's agreement with the Grantee in order to comply with the requirements of such other tax regimes.

1.3. Company Status. This Plan contemplates the issuance of Awards by the Company, both as a private and public company.

1.4. Construction. To the extent any provision herein conflicts with the conditions of any relevant tax law, rule or regulation which are relied upon for tax relief in respect of a particular Award to a Grantee, the Committee is empowered, but is not required, hereunder to determine that the provisions of such law, rule or regulation shall prevail over those of this Plan and to interpret and enforce such prevailing provisions.

2. DEFINITIONS.

2.1. Terms Generally. Except when otherwise indicated by the context, (i) the singular shall include the plural and the plural shall include the singular; (ii) any pronoun shall include the corresponding masculine, feminine and neuter forms; (iii) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth therein or herein), (iv) references to any law, constitution, statute, treaty, regulation, rule or ordinance, including any section or other part thereof shall refer to it as amended from time to time and shall include any successor thereof, (v) reference to a "company" or "entity" shall include a, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof, and reference to a "person" shall mean any of the foregoing or an individual, (vi) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Plan in its entirety, and not to any particular provision hereof, (vii) all references herein to Sections shall be construed to refer to Sections to this Plan; (viii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; and (ix) use of the term "or" is not intended to be exclusive.

2.2. Defined Terms. The following terms shall have the meanings ascribed to them in this Section 2:

2.3. "Affiliate" shall mean, (i) with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such person (with the term "control" or "controlled by" within the meaning of Rule 405 of Regulation C under the Securities Act), including, without limitation, any Parent or Subsidiary, or (ii) for the purpose of 102 Awards, "Affiliate" shall only mean an "employing company" within the meaning and subject to the conditions of Section 102(a) of the Ordinance.

2.4. "Applicable Law" shall mean any applicable law, rule, regulation, statute, pronouncement, policy, interpretation, judgment, order or decree of any federal, provincial, state or local governmental, regulatory or adjudicative authority or agency, of any jurisdiction, and the rules and regulations of any stock exchange, over-the-counter market or trading system on which the Company's shares are then traded or listed.

2.5. "Award" shall mean any Option, Restricted Share, RSUs or any other Share-based award granted under this Plan.

2.6. "Board" shall mean the Board of Directors of the Company.

2.7. Reserved.

2.8. "Code" shall mean the United States Internal Revenue Code of 1986, and any applicable regulations promulgated thereunder, all as amended.

2.9. "Committee" shall mean a committee established or appointed by the Board to administer this Plan, subject to Section 3.1.

2.10. "Companies Law" shall mean the Israel Companies Law, 5759-1999, and the regulations promulgated thereunder, all as amended from time to time.

2.11. "Controlling Shareholder" shall have the meaning set forth in Section 32(9) of the Ordinance.

2.12. "Disability" shall mean (i) the inability of a Grantee to engage in any substantial gainful activity or to perform the major duties of the Grantee's position with the Company or its Affiliates by reason of any medically determinable physical or mental impairment which has lasted or can be expected to last for a continuous period of not less than 12 months (or such other period as determined by the Committee), as determined by a qualified doctor acceptable to the Company, (ii) if applicable, a "permanent and total disability" as defined in Section 22(e)(3) of the Code or Section 409A(a)(2)(c)(i) of the Code, as amended from time to time, or (iii) as defined in a policy of the Company that the Committee deems applicable to this Plan, or that makes reference to this Plan, for purposes of this definition.

2.13. "Employee" shall mean any person treated as an employee (including an officer or a director who is also treated as an employee) in the records of the Company or any of its Affiliates (and in the case of 102 Awards, subject to Section 9.3 or in the case of Incentive Stock Options, who is an employee for purposes of Section 422 of the Code); provided, however, that neither service as a director nor payment of a director's fee shall be sufficient to constitute employment for purposes of this Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of a person's rights, if any, under this Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

2.14. "employment", "employed" and words of similar import shall be deemed to refer to the employment of Employees or to the services of any other Service Provider, as the case may be.

2.15. "exercise" "exercised" and words of similar import, when referring to an Award that does not require exercise or that is settled upon vesting (such as may be the case with RSUs or Restricted Shares, if so determined in their terms), shall be deemed to refer to the vesting of such an Award (regardless of whether or not the wording included reference to vesting of such an Awards explicitly).

2.16. "Exercise Period" shall mean the period, commencing on the date of grant of an Award, during which an Award shall be exercisable, subject to any vesting provisions thereof (including any acceleration thereof, if any) and subject to the termination provisions hereof.

2.17. "Exercise Price" shall mean the exercise price for each Share covered by an Option or the purchase price for each Share covered by any other Award.

2.18. "Fair Market Value" shall mean, as of any date, the value of a Share or other property as determined by the Board, in its discretion, subject to the following: (i) if, on such date, the Shares are listed on any securities exchange, the average closing sales price per Share on which the Shares are principally traded over the thirty (30) day calendar period preceding the subject date (utilizing all trading days during such 30 calendar day period), as reported in The Wall Street Journal or such other source as the Company deems reliable; (ii) if, on such date, the Shares are then quoted in an over-the-counter market, the average of the closing bid and asked prices for the Shares in that market during the thirty (30) day calendar period preceding the subject date (utilizing all trading days during such 30 calendar day period), as reported in The Wall Street Journal or such other source as the Company deems reliable; and (iii) if, on such date, the Shares are not then listed on a securities exchange or quoted in an over-the-counter market, or in case of any other property, such value as the Committee, in its sole discretion, shall determine, with full authority to determine the method for making such determination and which determination shall be conclusive and binding on all parties, and shall be made after such consultations with outside legal, accounting and other experts as the Committee may deem advisable; provided, however, that, if applicable, the Fair Market Value of the Shares shall be determined in a manner that satisfies the applicable requirements of and subject to Section 409A of the Code, and with respect to Incentive Stock Options, in a manner that satisfies the applicable requirements of and subject to Section 422 of the Code, subject to Section 422(c)(7) of the Code. The Committee shall maintain a written record of its method of determining such value. If the Shares are listed or quoted on more than one established stock exchange or over-the-counter market, the Committee shall determine the principal such exchange or market and utilize the price of the Shares on that exchange or market (determined as per the method described in clauses (i) or (ii) above, as applicable) for the purpose of determining Fair Market Value.

2.19. "Grantee" shall mean a person who has been granted an Award(s) under this Plan.

2.20. "Ordinance" shall mean the Israeli Income Tax Ordinance (New Version) 5271-1961, and the regulations and rules (including the Rules) promulgated thereunder, all as amended from time to time.

2.21. "Parent" shall mean any company (other than the Company), which now exists or is hereafter organized, (i) in an unbroken chain of companies ending with the Company if, at the time of granting an Award, each of the companies (other than the Company) owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other companies in such chain, or (ii) if applicable and for purposes of Incentive Stock Options, that is a "parent corporation" of the Company, as defined in Section 424(e) of the Code.

2.22. "Retirement" shall mean a Grantee's retirement pursuant to Applicable Law or in accordance with the terms of any tax-qualified retirement plan maintained by the Company or any of its Affiliates in which the Grantee participates or is subject to.

2.23. "Securities Act" shall mean the U.S. Securities Act of 1933, and the rules and regulations promulgated thereunder, all as amended from time to time.

2.24. "Service Provider" shall mean an Employee, director, officer, consultant, advisor and any other person or entity who provides services to the Company or any Parent, Subsidiary or Affiliate thereof. Service Providers shall include prospective Service Providers to whom Awards are granted in connection with written offers of an employment or other service relationship with the Company or any Parent, Subsidiary or any Affiliates thereof, provided however that such employment or service shall have actually commenced.

2.25. "Shares" shall mean Ordinary Shares, nominal value NIS 0.01 each, of the Company (as adjusted for stock split, reverse stock split, bonus shares, combination or other recapitalization events), or shares of such other class of shares of the Company as shall be designated by the Board in respect of the relevant Award(s). "Shares" include any securities or property issued or distributed with respect thereto.

2.26. "Subsidiary" shall mean any company (other than the Company), which now exists or is hereafter organized or acquired by the Company, (i) in an unbroken chain of companies beginning with the Company if, at the time of granting an Award, each of the companies other than the last company in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other companies in such chain, or (ii) if applicable and for purposes of Incentive Stock Options, that is a "subsidiary corporation" of the Company, as defined in Section 424(f) of the Code.

2.27. "Ten Percent Shareholder" shall mean a Grantee who, at the time an Award is granted to the Grantee, owns shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company or any Parent or Subsidiary, within the meaning of Section 422(b)(6) of the Code.

2.28. "Trustee" shall mean the trustee appointed by the Committee to hold the Awards (and, in relation with 102 Awards, approved by the ITA), if so appointed.

2.29. Other Defined Terms. The following terms shall have the meanings ascribed to them in the Sections set forth below:

Term	Section
102 Awards	1.2(i)
102 Capital Gains Track Awards	9.1
102 Non-Trustee Awards	9.2
102 Ordinary Income Track Awards	9.1
102 Trustee Awards	9.1
3(9) Awards	1.2(ii)
Award Agreement	6
Cause	6.6.4.4
Company	1.1
Effective Date	24.1
Election	9.2
Eligible 102 Grantees	9.3.1
Incentive Stock Options	1.2(iii)
ITA	1.1(i)
Market Stand-Off	17.1
Market Stand-Off Period	17.1
Merger/Sale	14.2
Nonqualified Stock Options	1.2(iv)
Plan	1.1
Recapitalization	14.1
Required Holding Period	9.5
Restricted Period	11.2
Restricted Share Agreement	11
Restricted Share Unit Agreement	12
Restricted Shares	1.1
RSUs	1.1
Rules	1.1(i)
Securities	17.1
Successor Corporation	14.2.1
Withholding Obligations	18.5

3. ADMINISTRATION.

3.1. To the extent permitted under Applicable Law, the Articles of Association and any other governing document of the Company, this Plan shall be administered by the Committee. In the event that the Board does not appoint or establish a committee to administer this Plan, this Plan shall be administered by the Board and all references herein to the Committee shall be deemed as references to the Board. In the event that an action necessary for the administration of this Plan is required under Applicable Law to be taken by the Board without the right of delegation, or if such action or power was explicitly reserved by the Board in appointing, establishing and empowering the Committee, then such action shall be so taken by the Board. In any such event, all references herein to the Committee shall be construed as references to the Board. Even if such a Committee was appointed or established, the Board may take any actions that are stated to be vested in the Committee, and shall not be restricted or limited from exercising all rights, powers and authorities under this Plan or Applicable Law.

3.2. The Board shall appoint the members of the Committee, may from time to time remove members from, or add members to, the Committee, and shall fill vacancies in the Committee, however caused, provided that the composition of the Committee shall at all times be in compliance with any mandatory requirements of Applicable Law, the Articles of Association and any other governing document of the Company. The Committee may select one of its members as its Chairman and shall hold its meetings at such times and places as it shall determine. The Committee may appoint a Secretary, who shall keep records of its meetings, and shall make such rules and regulations for the conduct of its business as it shall deem advisable and subject to mandatory requirements of Applicable Law.

3.3. Subject to the terms and conditions of this Plan, any mandatory provisions of Applicable Law and any provisions of any Company policy required under mandatory provisions of Applicable Law, and in addition to the Committee's powers contained elsewhere in this Plan, the Committee shall have full authority, in its discretion, from time to time and at any time, to determine any of the following, or to recommend to the Board any of the following if it is not authorized to take such action according to Applicable Law:

(i) eligible Grantees,

(ii) grants of Awards and setting the terms and provisions of Award Agreements (which need not be identical) and any other agreements or instruments under which Awards are made, including, but not limited to, the number of Shares underlying each Award and the class of Shares underlying each Award (if more than one class was designated by the Board),

(iii) the time or times at which Awards shall be granted,

(iv) the terms, conditions and restrictions applicable to each Award (which need not be identical) and any Shares acquired upon the exercise or (if applicable) vesting thereof, including, without limitation, (1) designating Awards under Section 1.2; (2) the vesting schedule, the acceleration thereof and terms and conditions upon which Awards may be exercised or become vested, (3) the Exercise Price, (4) the method of payment for Shares purchased upon the exercise or (if applicable) vesting of the Awards, (5) the method for satisfaction of any tax withholding obligation arising in connection with the Awards or such Shares, including by the withholding or delivery of Shares, (6) the time of the expiration of the Awards, (7) the effect of the Grantee's termination of employment with the Company or any of its Affiliates, and (8) all other terms, conditions and restrictions applicable to the Award or the Shares not inconsistent with the terms of this Plan,

(v) to accelerate, continue, extend or defer the exercisability of any Award or the vesting thereof, including with respect to the period following a Grantee's termination of employment or other service,

(vi) the interpretation of this Plan and any Award Agreement and the meaning, interpretation and applicability of terms referred to in Applicable Laws,

(vii) policies, guidelines, rules and regulations relating to and for carrying out this Plan, and any amendment, supplement or rescission thereof, as it may deem appropriate,

(viii) to adopt supplements to, or alternative versions of, this Plan, including, without limitation, as it deems necessary or desirable to comply with the laws of, or to accommodate the tax regime or custom of, foreign jurisdictions whose citizens or residents may be granted Awards,

(ix) the Fair Market Value of the Shares or other property,

(x) the tax track (capital gains, ordinary income track or any other track available under the Section 102 of the Ordinance) for the purpose of 102 Awards,

(xi) the authorization and approval of conversion, substitution, cancellation or suspension under and in accordance with this Plan of any or all Awards or Shares,

(xii) the amendment, modification, waiver or supplement of the terms of each outstanding Award (with the consent of the applicable Grantee, if such amendments refers to the increase of the Exercise Price of Awards or reduction of the number of Shared underlying an Award (but, in each case, other than as a result of an adjustment or exercise of rights in accordance with Section 14)) unless otherwise provided under the terms of this Plan,

(xiii) without limiting the generality of the foregoing, and subject to the provisions of Applicable Law, to grant to a Grantee, who is the holder of an outstanding Award, in exchange for the cancellation of such Award, a new Award having an Exercise Price lower than that provided in the Award so canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of this Plan or to set a new Exercise Price for the same Award lower than that previously provided in the Award,

(xiv) to correct any defect, supply any omission or reconcile any inconsistency in this Plan or any Award Agreement and all other determinations and take such other actions with respect to this Plan or any Award as it may deem advisable to the extent not inconsistent with the provisions of this Plan or Applicable Law, and

(xv) any other matter which is necessary or desirable for, or incidental to, the administration of this Plan and any Award thereunder.

3.4. The authority granted hereunder includes the authority to modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside Israel to recognize differences in local law, tax policy or custom, in order to effectuate the purposes of this Plan but without amending this Plan.

3.5. The Board and the Committee shall be free at all times to make such determinations and take such actions as they deem fit. The Board and the Committee need not take the same action or determination with respect to all Awards, with respect to certain types of Awards, with respect to all Service Providers or any certain type of Service Providers and actions and determinations may differ as among the Grantees, and as between the Grantees and any other holders of securities of the Company.

3.6. All decisions, determinations, and interpretations of the Committee, the Board and the Company under this Plan shall be final and binding on all Grantees (whether before or after the issuance of Shares pursuant to Awards), unless otherwise determined by the Committee, the Board or the Company, respectively. The Committee shall have the authority (but not the obligation) to determine the interpretation and applicability of Applicable Laws to any Grantee or any Awards. No member of the Committee or the Board shall be liable to any Grantee for any action taken or determination made in good faith with respect to this Plan or any Award granted hereunder.

3.7. Any officer or authorized signatory of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election which is the responsibility of or which is allocated to the Company herein, provided such person has apparent authority with respect to such matter, right, obligation, determination or election. Such person or authorized signatory shall not be liable to any Grantee for any action taken or determination made in good faith with respect to this Plan or any Award granted hereunder.

4. ELIGIBILITY.

Awards may be granted to Service Providers of the Company or any Affiliate thereof, taking into account, at the Committee's discretion and without an obligation to do so, the qualification under each tax regime pursuant to which such Awards are granted, subject to the limitation on the granting of Incentive Stock Options set forth in Section 8.1. A person who has been granted an Award hereunder may be granted additional Awards, if the Committee shall so determine, subject to the limitations herein. However, eligibility in accordance with this Section 4 shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

Awards may differ in number of Shares covered thereby, the terms and conditions applying to them or on the Grantees or in any other respect (including, that there should not be any expectation (and it is hereby disclaimed) that a certain treatment, interpretation or position granted to one shall be applied to the other, regardless of whether or not the facts or circumstances are the same or similar).

5. SHARES.

5.1. The maximum aggregate number of Shares that may be issued pursuant to Awards under this Plan (the "Pool") shall initially be 312,687 authorized but unissued Shares (except and as adjusted pursuant to Section 14.1 of this Plan), or such other number as the Board may determine from time to time (without the need to amend the Plan in case of such determination). However, except as adjusted pursuant to Section 14.1, in no event shall more than such number of Shares included in the Pool, as adjusted in accordance with Section 5.2, be available for issuance pursuant to the exercise of Incentive Stock Options.

5.2. Any Shares (a) underlying an Award granted hereunder that has expired, or was cancelled, terminated, forfeited or, repurchased or settled in cash in lieu of issuance of Shares, for any reason, without having been exercised; (b) if permitted by the Company, tendered to pay the Exercise Price of an Award, or withholding tax obligations with respect to an Award; or (c) if permitted by the Company, subject to an Award that are not delivered to a Grantee because such Shares are withheld to pay the Exercise Price of such Award, or withholding tax obligations with respect to such Award; shall automatically, and without any further action on the part of the Company or any Grantee, again be available for grant of Awards and Shares issued upon exercise of (if applicable) vesting thereof for the purposes of this Plan (unless this Plan shall have been terminated) or unless the Board determines otherwise. Such Shares may, in whole or in part, be authorized but unissued Shares, treasury shares (dormant shares) or Shares otherwise that shall have been or may be repurchased by the Company (to the extent permitted pursuant to the Companies Law).

5.3. Any Shares under the Pool that are not subject to outstanding or exercised Awards at the termination of this Plan shall cease to be reserved for the purpose of this Plan.

5.4. From and after the Effective Date, no further grants or awards shall be made under any prior equity incentive plans of the Company; however, Awards made under any prior equity incentive plan of the Company before the Effective Date shall continue in effect in accordance with their terms.

6. TERMS AND CONDITIONS OF AWARDS.

Each Award granted pursuant to this Plan shall be evidenced by a written or electronic agreement between the Company and the Grantee or a written or electronic notice delivered by the Company (the "Award Agreement"), in substantially such form or forms and containing such terms and conditions, as the Committee shall from time to time approve. The Award Agreement shall comply with and be subject to the following general terms and conditions and the provisions of this Plan (except for any provisions applying to Awards under different tax regimes), unless otherwise specifically provided in such Award Agreement, or the terms referred to in other Sections of this Plan applying to Awards under such applicable tax regimes, or terms prescribed by Applicable Law. Award Agreements need not be in the same form and may differ in the terms and conditions included therein.

6.1. Number of Shares. Each Award Agreement shall state the number of Shares covered by the Award.

6.2. Type of Award. Each Award Agreement may state the type of Award granted thereunder, provided that the tax treatment of any Award, whether or not stated in the Award Agreement, shall be as determined in accordance with Applicable Laws.

6.3. Exercise Price. Each Award Agreement shall state the Exercise Price, if applicable. Unless otherwise set forth in this Plan, an Exercise Price of an Award of less than the nominal value of the Shares (if shares bear a nominal value) shall comply with Section 304 of the Companies Law. Subject to Sections 3, 7.2 and 8.2 and to the foregoing, the Committee may reduce the Exercise Price of any outstanding Award, on terms and subject to such conditions as it deems advisable. The Exercise Price shall also be subject to adjustment as provided in Section 14 hereof.

6.4. Manner of Exercise. An Award may be exercised, as to any or all Shares as to which the Award has become exercisable, by written notice delivered in person or by mail (or such other methods of delivery prescribed by the Company) to the Chief Financial Officer of the Company or, if no such officer is then incumbent, to the Chief Executive Officer of the Company or to such other person as determined by the Committee, or in any other manner as the Committee shall prescribe from time to time, specifying the number of Shares with respect to which the Award is being exercised (which may be equal to or lower than the aggregate number of Shares that have become exercisable at such time, subject to the last sentence of this Section), accompanied by payment of the aggregate Exercise Price for such Shares in the manner specified in the following sentence. The Exercise Price shall be paid in full with respect to each Share, at the time of exercise, either in (i) cash, (ii) if the Company's shares are listed for trading on any securities exchange or over-the-counter market, and if the Committee so determines, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company or the Trustee, (iii) if the Company's shares are listed for trading on any securities exchange or over-the-counter market, and if the Committee so determines, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company or the Trustee, or (iv) in such other manner as the Committee shall determine, which may include procedures for cashless exercise. For as long as the Company's shares are not listed for trading on any securities exchange or over-the-counter market and unless the Committee determines otherwise, a Grantee may not exercise Awards unless the aggregate Exercise Price thereof is equal to or in excess of the lower of: (a) the aggregate Exercise Price for all Shares as to which the Award has become exercisable at such time; or (b) US$2,000.

6.5. Term and Vesting of Awards.

6.5.1. Each Award Agreement shall provide the vesting schedule for the Award as determined by the Committee. The Committee shall have the authority to determine the vesting schedule and accelerate the vesting of any outstanding Award at such time and under such circumstances as it, in its sole discretion, deems appropriate. Unless otherwise resolved by the Committee and stated in the Award Agreement, and subject to Sections 6.6 and 6.7 hereof, Awards shall vest and become exercisable under the following schedule: twenty-five percent (25%) of the Shares covered by the Award, on the first anniversary of the vesting commencement date determined by the Committee (and in the absence of such determination, of date on which such Award was granted), and six and one-quarter percent (6.25%) of the Shares covered by the Award at the end of each subsequent three-month period thereafter over the course of the following three (3) years; provided that the Grantee remains continuously as a Service Provider of the Company or its Affiliates throughout such vesting dates.

6.5.2. The Award Agreement may contain performance goals and measurements (which, in case of 102 Awards, shall, if then required, be subject to obtaining a specific tax ruling or determination from the ITA), and the provisions with respect to any Award need not be the same as the provisions with respect to any other Award. Such performance goals may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Committee. The Committee may adjust performance goals pursuant to Awards previously granted to take into account changes in law and accounting and tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the inclusion or the exclusion of the impact of extraordinary or unusual items, events or circumstances.

6.5.3. The Exercise Period of an Award will be 10 years from the date of grant of the Award, unless otherwise determined by the Committee and stated in the Award Agreement, but subject to the vesting provisions described above and the early termination provisions set forth in Sections 6.6 and 6.7 hereof. At the expiration of the Exercise Period, any Award, or any part thereof, that has not been exercised within the term of the Award and the Shares covered thereby not paid for in accordance with this Plan and the Award Agreement shall terminate and become null and void, and all interests and rights of the Grantee in and to the same shall expire.

6.6. Termination.

6.6.1. Unless otherwise determined by the Committee, and subject to Section 6.7 hereof, an Award may not be exercised unless the Grantee is then a Service Provider of the Company or an Affiliate thereof or, in the case of an Incentive Stock Option, a company or a parent or subsidiary company of such company issuing or assuming the Option in a transaction to which Section 424(a) of the Code applies, and unless the Grantee has remained continuously so employed since the date of grant of the Award and throughout the vesting dates.

6.6.2. In the event that the employment or service of a Grantee shall terminate (other than by reason of death, Disability or Retirement), all Awards of such Grantee that are unvested at the time of such termination shall terminate on the date of such termination, and all Awards of such Grantee that are vested and exercisable at the time of such termination may be exercised within up to three (3) months after the date of such termination (or such different period as the Committee shall prescribe), but in any event no later than the date of expiration of the Award's term as set forth in the Award Agreement or pursuant to this Plan; provided, however, that if the Company (or the Subsidiary or Affiliate, when applicable) shall terminate the Grantee's employment or service for Cause (as defined below) or if at any time during the Exercise Period or thereafter (whether prior to or after termination of employment or service, and whether or not the Grantee's employment or service is terminated by either party as a result thereof), facts or circumstances arise or are discovered with respect to the Grantee that would have constituted Cause, all Awards theretofore granted to such Grantee (whether vested or not) shall, to the extent not theretofore exercised, terminate on the date of such termination (or on such subsequent date on which such facts or circumstances arise or are discovered, as the case may be) unless otherwise determined by the Committee; and any Shares issued upon exercise or (if applicable) vesting of Awards (including other Shares or securities issued or distributed with respect thereto), whether held by the Grantee or by the Trustee for the Grantee's benefit, shall be deemed to be irrevocably offered for sale to the Company, any of its Affiliates or any person designated by the Company to purchase, at the Company's election and subject to Applicable Law, either for no consideration, for the nominal value of such Shares (if such Shares bear a nominal value) or against payment of the Exercise Price previously received by the Company for such Shares upon their issuance, as the Committee deems fit, upon written notice to the Grantee at any time after the Grantee's termination of employment or service. Such Shares or other securities shall be sold and transferred within 30 days from the date of the Company's notice of its election to exercise its right. If the Grantee fails to transfer such Shares or other securities to the Company, the Company, at the decision of the Committee, shall be entitled to forfeit or repurchase such Shares and to authorize any person to execute on behalf of the Grantee any document necessary to effect such transfer, whether or not the share certificates are surrendered. The Company shall have the right and authority to affect the above either by: (i) repurchasing all of such Shares or other securities held by the Grantee or by the Trustee for the benefit of the Grantee, or designate any other person who shall have the right and authority to purchase all of such Shares or other securities, for the Exercise Price paid for such Shares, the nominal value of such Shares (if such Shares bear a nominal value) or for no payment or consideration whatsoever, as the Committee deems fit; (ii) forfeiting all such Shares or other securities; (iii) redeeming all such Shares or other securities, for the Exercise Price paid for such Shares, the nominal value of such Shares (if such Shares bear a nominal value) or for no payment or consideration whatsoever, as the Committee deems fit; (iv) taking action in order to have such Shares or other securities converted into deferred shares entitling their holder only to their nominal value (if such Shares bear a nominal value) upon liquidation of the Company; or (v) taking any other action which may be required in order to achieve similar results; all as shall be determined by the Committee, at its sole and absolute discretion, and the Grantee is deemed to irrevocably empower the Company or any person which may be designated by it to take any action by, in the name of or on behalf of the Grantee to comply with and give effect to such actions (including, voting such shares, filling in, signing and delivering share transfer deeds, etc.).

Further, the Committee may determine, in its discretion, that any Grantee whose employment with or service to the Company or an Affiliate thereof (or, in the case of an Incentive Stock Option, a company or a parent or subsidiary company of such company issuing or assuming the Awards in a transaction to which Section 424(a) of the Code), has or shall terminate for any reason, shall be deemed to have irrevocably offered to the Company and any of its Affiliates (or any other person designated by the Company) to purchase all or part of the Shares issued pursuant to the exercise or (if applicable) the vesting of an Award (including other Shares or securities issued or distributed with respect thereto), whether held by the Grantee or by the Trustee for the Grantee's benefit, in consideration for the Fair Market Value of such Shares or other consideration as shall be determined by the Committee, and subject to Applicable Law. In the event that such Shares are not purchased as set forth above, any subsequent sale or disposition thereof shall be subject to provisions of this Plan and the Company's Article of Association.

6.6.3. Notwithstanding anything to the contrary, the Committee, in its absolute discretion, may, on such terms and conditions as it may determine appropriate, extend the periods for which Awards held by any Grantee may continue to vest and be exercisable; it being clarified that such Awards may lose their entitlement to certain tax benefits under Applicable Law as a result of the modification of such Awards and/or in the event that the Award is exercised beyond the later of: (i) three (3) months after the date of termination of the employment or service relationship; or (ii) the applicable period under Section 6.7 below with respect to a termination of the employment or service relationship because of the death, Disability or Retirement of Grantee.

6.6.4. For purposes of this Plan:

6.6.4.1. a termination of employment or service of a Grantee shall not be deemed to occur (except to the extent required by the Code with respect to the Incentive Stock Option status of an Option) in case of (i) a transition or transfer of a Grantee among the Company and its Affiliates, (ii) a change in the capacity in which the Grantee is employed or renders service to the Company or any of its Affiliates or a change in the identity of the employing or engagement entity among the Company and its Affiliates, provided, in case of (i) and (ii) above, that the Grantee has remained continuously employed by and/or in the service of the Company and its Affiliates since the date of grant of the Award and throughout the vesting period; or (iii) if the Grantee takes any unpaid leave as set forth in Section 6.8(i) below.

6.6.4.2. An entity or an Affiliate thereof assuming an Award or issuing in substitution thereof in a transaction to which Section 424(a) of the Code applies or in a Merger/Sale in accordance with Section 14 shall be deemed as an Affiliate of the Company for purposes of this Section 6.6, unless the Committee determines otherwise.

6.6.4.3. In the case of a Grantee whose principal employer or service recipient is a Subsidiary or Affiliate, the Grantee's employment shall also be deemed terminated for purposes of this Section 6.6 as of the date on which such principal employer or service recipient ceases to be a Subsidiary or Affiliate.

6.6.4.4. The term "Cause" shall mean (irrespective of, and in addition to, any definition included in any other agreement or instrument applicable to the Grantee, and unless otherwise determined by the Committee) any of the following: (i) any theft, fraud, embezzlement, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, falsification of any documents or records of the Company or any of its Affiliates, felony or similar act by the Grantee (whether or not related to the Grantee's relationship with the Company); (ii) an act of moral turpitude by the Grantee, or any act that causes significant injury to, or is otherwise adversely affecting, the reputation, business, assets, operations or business relationship of the Company (or a Subsidiary or Affiliate, when applicable); (iii) any breach by the Grantee of any material agreement with or of any material duty of the Grantee to the Company or any Subsidiary or Affiliate thereof (including breach of confidentiality, non-disclosure, non-use non-competition or non-solicitation covenants towards the Company or any of its Affiliates) or failure to abide by code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iv) any act which constitutes a breach of a Grantee's fiduciary duty towards the Company or an Affiliate or Subsidiary, including disclosure of confidential or proprietary information thereof or acceptance or solicitation to receive unauthorized or undisclosed benefits, irrespective of their nature, or funds, or promises to receive either, from individuals, consultants or corporate entities that the Company or a Subsidiary does business with; (v) the Grantee's unauthorized use, misappropriation, destruction, or diversion of any tangible or intangible asset or corporate opportunity of the Company or any of its Affiliates (including, without limitation, the improper use or disclosure of confidential or proprietary information); or (vi) any circumstances that constitute grounds for termination for cause under the Grantee's employment or service agreement with the Company or Affiliate, to the extent applicable. For the avoidance of doubt, the determination as to whether a termination is for Cause for purposes of this Plan, shall be made in good faith by the Committee and shall be final and binding on the Grantee.

6.7. Death, Disability or Retirement of Grantee.

6.7.1. If a Grantee shall die while employed by, or performing service for, the Company or its Affiliates, or within the three (3) month period (or such longer period of time as determined by the Board, in its discretion) after the date of termination of such Grantee's employment or service (or within such different period as the Committee may have provided pursuant to Section 6.6 hereof), or if the Grantee's employment or service shall terminate by reason of Disability, all Awards theretofore granted to such Grantee may (to the extent otherwise vested and exercisable and unless earlier terminated in accordance with their terms) be exercised by the Grantee or by the Grantee's estate or by a person who acquired the legal right to exercise such Awards by bequest or inheritance, or by a person who acquired the legal right to exercise such Awards in accordance with applicable law in the case of Disability of the Grantee, as the case may be, at any time within one (1) year (or such longer period of time as determined by the Committee, in its discretion) after the death or Disability of the Grantee (or such different period as the Committee shall prescribe), but in any event no later than the date of expiration of the Award's term as set forth in the Award Agreement or pursuant to this Plan. In the event that an Award granted hereunder shall be exercised as set forth above by any person other than the Grantee, written notice of such exercise shall be accompanied by a certified copy of letters testamentary or proof satisfactory to the Committee of the right of such person to exercise such Award.

6.7.2. In the event that the employment or service of a Grantee shall terminate on account of such Grantee's Retirement, all Awards of such Grantee that are exercisable at the time of such Retirement may, unless earlier terminated in accordance with their terms, be exercised at any time within the three (3) month period after the date of such Retirement (or such different period as the Committee shall prescribe).

6.8. Suspension of Vesting. Unless the Committee provides otherwise, vesting of Awards granted hereunder shall be suspended during any unpaid leave of absence, other than in the case of any (i) leave of absence which was pre-approved by the Company explicitly for purposes of continuing the vesting of Awards, or (ii) transfers between locations of the Company or any of its Affiliates, or between the Company and any of its Affiliates, or any respective successor thereof. For clarity, for purposes of this Plan, military leave, statutory maternity or paternity leave or sick leave are not deemed unpaid leave of absence.

6.9. Securities Law Restrictions. Except as otherwise provided in the applicable Award Agreement or other agreement between the Service Provider and the Company, if the exercise of an Award following the termination of the Service Provider's employment or service (other than for Cause) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act or equivalent requirements under equivalent laws of other applicable jurisdictions, then the Award shall remain exercisable and terminate on the earlier of (i) the expiration of a period of three (3) months (or such longer period of time as determined by the Board, in its discretion) after the termination of the Service Provider's employment or service during which the exercise of the Award would not be in such violation, or (ii) the expiration of the term of the Award as set forth in the Award Agreement or pursuant to this Plan. In addition, unless otherwise provided in a Grantee's Award Agreement, if the sale of any Shares received upon exercise or (if applicable) vesting of an Award following the termination of the Grantee's employment or service (other than for Cause) would violate the Company's insider trading policy, then the Award shall terminate on the earlier of (i) the expiration of a period equal to the applicable post-termination exercise period after the termination of the Grantee's employment or service during which the exercise of the Award would not be in violation of the Company's insider trading policy, or (ii) the expiration of the term of the Award as set forth in the applicable Award Agreement or pursuant to this Plan.

6.10. Voting Proxy. Until immediately after the listing for trading on a stock exchange or market or trading system of the Company's (or the Successor Corporation's) shares, the Shares subject to an Award or to be issued pursuant to an Award or any other Securities, shall, unless otherwise determined by the Committee, be subject to an irrevocable proxy and power of attorney by the Grantee or the Trustee (if so requested from the Trustee), as the case may be, to the Company, which shall designate such person or persons (with a right of substitution) from time to time as determined by the Committee (and in the absence of such determination, the Chief Executive Officer of the Company or the Chairman of the Board, ex officio (or, in no Chairman is in office, any other member designated by the Board)). The Trustee is deemed to be instructed by the Grantee to sign such proxy, as requested by the Company. The proxy shall entitle the holder thereof to receive notices, vote and take such other actions in respect of the Shares or other Securities. Any person holding or exercising such voting proxies shall do so solely in his capacity as the proxy holder and not individually. All Awards granted hereunder shall be conditioned upon the execution of such irrevocable proxy in substantially the form prescribed by the Committee from time to time. So long as any such Shares are subject to such irrevocable proxy and power of attorney or held by a Trustee (and unless a proxy was given by the Trustee as aforesaid), (i) in any shareholders meeting or written consent in lieu thereof, such Shares shall be voted by the proxy holder (or the Trustee, as applicable), unless directed otherwise by the Board, in the same proportion as the result of the vote at the shareholders' meeting (or written consent in lieu thereof) in respect of which the Shares are being voted (whether an extraordinary or annual meeting, and whether of the share capital as one class or of any class thereof), and (ii) or in any act or consent of shareholders under the Company's Articles of Association or otherwise, such Shares shall be cast by the proxy holder (or the Trustee, as applicable), unless directed otherwise by the Board, in the same proportion as the result of the shareholders' act or consent. The provisions of this Section shall apply to the Grantee and to any purchaser, assignee or transferee of any Shares.

6.11. Other Provisions. The Award Agreement evidencing Awards under this Plan shall contain such other terms and conditions not inconsistent with this Plan as the Committee may determine, at or after the date of grant, including provisions in connection with the restrictions on transferring the Awards or Shares covered by such Awards, which shall be binding upon the Grantees and any purchaser, assignee or transferee of any Awards, and other terms and conditions as the Committee shall deem appropriate.

7. NONQUALIFIED STOCK OPTIONS.

Awards granted pursuant to this Section 7 are intended to constitute Nonqualified Stock Options and shall be subject to the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 7 and the other terms of this Plan, this Section 7 shall prevail.

7.1. Certain Limitations on Eligibility for Nonqualified Stock Options. Nonqualified Stock Options may not be granted to a Service Provider who is deemed to be a resident of the United States for purposes of taxation or who is otherwise subject to United States federal income tax unless the Shares underlying such Options constitute "service recipient stock" under Section 409A of the Code or unless such Options comply with the payment requirements of Section 409A of the Code.

7.2. Exercise Price. The Exercise Price of a Nonqualified Stock Option shall not be less than 100% of the Fair Market Value of a Share on the date of grant of such Option unless the Committee specifically indicates that the Awards will have a lower Exercise Price and the Award complies with Section 409A of the Code. Notwithstanding the foregoing, a Nonqualified Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Award is granted pursuant to an assumption or substitution for another option in a manner qualifying under the provisions of that complies with Section 424(a) of the Code1.409A-1(b)(5)(v)(D) of the U.S. Treasury Regulations or any successor guidance.

8. INCENTIVE STOCK OPTIONS.

Awards granted pursuant to this Section 8 are intended to constitute Incentive Stock Options and shall be granted subject to the following special terms and conditions, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 8 and the other terms of this Plan, this Section 8 shall prevail.

8.1. Eligibility for Incentive Stock Options. Incentive Stock Options may be granted only to Employees of the Company, or to Employees of a Parent or Subsidiary, determined as of the date of grant of such Options. An Incentive Stock Option granted to a prospective Employee upon the condition that such person become an Employee shall be deemed granted effective on the date such person commences employment, with an exercise price determined as of such date in accordance with Section 8.2.

8.2. Exercise Price. The Exercise Price of an Incentive Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of the Shares covered by the Awards on the date of grant of such Option or such other price as may be determined pursuant to the Code. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than the minimum exercise price set forth above if such Award is granted pursuant to an assumption or substitution for another option in a manner that complies with the provisions of Section 424(a) of the Code.

8.3. Date of Grant. Notwithstanding any other provision of this Plan to the contrary, no Incentive Stock Option may be granted under this Plan after 10 years from the date this Plan is adopted, or the date this Plan is approved by the shareholders, whichever is earlier.

8.4. Exercise Period. No Incentive Stock Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Award, subject to Section 8.6. No Incentive Stock Option granted to a prospective Employee may become exercisable prior to the date on which such person commences employment.

8.5. $100,000 Per Year Limitation. The aggregate Fair Market Value (determined as of the date the Incentive Stock Option is granted) of the Shares with respect to which all Incentive Stock Options granted under this Plan and all other "incentive stock option" plans of the Company, or of any Parent or Subsidiary or Affiliate, become exercisable for the first time by each Grantee during any calendar year shall not exceed one hundred thousand United States dollars ($100,000) with respect to such Grantee. To the extent that the aggregate Fair Market Value of Shares with respect to which such Incentive Stock Options and any other such incentive stock options are exercisable for the first time by any Grantee during any calendar year exceeds one hundred thousand United States dollars ($100,000), such options shall be treated as Nonqualified Stock Options. The foregoing shall be applied by taking options into account in the order in which they were granted. If the Code is amended to provide for a different limitation from that set forth in this Section 8.5, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Awards as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonqualifed Stock Option in part by reason of the limitation set forth in this Section 8.5, the Grantee may designate which portion of such Option the Grantee is exercising. In the absence of such designation, the Grantee shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Separate certificates representing each such portion may be issued upon the exercise of the Option.

8.6. Ten Percent Shareholder. In the case of an Incentive Stock Option granted to a Ten Percent Shareholder, (i) the Exercise Price shall not be less than one hundred and ten percent (110%) of the Fair Market Value of a Share on the date of grant of such Incentive Stock Option, and (ii) the Exercise Period shall not exceed five (5) years from the effective date of grant of such Incentive Stock Option.

8.7. Payment of Exercise Price. Each Award Agreement evidencing an Incentive Stock Option shall state each alternative method by which the Exercise Price thereof may be paid.

8.8. Leave of Absence. Notwithstanding Section 6.8, a Grantee's employment shall not be deemed to have terminated if the Grantee takes any leave as set forth in Section 6.8(i); provided, however, that if any such leave exceeds three (3) months, on the day that is six (6) months following the commencement of such leave any Incentive Stock Option held by the Grantee shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonqualified Stock Option, unless the Grantee's right to return to employment is guaranteed by statute or contract.

8.9. Exercise Following Termination for Disability. Notwithstanding anything else in this Plan to the contrary, Incentive Stock Options that are not exercised within three (3) months following termination of the Grantee's employment with the Company or its Parent or Subsidiary or a corporation or a Parent or Subsidiary of such corporation issuing or assuming an Option in a transaction to which Section 424(a) of the Code applies, or within one year in case of termination of the Grantee's employment with the Company or its Parent or Subsidiary due to a Disability (within the meaning of Section 22(e)(3) of the Code), shall be deemed to be Nonqualified Stock Options.

8.10. Adjustments to Incentive Stock Options. Any Awards Agreement providing for the grant of Incentive Stock Options shall indicate that adjustments made pursuant to this Plan with respect to Incentive Stock Options could constitute a "modification" of such Incentive Stock Options (as that term is defined in Section 424(h) of the Code) or could cause adverse tax consequences for the holder of such Incentive Stock Options and that the holder should consult with his or her tax advisor regarding the consequences of such "modification" on his or her income tax treatment with respect to the Incentive Stock Option.

8.11. Notice to Company of Disqualifying Disposition. Each Grantee who receives an Incentive Stock Option must agree to notify the Company in writing immediately after the Grantee makes a Disqualifying Disposition of any Shares received pursuant to the exercise of Incentive Stock Options. A "Disqualifying Disposition" is any disposition (including any sale) of such Shares before the later of (i) two years after the date the Grantee was granted the Incentive Stock Option, or (ii) one year after the date the Grantee acquired Shares by exercising the Incentive Stock Option. If the Grantee dies before such Shares are sold, these holding period requirements do not apply and no disposition of the Shares will be deemed a Disqualifying Disposition.

9. 102 AWARDS.

Awards granted pursuant to this Section 9 are intended to constitute 102 Awards and shall be granted subject to the following special terms and conditions, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 9 and the other terms of this Plan, this Section 9 shall prevail.

9.1. Tracks. Awards granted pursuant to this Section 9 are intended to be granted pursuant to Section 102 of the Ordinance pursuant to either (i) Section 102(b)(2) thereof, under the capital gain track ("102 Capital Gain Track Awards"), or (ii) Section 102(b)(1) thereof under the ordinary income track ("102 Ordinary Income Track Awards", and together with 102 Capital Gain Track Awards, "102 Trustee Awards"). 102 Trustee Awards shall be granted subject to the special terms and conditions contained in this Section 9, the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Options under different tax laws or regulations.

9.2. Election of Track. Subject to Applicable Law, the Company may grant only one type of 102 Trustee Awards at any given time to all Grantees who are to be granted 102 Trustee Awards pursuant to this Plan, and shall file an election with the ITA regarding the type of 102 Trustee Awards it elects to grant before the date of grant of any 102 Trustee Awards (the "Election"). Such Election shall also apply to any other securities, including bonus shares, received by any Grantee as a result of holding the 102 Trustee Awards. The Company may change the type of 102 Trustee Awards that it elects to grant only after the expiration of at least 12 months from the end of the year in which the first grant was made in accordance with the previous Election, or as otherwise provided by Applicable Law. Any Election shall not prevent the Company from granting Awards, pursuant to Section 102(c) of the Ordinance without a Trustee ("102 Non-Trustee Awards").

9.3. Eligibility for Awards.

9.3.1. Subject to Applicable Law, 102 Awards may only be granted to an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date of the adoption of this Plan means (i) individuals employed by an Israeli company being the Company or any of its Affiliates, and (ii) individuals who are serving and are engaged personally (and not through an entity) as "office holders" by such an Israeli company), but may not be granted to a Controlling Shareholder ("Eligible 102 Grantees"). Eligible 102 Grantees may receive only 102 Awards, which may either be granted to a Trustee or granted under Section 102 of the Ordinance without a Trustee.

9.4. 102 Award Grant Date.

9.4.1. Each 102 Award will be deemed granted on the date determined by the Committee, subject to Section 9.4.2, provided that (i) the Grantee has signed all documents required by the Company or pursuant to Applicable Law, and (ii) with respect to 102 Trustee Award, the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA, and if an agreement is not signed and delivered by the Grantee within 90 days from the date determined by the Committee (subject to Section 9.4.2), then such 102 Trustee Award shall be deemed granted on such later date as such agreement is signed and delivered and on which the Company has provided all applicable documents to the Trustee in accordance with the guidelines published by the ITA. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

9.4.2. Unless otherwise permitted by the Ordinance, any grants of 102 Trustee Awards that are made on or after the date of the adoption of this Plan or an amendment to this Plan, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of this Plan or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into any Award Agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

9.5. 102 Trustee Awards.

9.5.1. Each 102 Trustee Award, each Share issued pursuant to the exercise of any 102 Trustee Award, and any rights granted thereunder, including bonus shares, shall be issued to and registered in the name of the Trustee and shall be held in trust for the benefit of the Grantee for the requisite period prescribed by the Ordinance or such longer period as set by the Committee (the "Required Holding Period"). In the event that the requirements under Section 102 of the Ordinance to qualify an Award as a 102 Trustee Award are not met, then the Award may be treated as a 102 Non-Trustee Award or 3(9) Award, all in accordance with the provisions of the Ordinance. After expiration of the Required Holding Period, the Trustee may release such 102 Trustee Awards and any such Shares, provided that (i) the Trustee has received an acknowledgment from the ITA that the Grantee has paid any applicable taxes due pursuant to the Ordinance, or (ii) the Trustee and/or the Company and/or its Affiliate withholds all applicable taxes and compulsory payments due pursuant to the Ordinance arising from the 102 Trustee Awards and/or any Shares issued upon exercise or (if applicable) vesting of such 102 Trustee Awards. The Trustee shall not release any 102 Trustee Awards or Shares issued upon exercise or (if applicable) vesting thereof prior to the payment in full of the Grantee's tax and compulsory payments arising from such 102 Trustee Awards and/or Shares or the withholding referred to in (ii) above.

9.5.2. Each 102 Trustee Award shall be subject to the relevant terms of the Ordinance, the Rules and any determinations, rulings or approvals issued by the ITA, which shall be deemed an integral part of the 102 Trustee Awards and shall prevail over any term contained in this Plan or Award Agreement that is not consistent therewith. Any provision of the Ordinance, the Rules and any determinations, rulings or approvals by the ITA not expressly specified in this Plan or Award Agreement that are necessary to receive or maintain any tax benefit pursuant to Section 102 of the Ordinance shall be binding on the Grantee. The Grantee granted a 102 Trustee Awards shall comply with the Ordinance and the terms and conditions of the trust agreement entered into between the Company and the Trustee. The Grantee shall execute any and all documents that the Company and/or its Affiliates and/or the Trustee determine from time to time to be necessary in order to comply with the Ordinance and the Rules.

9.5.3. During the Required Holding Period, the Grantee shall not release from trust or sell, assign, transfer or give as collateral, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Trustee Awards and/or any securities issued or distributed with respect thereto, until the expiration of the Required Holding Period. Notwithstanding the above, if any such sale, release or other action occurs during the Required Holding Period it may result in adverse tax consequences to the Grantee under Section 102 of the Ordinance and the Rules, which shall apply to and shall be borne solely by such Grantee. Subject to the foregoing, the Trustee may, pursuant to a written request from the Grantee, but subject to the terms of this Plan, release and transfer such Shares to a designated third party, provided that both of the following conditions have been fulfilled prior to such release or transfer: (i) payment has been made to the ITA of all taxes and compulsory payments required to be paid upon the release and transfer of the Shares, and confirmation of such payment has been received by the Trustee and the Company, and (ii) the Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, any agreement governing the Shares, this Plan, the Award Agreement and any Applicable Law.

9.5.4. If a 102 Trustee Award is exercised or (if applicable) vested, the Shares issued upon such exercise or (if applicable) vesting shall be issued in the name of the Trustee for the benefit of the Grantee.

9.5.5. Upon or after receipt of a 102 Trustee Award, if required, the Grantee may be required to sign an undertaking to release the Trustee from any liability with respect to any action or decision duly taken and executed in good faith by the Trustee in relation to this Plan, or any 102 Trustee Awards or Share granted to such Grantee thereunder.

9.6. 102 Non-Trustee Awards. The foregoing provisions of this Section 9 relating to 102 Trustee Awards shall not apply with respect to 102 Non-Trustee Awards, which shall, however, be subject to the relevant provisions of Section 102 of the Ordinance and the applicable Rules. The Committee may determine that 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto, shall be allocated or issued to the Trustee, who shall hold such 102 Non-Trustee Awards and all accrued rights thereon (if any), in trust for the benefit of the Grantee and/or the Company, as the case may be, until the full payment of tax arising from the 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Awards and/or any securities issued or distributed with respect thereto. The Company may choose, alternatively, to force the Grantee to provide it with a guarantee or other security, to the satisfaction of each of the Trustee and the Company, until the full payment of the applicable taxes.

9.7. Israeli Index Base for 102 Awards. Each 102 Award will be subject to the Israeli index base of the Value of Benefit, as defined in Section 102(a) of the Ordinance, as determined by the Committee in its discretion, pursuant to the Rules, from time to time. The Committee may amend (which may have a retroactive effect) the Israeli index base, pursuant to the Ordinance, without the Grantee's consent.

9.8. Written Grantee Undertaking. To the extent and with respect to any 102 Trustee Award, and as required by Section 102 of the Ordinance and the Rules, by virtue of the receipt of such Award, the Grantee is deemed to have undertaken and confirm in writing the following (and such undertaking is deemed incorporated into any documents signed by the Grantee in connection with the employment or service of the Grantee and/or the grant of such Award). The following written undertaking shall be deemed to apply and relate to all 102 Trustee Awards granted to the Grantee, whether under this Plan or other plans maintained by the Company, and whether prior to or after the date hereof.

9.8.1. The Grantee shall comply with all terms and conditions set forth in Section 102 of the Ordinance with regard to the "Capital Gain Track" or the "Ordinary Income Track", as applicable, and the applicable rules and regulations promulgated thereunder, as amended from time to time;

9.8.2. The Grantee is familiar with, and understands the provisions of, Section 102 of the Ordinance in general, and the tax arrangement under the "Capital Gain Track" or the "Ordinary Income Track" in particular, and its tax consequences; the Grantee agrees that the 102 Trustee Awards and Shares that may be issued upon exercise or (if applicable) vesting of the 102 Trustee Awards (or otherwise in relation to the 102 Trustee Awards), will be held by a trustee appointed pursuant to Section 102 of the Ordinance for at least the duration of the "Holding Period" (as such term is defined in Section 102) under the "Capital Gain Track" or the "Ordinary Income Track", as applicable. The Grantee understands that any release of such 102 Trustee Awards or Shares from trust, or any sale of the Share prior to the termination of the Holding Period, as defined above, will result in taxation at marginal tax rate, in addition to deductions of appropriate social security, health tax contributions or other compulsory payments; and

9.8.3. The Grantee agrees to the trust deed signed between the Company, his employing company and the trustee appointed pursuant to Section 102 of the Ordinance.

10. 3(9) AWARDS.

Awards granted pursuant to this Section 10 are intended to constitute 3(9) Awards and shall be granted subject to the general terms and conditions specified in Section 6 hereof and other provisions of this Plan, except for any provisions of this Plan applying to Awards under different tax laws or regulations. In the event of any inconsistency or contradictions between the provisions of this Section 10 and the other terms of this Plan, this Section 10 shall prevail.

10.1. To the extent required by the Ordinance or the ITA or otherwise deemed by the Committee to be advisable, the 3(9) Awards and/or any shares or other securities issued or distributed with respect thereto granted pursuant to this Plan shall be issued to a Trustee nominated by the Committee in accordance with the provisions of the Ordinance. In such event, the Trustee shall hold such Awards and/or any shares or other securities issued or distributed with respect thereto in trust, until exercised or (if applicable) vested by the Grantee and the full payment of tax arising therefrom, pursuant to the Company's instructions from time to time as set forth in a trust agreement, which will have been entered into between the Company and the Trustee. If determined by the Board or the Committee, and subject to such trust agreement, the Trustee shall be responsible for withholding any taxes to which a Grantee may become liable upon issuance of Shares, whether due to the exercise or (if applicable) vesting of Awards.

10.2. Shares pursuant to a 3(9) Award shall not be issued, unless the Grantee delivers to the Company payment in cash or by bank check or such other form acceptable to the Committee of all withholding taxes due, if any, on account of the Grantee acquired Shares under the Award or gives other assurance satisfactory to the Committee of the payment of those withholding taxes.

11. RESTRICTED SHARES.

The Committee may award Restricted Shares to any eligible Grantee, including under Section 102 of the Ordinance. Each Award of Restricted Shares under this Plan shall be evidenced by a written agreement between the Company and the Grantee (the "Restricted Share Agreement"), in such form as the Committee shall from time to time approve. The Restricted Shares shall be subject to all applicable terms of this Plan, which in the case of Restricted Shares granted under Section 102 of the Ordinance shall include Section 9 hereof, and may be subject to any other terms that are not inconsistent with this Plan. The provisions of the various Restricted Shares Agreements entered into under this Plan need not be identical. The Restricted Share Agreement shall comply with and be subject to Section 9 and the following terms and conditions, unless otherwise specifically provided in such Agreement and not inconsistent with this Plan, or Applicable Law:

11.1. Purchase Price. Section 6.4 shall not apply. Each Restricted Share Agreement shall state an amount of Exercise Price to be paid by the Grantee, if any, in consideration for the issuance of the Restricted Shares and the terms of payment thereof, which may include, payment in cash or, subject to the Committee's approval, by issuance of promissory notes or other evidence of indebtedness on such terms and conditions as determined by the Committee.

11.2. Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, except by will or the laws of descent and distribution (in which case they shall be transferred subject to all restrictions then or thereafter applicable thereto), until such Restricted Shares shall have vested (the period from the date on which the Award is granted until the date of vesting of the Restricted Share thereunder being referred to herein as the "Restricted Period"). The Committee may also impose such additional or alternative restrictions and conditions on the Restricted Shares, as it deems appropriate, including the satisfaction of performance criteria. Such performance criteria may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Committee or pursuant to the provisions of any Company policy required under mandatory provisions of Applicable Law. Certificates for shares issued pursuant to Restricted Share Awards, if issued, shall bear an appropriate legend referring to such restrictions, and any attempt to dispose of any such shares in contravention of such restrictions shall be null and void and without effect. Such certificates may, if so determined by the Committee, be held in escrow by an escrow agent appointed by the Committee, or, if a Restricted Share Award is made pursuant to Section 102 of the Ordinance, by the Trustee. In determining the Restricted Period of an Award the Committee may provide that the foregoing restrictions shall lapse with respect to specified percentages of the awarded Restricted Shares on successive anniversaries of the date of such Award. To the extent required by the Ordinance or the ITA, the Restricted Shares issued pursuant to Section 102 of the Ordinance shall be issued to the Trustee in accordance with the provisions of the Ordinance and the Restricted Shares shall be held for the benefit of the Grantee for at least the Required Holding Period.

11.3. Forfeiture; Repurchase. Subject to such exceptions as may be determined by the Committee, if the Grantee's continuous employment with or service to the Company or any Affiliate thereof shall terminate for any reason prior to the expiration of the Restricted Period of an Award or prior to the timely payment in full of the Exercise Price of any Restricted Shares, any Shares remaining subject to vesting or with respect to which the purchase price has not been paid in full, shall thereupon be forfeited, transferred to, and redeemed, repurchased or cancelled by, as the case may be, in any manner as set forth in Section 6.6.2(i) through (v), subject to Applicable Laws and the Grantee shall have no further rights with respect to such Restricted Shares.

11.4. Ownership. During the Restricted Period the Grantee shall possess all incidents of ownership of such Restricted Shares, subject to Section 6.10 and Section 11.2, including the right to vote and receive dividends with respect to such Shares. All securities, if any, received by a Grantee with respect to Restricted Shares as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Award.

12. RESTRICTED SHARE UNITS.

An RSU is an Award covering a number of Shares that is settled, if vested and (if applicable) exercised, by issuance of those Shares. An RSU may be awarded to any eligible Grantee, including under Section 102 of the Ordinance, provided that, to the extent required by Applicable Laws, a specific ruling is obtained from the ITA to grant RSUs as 102 Trustee Awards. The Award Agreement relating to the grant of RSUs under this Plan (the "Restricted Share Unit Agreement"), shall be in such form as the Committee shall from time to time approve. The RSUs shall be subject to all applicable terms of this Plan, which in the case of RSUs granted under Section 102 of the Ordinance shall include Section 9 hereof, and may be subject to any other terms that are not inconsistent with this Plan. The provisions of the various Restricted Share Unit Agreements entered into under this Plan need not be identical. RSUs may be granted in consideration of a reduction in the recipient's other compensation.

12.1. Exercise Price. No payment of Exercise Price shall be required as consideration for RSUs, unless included in the Award Agreement or as required by Applicable Law (including, Section 304 of the Companies Law), and Section 6.4 shall apply, if applicable.

12.2. Shareholders' Rights. The Grantee shall not possess or own any ownership rights in the Shares underlying the RSUs and no rights as a shareholder shall exist prior to the actual issuance of Shares in the name of the Grantee.

12.3. Settlements of Awards. Settlement of vested RSUs shall be made in the form of Shares. Distribution to a Grantee of an amount (or amounts) from settlement of vested RSUs can be deferred to a date after settlement as determined by the Committee. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an RSUs is settled, the number of Shares underlying such RSUs shall be subject to adjustment pursuant hereto.

12.4. Section 409A Restrictions. Notwithstanding anything to the contrary set forth herein, any RSUs granted under this Plan that are not exempt from the requirements of Section 409A of the Code shall contain such restrictions or other provisions so that such RSUs will comply with the requirements of Section 409A of the Code, if applicable to the Company. Such restrictions, if any, shall be determined by the Committee and contained in the Restricted Share Unit Agreement evidencing such RSU. For example, such restrictions may include a requirement that any Shares that are to be issued in a year following the year in which the RSU vests must be issued in accordance with a fixed, pre-determined schedule.

13. OTHER SHARE OR SHARE-BASED AWARDS.

13.1. The Committee may grant other Awards under this Plan pursuant to which Shares (which may, but need not, be Restricted Shares pursuant to Section 11 hereof), cash (in settlement of Share-based Awards) or a combination thereof, are or may in the future be acquired or received, or Awards denominated in stock units, including units valued on the basis of measures other than market value.

13.2. The Committee may also grant stock appreciation rights without the grant of an accompanying option, which rights shall permit the Grantees to receive, at the time of any exercise of such rights, cash equal to the amount by which the Fair Market Value of the Shares in respect to which the right was granted is so exercised exceed the exercise price thereof. The exercise price of any such stock appreciation right granted to a Grantee who is subject to U.S. federal income tax shall be determined in compliance with Section 7.2.

13.3. Such other Share-based Awards as set forth above may be granted alone, in addition to, or in tandem with any Award of any type granted under this Plan.

14. EFFECT OF CERTAIN CHANGES.

14.1. General. In the event of a division or subdivision of the outstanding share capital of the Company, any distribution of bonus shares (stock split), consolidation or combination of share capital of the Company (reverse stock split), reclassification with respect to the Shares or any similar recapitalization events (each, a "Recapitalization"), a merger (including, a reverse merger and a reverse triangular merger), consolidation, amalgamation or like transaction of the Company with or into another corporation, a reorganization (which may include a combination or exchange of shares, spin-off or other corporate divestiture or division, or other similar occurrences, the Committee shall have the authority to make, without the need for a consent of any holder of an Award, such adjustments as determined by the Committee to be appropriate, in its discretion, in order to adjust (i) the number and class of shares reserved and available for grants of Awards, (ii) the number and class of shares covered by outstanding Awards, (iii) the Exercise Price per share covered by any Award, (iv) the terms and conditions concerning vesting and exercisability and the term and duration of the outstanding Awards, and (v) any other terms of the Award that in the opinion of the Committee should be adjusted. Any fractional shares resulting from such adjustment shall be treated as determined by the Committee, and in the absence of such determination shall be rounded to the nearest whole share, and the Company shall have no obligation to make any cash or other payment with respect to such fractional shares. No adjustment shall be made by reason of the distribution of subscription rights or rights offering to outstanding shares or other issuance of shares by the Company, unless the Committee determines otherwise. The adjustments determined pursuant to this Section 14.1 (including a determination that no adjustment is to be made) shall be final, binding and conclusive.

14.2. Merger/Sale of Company. In the event of (i) a sale of all or substantially all of the assets of the Company, or a sale (including an exchange) of all or substantially all of the shares of the Company, to any person, or a purchase by a shareholder of the Company or by an Affiliate of such shareholder, of all the shares of the Company held by all or substantially all other shareholders or by other shareholders who are not Affiliated with such acquiring party; (ii) a merger (including, a reverse merger and a reverse triangular merger), consolidation, amalgamation or like transaction of the Company with or into another corporation; (iii) a scheme of arrangement for the purpose of effecting such sale, merger, consolidation, amalgamation or other transaction; (iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company, or (v) such other transaction or set of circumstances that is determined by the Board, in its discretion, to be a transaction subject to the provisions of this Section 14.2 excluding any of the above transactions in clauses (i) through (v) if the Board determines that such transaction should be excluded from the definition hereof and the applicability of this Section 14.2 (such transaction, a "Merger/Sale"), then, without derogating from the general authority and power of the Board or the Committee under this Plan, without the Grantee's consent and action and without any prior notice requirement:

14.2.1. Unless otherwise determined by the Committee in its sole and absolute discretion, any Award then outstanding shall be assumed or be substituted by the Company, or by the successor corporation in such Merger/Sale or by any parent or Affiliate thereof, as determined by the Committee in its discretion (the "Successor Corporation"), under terms as determined by the Committee or the terms of this Plan applied by the Successor Corporation to such assumed or substituted Awards.

For the purposes of this Section 14.2.1, the Award shall be considered assumed or substituted if, following a Merger/Sale, the Award confers on the holder thereof the right to purchase or receive, for each Share underlying an Award immediately prior to the Merger/Sale, either (i) the consideration (whether stock, cash, or other securities or property, or any combination thereof) distributed to or received by holders of Shares in the Merger/Sale for each Share held on the effective date of the Merger/Sale (and if holders were offered a choice or several types of consideration, the type of consideration as determined by the Committee), or (ii) regardless of the consideration received by the holders of Shares in the Merger/Sale, solely shares or any type of Awards (or their equivalent) of the Successor Corporation at a value to be determined by the Committee in its discretion, or a certain type of consideration (whether stock, cash, or other securities or property, or any combination thereof) as determined by the Committee. Any of the above consideration referred to in clauses (i) and (ii) shall be subject to the same vesting and expiration terms of the Awards applying immediately prior to the Merger/Sale, unless determined by the Committee in its discretion that the consideration shall be subject to different vesting and expiration terms, or other terms, and the Committee may determine that it be subject to other or additional terms. The foregoing shall not limit the Committee's authority to determine, in its sole discretion, that in lieu of such assumption or substitution of Awards for Awards of the Successor Corporation, such Award will be substituted for any other type of asset or property, including as set forth in Section 14.2.2 hereunder.

14.2.2. Regardless of whether or not Awards are assumed or substituted, the Committee may (but shall not be obligated to), in its sole discretion:

14.2.2.1. provide for the Grantee to have the right to exercise the Award in respect of Shares covered by the Award which would otherwise be exercisable or vested, under such terms and conditions as the Committee shall determine, and the cancellation of all unexercised Awards (whether vested or unvested) upon or immediately prior to the closing of the Merger/Sale, unless the Committee provides for the Grantee to have the right to exercise the Award, or otherwise for the acceleration of vesting of such Award, as to all or part of the Shares covered by the Award which would not otherwise be exercisable or vested, under such terms and conditions as the Committee shall determine; and/or

14.2.2.2. provide for the cancellation of each outstanding Award at or immediately prior to the closing of such Merger/Sale, and if and to the extent payment shall be made to the Grantee of an amount in cash, shares of the Company, the acquiror or of a corporation or other business entity which is a party to the Merger/Sale or other property, as determined by the Committee to be fair in the circumstances, and subject to such terms and conditions as determined by the Committee. The Committee shall have full authority to select the method for determining the payment (being the Black-Scholes model or any other method). *Inter alia*, and without limitation of the following determination being made in other circumstances, the Committee's determination may provide that payment shall be set to zero if the value of the Shares is determined to be less than the Exercise Price, or in respect of Shares covered by the Award which would not otherwise be exercisable or vested, or that payment may be made only in excess of the Exercise Price.

14.2.3. The Committee may, in its sole discretion, determine that any payments made in respect of Awards shall be made or delayed to the same extent that payment of consideration to the holders of the Shares in connection with the Merger/Sale is made or delayed as a result of escrows, indemnification, earn outs, holdbacks or any other contingencies or conditions; and the terms and conditions applying to the payment made to the Grantees, including participation in escrow, indemnification, releases, earn-outs, holdbacks or any other contingencies.

14.2.4. The Committee may, in its sole discretion, determine to suspend the Grantee's rights to exercise any vested portion of an Award for a period of time prior to the completion of a Merger/Sale transaction.

14.2.5. Notwithstanding anything to the contrary, in the event of a Merger/Sale, the Committee may determine, in its sole discretion, that upon completion of such Merger/Sale the terms of any Award shall be otherwise amended, modified or terminated, as the Committee shall deem in good faith to be appropriate and without any liability to the Company or its Affiliates and to their respective officers, directors, employees and representatives and the respective successors and assigns of any of the foregoing in connection with the method of treatment or chosen course of action permitted hereunder.

14.2.6. Neither the authorities and powers of the Committee under this Section 14.2, nor the exercise or implementation thereof, shall (i) be restricted or limited in any way by any adverse consequences (tax or otherwise) that may result to any holder of an Award, and (ii) as, *inter alia*, being a feature of the Award upon its grant, be deemed to constitute a change or an amendment of the rights of such holder under this Plan, nor shall any such adverse consequences (as well as any adverse tax consequences that may result from any tax ruling or other approval or determination of any relevant tax authority) be deemed to constitute a change or an amendment of the rights of such holder under this Plan, and may be effected without consent of any Grantee and without any liability to the Company or its Affiliates and to their respective its officers, directors, employees and representatives and the respective successors and assigns of any of the foregoing. The Committee need not take the same action with respect to all Awards or with respect to all Service Providers. The Committee may take different actions with respect to the vested and unvested portions of an Award. The Committee may determine an amount or type of consideration to be received or distributed in a Merger/Sale which may differ as among the Grantees, and as between the Grantees and any other holders of shares of the Company.

14.2.7. The Committee's determinations pursuant to this Section 14 shall be conclusive and binding on all Grantees.

14.2.8. If determined by the Committee, the Grantees shall be subject to the definitive agreement(s) in connection with the Merger/Sale as applying to holders of Shares including, such terms, conditions, representations, undertakings, liabilities, limitations, releases, indemnities, participating in transaction expenses, shareholders/sellers representative expense fund and escrow arrangement, in each case as determined by the Committee. Each Grantee shall execute such separate agreement(s) or instruments as may be requested by the Company, the Successor Corporation or the acquiror in connection with such in such Merger/Sale and in the form required by them. The execution of such separate agreement(s) may be a condition to the receipt of assumed or substituted Awards, payment in lieu of the Award or the exercise of any Award.

14.3. Reservation of Rights. Except as expressly provided in this Section 14 (if any), the Grantee of an Award hereunder shall have no rights by reason of any Recapitalization of shares of any class, any increase or decrease in the number of shares of any class, or any dissolution, liquidation, reorganization (which may include a combination or exchange of shares, spin-off or other corporate divestiture or division, or other similar occurrences), Merger/Sale. Any issue by the Company of shares of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number, type or price of shares subject to an Award. The grant of an Award pursuant to this Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structures or to merge or to consolidate or to dissolve, liquidate or sell, or transfer all or part of its business or assets or engage in any similar transactions.

15. NON-TRANSFERABILITY OF AWARDS; SURVIVING BENEFICIARY.

15.1. All Awards granted under this Plan by their terms shall not be transferable other than by will or by the laws of descent and distribution, unless otherwise determined by the Committee or under this Plan, provided that with respect to Shares issued upon exercise or (if applicable) the vesting of Awards the restrictions on transfer shall be the restrictions referred to in Section 16 (Conditions upon Issuance of Shares) hereof. Subject to the above provisions, the terms of such Award, this Plan and any applicable Award Agreement shall be binding upon the beneficiaries, executors, administrators, heirs and successors of such Grantee. Awards may be exercised or otherwise realized, during the lifetime of the Grantee, only by the Grantee or by his guardian or legal representative, to the extent provided for herein. Any transfer of an Award not permitted hereunder (including transfers pursuant to any decree of divorce, dissolution or separate maintenance, any property settlement, any separation agreement or any other agreement with a spouse) and any grant of any interest in any Award to, or creation in any way of any direct or indirect interest in any Award by, any party other than the Grantee shall be null and void and shall not confer upon any party or person, other than the Grantee, any rights. A Grantee may file with the Committee a written designation of a beneficiary, who shall be permitted to exercise such Grantee's Award or to whom any benefit under this Plan is to be paid, in each case, in the event of the Grantee's death before he or she fully exercises his or her Award or receives any or all of such benefit, on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Grantee, the executor or administrator of the Grantee's estate shall be deemed to be the Grantee's beneficiary. Notwithstanding the foregoing, upon the request of the Grantee and subject to Applicable Law the Committee, at its sole discretion, may permit the Grantee to transfer the Award to a trust whose beneficiaries are the Grantee and/or the Grantee's immediate family members (all or several of them).

15.2. Notwithstanding any other provisions of the Plan to the contrary, no Incentive Stock Option may be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or in accordance with a beneficiary designation pursuant to Section 15.1. Further, all Incentive Stock Options granted to a Grantee shall be exercisable during his or her lifetime only by such Grantee.

15.3. As long as the Shares are held by the Trustee in favor of the Grantee, all rights possessed by the Grantee over the Shares are personal, and may not be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

15.4. If and to the extent a Grantee is entitled to transfer an Award and/or Shares underlying an Award in accordance with the terms of the Plan and any other applicable agreements, such transfer shall be subject (in addition, to any other conditions or terms applying thereto) to receipt by the Company from such proposed transferee of a written instrument, on a form reasonably acceptable to the Company, pursuant to which such proposed transferee agrees to be bound by all provisions of the Plan and any other applicable agreements, including without limitation, any restrictions on transfer of the Award and/or Shares set forth herein (however, failure to so deliver such instrument to the Company as set forth above shall not derogate from all such provisions applying on any transferee).

15.5. The provisions of this Section 15 shall apply to the Grantee and to any purchaser, assignee or transferee of any Shares.

16. CONDITIONS UPON ISSUANCE OF SHARES; GOVERNING PROVISIONS.

16.1. Legal Compliance. The grant of Awards and the issuance of Shares upon exercise or settlement of Awards shall be subject to compliance with all Applicable Laws as determined by the Company, including, applicable requirements of federal, state and foreign law with respect to such securities. The Company shall have no obligations to issue Shares pursuant to the exercise or settlement of an Award and Awards may not be exercised or settled, if the issuance of Shares upon exercise or settlement would constitute a violation of any Applicable Laws as determined by the Company, including, applicable federal, state or foreign securities laws or other law or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, no Award may be exercised unless (i) a registration statement under the Securities Act shall at the time of exercise or settlement of the Award be in effect with respect to the shares issuable upon exercise of the Award, or (ii) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain authority from any regulatory body having jurisdiction, if any, deemed by the Company to be necessary to the lawful issuance and sale of any Shares hereunder, and the inability to issue Shares hereunder due to non-compliance with any Company policies with respect to the sale of Shares, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority or compliance shall not have been obtained or achieved. As a condition to the exercise of an Award, the Company may require the person exercising such Award to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any Applicable Law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company, including to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares, all in form and content specified by the Company.

16.2. Provisions Governing Shares. Shares issued pursuant to an Award shall be subject to the Articles of Association of the Company, any limitation, restriction or obligation included in any shareholders agreement applicable to all or substantially all of the holders of shares (regardless of whether or not the Grantee is a formal party to such shareholders agreement), any other governing documents of the Company, all policies, manuals and internal regulations adopted by the Company from time to time, in each case, as may be amended from time to time, including any provisions included therein concerning restrictions or limitations on disposition of Shares (such as, but not limited to, right of first refusal and lock up/market stand-off) or grant of any rights with respect thereto, forced sale and bring along provisions, any provisions concerning restrictions on the use of inside information and other provisions deemed by the Company to be appropriate in order to ensure compliance with Applicable Laws. Each Grantee shall execute such separate agreement(s) as may be requested by the Company relating to matters set forth in this Section 16.2. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Award.

16.3. Forced Sale. In the event the that Board approves a Merger/Sale effected by way of a forced or compulsory sale (whether pursuant to the Company's Articles of Association or pursuant to Section 341 of the Companies Law), then, without derogating from such provisions and in addition thereto, the Grantee shall be obligated, and shall be deemed to have agreed to the offer to effect the Merger/Sale on the terms approved by the Board (and the Shares held by or for the benefit of the Grantee shall be included in the shares of the Company approving the terms of such Merger/Sale for the purpose of satisfying the required majority), and shall sell all of the Shares held by or for the benefit of the Grantee on the terms and conditions applying to the holders of Shares, in accordance with the instructions then issued by the Board, whose determination shall be final. No Grantee shall contest, bring any claims or demands, or exercise any appraisal rights related to any of the foregoing. The proxy pursuant to Section 6.10 includes an authorization of the holder of such proxy to sign, by and on behalf of any Grantee, such documents and agreements as are required to affect the sale of Shares in connection with such Merger/Sale.

17. MARKET STAND-OFF

17.1. In connection with any underwritten public offering of equity securities of the Company pursuant to an effective registration statement filed under the Securities Act or equivalent law in another jurisdiction, the Grantee shall not directly or indirectly, without the prior written consent of the Company or its underwriters, (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Shares or other Awards, any securities of the Company (whether or not such Shares were acquired under this Plan), or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Shares or securities of the Company and any other shares or securities issued or distributed in respect thereto or in substitution thereof (collectively, "Securities"), or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Securities, whether any such transaction described in clauses (i) or (ii) is to be settled by delivery of Securities, in cash or otherwise. The foregoing provisions of this Section 17.1 shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement. Such restrictions (the "Market Stand-Off") shall be in effect for such period of time (the "Market Stand-Off Period"): (A) following the first public filing of the registration statement relating to the underwritten public offering until the extirpation of 180 days following the effective date of such registration statement relating to the Company's initial public offering or 90 days following the effective date of such registration statement relating to any other public offering, in each case, provided, however, that if (1) during the last 17 days of the initial Market Stand-Off Period, the Company releases earnings results or announces material news or a material event or (2) prior to the expiration of the initial Market Stand-Off Period, the Company announces that it will release earnings results during the 15-day period following the last day of the initial Market Stand-Off Period, then in each case the Market Stand-Off Period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the announcement of the material news or material event; or (B) such other period as shall be requested by the Company or the underwriters. Notwithstanding anything herein to the contrary, if the underwriter(s) and the Company agree on a termination date of the Market Stand-Off Period in the event of failure to consummate a certain public offering, then such termination shall apply also to the Market Stand-Off Period hereunder with respect to that particular public offering.

17.2. In the event of a subdivision of the outstanding share capital of the Company, the distribution of any securities (whether or not of the Company), whether as bonus shares or otherwise, and whether as dividend or otherwise, a recapitalization, a reorganization (which may include a combination or exchange of shares or a similar transaction affecting the Company's outstanding securities without receipt of consideration), a consolidation, a spin-off or other corporate divestiture or division, a reclassification or other similar occurrence, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off.

17.3. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this-Plan until the end of the applicable Market Stand-Off period.

17.4. The underwriters in connection with a registration statement so filed are intended third party beneficiaries of this Section 17 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Grantee shall execute such separate agreement(s) as may be requested by the Company or the underwriters in connection with such registration statement and in the form required by them, relating to Market Stand-Off (which need not be identical to the provisions of this Section 17, and may include such additional provisions and restrictions as the underwriters deem advisable) or that are necessary to give further effect thereto. The execution of such separate agreement(s) may be a condition by the Company to the exercise of any Award.

17.5. Without derogating from the above provisions of this Section 17 or elsewhere in this Plan, the provisions of this Section 17 shall apply to the Grantee and the Grantee's heirs, legal representatives, successors, assigns, and to any purchaser, assignee or transferee of any Awards or Shares.

18. AGREEMENT REGARDING TAXES; DISCLAIMER.

18.1. If the Committee shall so require, as a condition of exercise of an Award, the release of Shares by the Trustee or the expiration of the Restricted Period, a Grantee shall agree that, no later than the date of such occurrence, the Grantee will pay to the Company (or the Trustee, as applicable) or make arrangements satisfactory to the Committee and the Trustee (if applicable) regarding payment of any applicable taxes and compulsory payments of any kind required by Applicable Law to be withheld or paid.

18.2. TAX LIABILITY. ALL TAX CONSEQUENCES UNDER ANY APPLICABLE LAW WHICH MAY ARISE FROM THE GRANT OF ANY AWARDS OR THE EXERCISE THEREOF, THE SALE OR DISPOSITION OF ANY SHARES GRANTED HEREUNDER OR ISSUED UPON EXERCISE OR (IF APPLICABLE) THE VESTING OF ANY AWARD, THE ASSUMPTION, SUBSTITUTION, CANCELLATION OR PAYMENT IN LIEU OF AWARDS OR FROM ANY OTHER ACTION IN CONNECTION WITH THE FOREGOING (INCLUDING WITHOUT LIMITATION ANY TAXES AND COMPULSORY PAYMENTS, SUCH AS SOCIAL SECURITY OR HEALTH TAX PAYABLE BY THE GRANTEE OR THE COMPANY IN CONNECTION THEREWITH) SHALL BE BORNE AND PAID SOLELY BY THE GRANTEE, AND THE GRANTEE SHALL INDEMNIFY THE COMPANY, ITS SUBSIDIARIES AND AFFILIATES AND THE TRUSTEE, AND SHALL HOLD THEM HARMLESS AGAINST AND FROM ANY LIABILITY FOR ANY SUCH TAX OR PAYMENT OR ANY PENALTY, INTEREST OR INDEXATION THEREON. EACH GRANTEE AGREES TO, AND UNDERTAKES TO COMPLY WITH, ANY RULING, SETTLEMENT, CLOSING AGREEMENT OR OTHER SIMILAR AGREEMENT OR ARRANGEMENT WITH ANY TAX AUTHORITY IN CONNECTION WITH THE FOREGOING WHICH IS APPROVED BY THE COMPANY.

18.3. NO TAX ADVICE. THE GRANTEE IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING, EXERCISING OR DISPOSING OF AWARDS HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE GRANTEE ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE GRANTEE.

18.4. TAX TREATMENT. THE COMPANY DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY OR RESPONSIBILITY TO THE EFFECT THAT ANY AWARD SHALL QUALIFY WITH ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT, OR BENEFIT FROM ANY PARTICULAR TAX TREATMENT OR TAX ADVANTAGE OF ANY TYPE AND THE COMPANY SHALL BEAR NO LIABILITY IN CONNECTION WITH THE MANNER IN WHICH ANY AWARD IS EVENTUALLY TREATED FOR TAX PURPOSES, REGARDLESS OF WHETHER THE AWARD WAS GRANTED OR WAS INTENDED TO QUALIFY UNDER ANY PARTICULAR TAX REGIME OR TREATMENT. THIS PROVISION SHALL SUPERSEDE ANY TYPE OF AWARDS OR TAX QUALIFICATION INDICATED IN ANY CORPORATE RESOLUTION OR AWARD AGREEMENT, WHICH SHALL AT ALL TIMES BE SUBJECT TO THE REQUIREMENTS OF APPLICABLE LAW. THE COMPANY DOES NOT UNDERTAKE AND SHALL NOT BE REQUIRED TO TAKE ANY ACTION IN ORDER TO QUALIFY THE AWARD WITH THE REQUIREMENT OF ANY PARTICULAR TAX TREATMENT AND NO INDICATION IN ANY DOCUMENT TO THE EFFECT THAT ANY AWARD IS INTENDED TO QUALIFY FOR ANY TAX TREATMENT SHALL IMPLY SUCH AN UNDERTAKING. NO ASSURANCE IS MADE BY THE COMPANY OR ANY OF ITS AFFILIATES THAT ANY PARTICULAR TAX TREATMENT ON THE DATE OF GRANT WILL CONTINUE TO EXIST OR THAT THE AWARD WOULD QUALIFY AT THE TIME OF EXERCISE OR DISPOSITION THEREOF WITH ANY PARTICULAR TAX TREATMENT. THE COMPANY AND ITS AFFILIATES SHALL NOT HAVE ANY LIABILITY OR OBLIGATION OF ANY NATURE IN THE EVENT THAT AN AWARD DOES NOT QUALIFY FOR ANY PARTICULAR TAX TREATMENT, REGARDLESS WHETHER THE COMPANY COULD HAVE OR SHOULD HAVE TAKEN ANY ACTION TO CAUSE SUCH QUALIFICATION TO BE MET AND SUCH QUALIFICATION REMAINS AT ALL TIMES AND UNDER ALL CIRCUMSTANCES AT THE RISK OF THE GRANTEE. THE COMPANY DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY TO CONTEST A DETERMINATION OR INTERPRETATION (WHETHER WRITTEN OR UNWRITTEN) OF ANY TAX AUTHORITIES, INCLUDING IN RESPECT OF THE QUALIFICATION UNDER ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT. IF THE AWARDS DO NOT QUALIFY UNDER ANY PARTICULAR TAX TREATMENT IT COULD RESULT IN ADVERSE TAX CONSEQUENCES TO THE GRANTEE.

18.5. The Company or any Subsidiary or Affiliate may take such action as it may deem necessary or appropriate, in its discretion, for the purpose of or in connection with withholding of any taxes and compulsory payments which the Trustee, the Company or any Subsidiary or Affiliate is required by any Applicable Law to withhold in connection with any Awards (collectively, "Withholding Obligations"). Such actions may include (i) requiring a Grantees to remit to the Company in cash an amount sufficient to satisfy such Withholding Obligations and any other taxes and compulsory payments, payable by the Company in connection with the Award or the exercise or (if applicable) the vesting thereof; (ii) subject to Applicable Law, allowing the Grantees to provide Shares to the Company, in an amount that at such time, reflects a value that the Committee determines to be sufficient to satisfy such Withholding Obligations; (iii) withholding Shares otherwise issuable upon the exercise of an Award at a value which is determined by the Committee to be sufficient to satisfy such Withholding Obligations; or (iv) any combination of the foregoing. The Company shall not be obligated to allow the exercise of any Award by or on behalf of a Grantee until all tax consequences arising from the exercise of such Award are resolved in a manner acceptable to the Company.

18.6. Each Grantee shall notify the Company in writing promptly and in any event within ten (10) days after the date on which such Grantee first obtains knowledge of any tax bureau inquiry, audit, assertion, determination, investigation, or question relating in any manner to the Awards granted or received hereunder or Shares issued thereunder and shall continuously inform the Company of any developments, proceedings, discussions and negotiations relating to such matter, and shall allow the Company and its representatives to participate in any proceedings and discussions concerning such matters. Upon request, a Grantee shall provide to the Company any information or document relating to any matter described in the preceding sentence, which the Company, in its discretion, requires.

18.7. With respect to 102 Non-Trustee Options, if the Grantee ceases to be employed by the Company or any Affiliate, the Grantee shall extend to the Company and/or its Affiliate with whom the Grantee is employed a security or guarantee for the payment of taxes due at the time of sale of Shares, all in accordance with the provisions of Section 102 of the Ordinance and the Rules.

18.8. For the purpose hereof "tax(es)" means (a) all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all income, capital gains, transfer, withholding, payroll, employment, social security, national security, health tax, wealth surtax, stamp, registration and estimated taxes, customs duties, fees, assessments and charges of any similar kind whatsoever (including under Section 280G of the Code), (b) all interest, indexation differentials, penalties, fines, additions to tax or additional amounts imposed by any taxing authority in connection with any item described in clause (a), (c) any transferee or successor liability in respect of any items described in clauses (a) or (b) payable by reason of contract, assumption, transferee liability, successor liability, operation of Applicable Law, or as a result of any express or implied obligation to assume Taxes or to indemnify any other person, and (d) any liability for the payment of any amounts of the type described in clause (a) or (b) payable as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, including under U.S. Treasury Regulations Section 1.1502-6(a) (or any predecessor or successor thereof of any analogous or similar provision under Law) or otherwise.

18.9. If a Grantee makes an election under Section 83(b) of the Code to be taxed with respect to an Award as of the date of transfer of Shares rather than as of the date or dates upon which the Grantee would otherwise be taxable under Section 83(a) of the Code, such Grantee shall deliver a copy of such election to the Company upon or prior to the filing such election with the U.S. Internal Revenue Service. Neither the Company nor any Affiliate shall have any liability or responsibility relating to or arising out of the filing or not filing of any such election or any defects in its construction.

19. RIGHTS AS A SHAREHOLDER; VOTING AND DIVIDENDS.

19.1. Subject to Section 11.4, a Grantee shall have no rights as a shareholder of the Company with respect to any Shares covered by an Award until the Grantee shall have exercised the Award, paid the Exercise Price therefor and becomes the record holder of the subject Shares. In the case of 102 Awards or 3(9) Awards (if such Awards are being held by a Trustee), the Trustee shall have no rights as a shareholder of the Company with respect to the Shares covered by such Award until the Trustee becomes the record holder for such Shares for the Grantee's benefit, and the Grantee shall not be deemed to be a shareholder and shall have no rights as a shareholder of the Company with respect to the Shares covered by the Award until the date of the release of such Shares from the Trustee to the Grantee and the transfer of record ownership of such Shares to the Grantee (provided however that the Grantee shall be entitled to receive from the Trustee any cash dividend or distribution made on account of the Shares held by the Trustee for such Grantee's benefit, subject to any tax withholding and compulsory payment). No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distribution of other rights for which the record date is prior to the date on which the Grantee or Trustee (as applicable) becomes the record holder of the Shares covered by an Award, except as provided in Section 14 hereof.

19.2. With respect to all Awards issued in the form of Shares hereunder or upon the exercise or (if applicable) the vesting of Awards hereunder, any and all voting rights attached to such Shares shall be subject to Section 6.9, and the Grantee shall be entitled to receive dividends distributed with respect to such Shares, subject to the provisions of the Company's Articles of Association, as amended from time to time, and subject to any Applicable Law.

19.3. The Company may, but shall not be obligated to, register or qualify the sale of Shares under any applicable securities law or any other Applicable Law.

20. NO REPRESENTATION BY COMPANY.

By granting the Awards, the Company is not, and shall not be deemed as, making any representation or warranties to the Grantee regarding the Company, its business affairs, its prospects or the future value of its Shares. The Company shall not be required to provide to any Grantee any information, documents or material in connection with the Grantee's considering an exercise of an Award. To the extent that any information, documents or materials are provided, the Company shall have no liability with respect thereto. Any decision by a Grantee to exercise an Award shall solely be at the risk of the Grantee.

21. NO RETENTION RIGHTS.

Nothing in this Plan, any Award Agreement or in any Award granted or agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ of, or be in the service of the Company or any Subsidiary or Affiliate thereof as a Service Provider or to be entitled to any remuneration or benefits not set forth in this Plan or such agreement, or to interfere with or limit in any way the right of the Company or any such Subsidiary or Affiliate to terminate such Grantee's employment or service (including, any right of the Company or any of its Affiliates to immediately cease the Grantee's employment or service or to shorten all or part of the notice period, regardless of whether notice of termination was given by the Company or its Affiliates or by the Grantee). Awards granted under this Plan shall not be affected by any change in duties or position of a Grantee, subject to Sections 6.6 through 6.8. No Grantee shall be entitled to claim and the Grantee hereby waives any claim against the Company or any Subsidiary or Affiliate that he or she was prevented from continuing to vest Awards as of the date of termination of his or her employment with, or services to, the Company or any Subsidiary or Affiliate. No Grantee shall be entitled to any compensation in respect of the Awards which would have vested had such Grantee's employment or engagement with the Company (or any Subsidiary or Affiliate) not been terminated.

22. PERIOD DURING WHICH AWARDS MAY BE GRANTED.

Awards may be granted pursuant to this Plan from time to time within a period of ten (10) years from the Effective Date, which period may be extended from time to time by the Board. From and after such date (as extended) no grants of Awards may be made and this Plan shall continue to be in full force and effect with respect to Awards or Shares issued thereunder that remain outstanding.

23. AMENDMENT OF THIS PLAN AND AWARDS.

23.1. The Board at any time and from time to time may suspend, terminate, modify or amend this Plan, whether retroactively or prospectively. Any amendment effected in accordance with this Section shall be binding upon all Grantees and all Awards, whether granted prior to or after the date of such amendment, and without the need to obtain the consent of any Grantee. No termination or amendment of this Plan shall affect any then outstanding Award unless expressly provided by the Board.

23.2. Subject to changes in Applicable Law that would permit otherwise, without the approval of the Company's shareholders, there shall be (i) no increase in the maximum aggregate number of Shares that may be issued under this Plan as Incentive Stock Options (except by operation of the provisions of Section 14.1), (ii) no change in the class of persons eligible to receive Incentive Stock Options, and (iii) no other amendment of this Plan that would require approval of the Company's shareholders under any Applicable Law. Unless not permitted by Applicable Law, if the grant of an Award is subject to approval by shareholders, the date of grant of the Award shall be determined as if the Award had not been subject to such approval. Failure to obtain approval by the shareholders shall not in any way derogate from the valid and binding effect of any grant of an Award, which is not an Incentive Stock Option. Upon approval of an amendment to this Plan by the shareholders of the Company as set forth above, all Incentive Stock Options granted under this Plan on or after such amendment shall be fully effective as if the shareholders of the Company had approved the amendment on the same date.

23.3. The Board or the Committee at any time and from time to time may modify or amend any Award theretofore granted, including any Award Agreement, whether retroactively or prospectively.

24. APPROVAL.

24.1. This Plan shall take effect upon its adoption by the Board (the "Effective Date").

24.2. Solely with respect to grants of Incentive Stock Options, this Plan shall also be subject to shareholders' approval, within one year of the Effective Date, by a majority of the votes cast on the proposal at a meeting or a written consent of shareholders (however, if the grant of an Award is subject to approval by shareholders, the date of grant of the Award shall be determined as if the Award had not been subject to such approval). Failure to obtain such approval by the shareholders within such period shall not in any way derogate from the valid and binding effect of any grant of an Award, except that any Options previously granted under this Plan may not qualify as Incentive Stock Options but, rather, shall constitute Nonqualified Stock Options. Upon approval of this Plan by the shareholders of the Company as set forth above, all Incentive Stock Options granted under this Plan on or after the Effective Date shall be fully effective as if the shareholders of the Company had approved this Plan on the Effective Date.

24.3. 102 Awards are conditional upon the filing with or approval by the ITA, if required, as set forth in Section 9.4. Failure to so file or obtain such approval shall not in any way derogate from the valid and binding effect of any grant of an Award, which is not an 102 Award.

25. RULES PARTICULAR TO SPECIFIC COUNTRIES; SECTION 409A.

25.1. Notwithstanding anything herein to the contrary, the terms and conditions of this Plan may be supplemented or amended with respect to a particular country or tax regime by means of an appendix to this Plan, and to the extent that the terms and conditions set forth in any appendix conflict with any provisions of this Plan, the provisions of such appendix shall govern. Terms and conditions set forth in such appendix shall apply only to Awards granted to Grantees under the jurisdiction of the specific country or such other tax regime that is the subject of such appendix and shall not apply to Awards issued to a Grantee not under the jurisdiction of such country or such other tax regime. The adoption of any such appendix shall be subject to the approval of the Board or the Committee, and if determined by the Committee to be required in connection with the application of certain tax treatment, pursuant to applicable stock exchange rules or regulations or otherwise, then also the approval of the shareholders of the Company at the required majority.

25.2. This Section 25.2 shall only apply to Awards granted to Grantees who are subject to United States Federal income tax.

25.2.1. It is the intention of the Company that no Award shall be deferred compensation subject to Code Section 409A unless and to the extent that the Committee specifically determines otherwise as provided in Section 25.2.2, and the Plan and the terms and conditions of all Awards shall be interpreted and administered accordingly.

25.2.2. The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for payment or elective or mandatory deferral of the payment or delivery of Shares or cash pursuant thereto, and any rules regarding treatment of such Awards in the event of a Change in Control, shall be set forth in the applicable Award Agreement and shall be intended to comply in all respects with Section 409A of the Code, and the Plan and the terms and conditions of such Awards shall be interpreted and administered accordingly.

25.2.3. The Company shall have complete discretion to interpret and construe the Plan and any Award Agreement in any manner that establishes an exemption from (or compliance with) the requirements of Code Section 409A. If for any reason, such as imprecision in drafting, any provision of the Plan and/or any Award Agreement does not accurately reflect its intended establishment of an exemption from (or compliance with) Code Section 409A, as demonstrated by consistent interpretations or other evidence of intent, such provision shall be considered ambiguous as to its exemption from (or compliance with) Code Section 409A and shall be interpreted by the Company in a manner consistent with such intent, as determined in the discretion of the Company. If, notwithstanding the foregoing provisions of this Section 25.2.3, any provision of the Plan or any such agreement would cause a Grantee to incur any additional tax or interest under Code Section 409A, the Company shall reform such provision in a manner intended to avoid the incurrence by such Grantee of any such additional tax or interest; provided that the Company shall maintain, to the extent reasonably practicable, the original intent and economic benefit to the Grantee of the applicable provision without violating the provisions of Code Section 409A.

25.2.4. Notwithstanding any other provision in the Plan, any Award Agreement, or any other written document establishing the terms and conditions of an Award, if any Grantee is a "specified employee," within the meaning of Section 409A of the Code, as of the date of his or her "separation from service" (as defined under Section 409A of the Code), then, to the extent required by Treasury Regulation Section 1.409A-3(i)(2) (or any successor provision), any payment made to such Grantee on account of his or her separation from service shall not be made before a date that is six months after the date of his or her separation from service. The Committee may elect any of the methods of applying this rule that are permitted under Treasury Regulation Section 1.409A-3(i)(2)(ii) (or any successor provision).

25.2.5. Notwithstanding any other provision of this Section 25.2 to the contrary, although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Code Section 409A, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Code Section 409A or any other provision of federal, state, local, or non-United States law. The Company shall not be liable to any Grantee for any tax, interest, or penalties the Grantee might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

26. GOVERNING LAW; JURISDICTION.

This Plan and all determinations made and actions taken pursuant hereto shall be governed by the laws of the State of Israel, except with respect to matters that are subject to tax laws, regulations and rules of any specific jurisdiction, which shall be governed by the respective laws, regulations and rules of such jurisdiction. Certain definitions, which refer to laws other than the laws of such jurisdiction, shall be construed in accordance with such other laws. The competent courts located in Tel-Aviv-Jaffa, Israel shall have exclusive jurisdiction over any dispute arising out of or in connection with this Plan and any Award granted hereunder. By signing any Award Agreement or any other agreement relating to an Award, each Grantee irrevocably submits to such exclusive jurisdiction.

27. NON-EXCLUSIVITY OF THIS PLAN.

The adoption of this Plan shall not be construed as creating any limitations on the power or authority of the Company to adopt such other or additional incentive or other compensation arrangements of whatever nature as the Company may deem necessary or desirable or preclude or limit the continuation of any other plan, practice or arrangement for the payment of compensation or fringe benefits to employees generally, or to any class or group of employees, which the Company or any Affiliate now has lawfully put into effect, including any retirement, pension, savings and stock purchase plan, insurance, death and disability benefits and executive short-term or long-term incentive plans.

28. MISCELLANEOUS.

28.1. Survival. The Grantee shall be bound by and the Shares issued upon exercise or (if applicable) the vesting of any Awards granted hereunder shall remain subject to this Plan after the exercise or (if applicable) the vesting of Awards, in accordance with the terms of this Plan, whether or not the Grantee is then or at any time thereafter employed or engaged by the Company or any of its Affiliates.

28.2. Additional Terms. Each Award awarded under this Plan may contain such other terms and conditions not inconsistent with this Plan as may be determined by the Committee, in its sole discretion.

28.3. Fractional Shares. No fractional Share shall be issuable upon exercise or vesting of any Award and the number of Shares to be issued shall be rounded down to the nearest whole Share, with in any Share remaining at the last vesting date due to such rounding to be issued upon exercise at such last vesting date.

28.4. Severability. If any provision of this Plan, any Award Agreement or any other agreement entered into in connection with an Award shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction. In addition, if any particular provision contained in this Plan, any Award Agreement or any other agreement entered into in connection with an Award shall for any reason be held to be excessively broad as to duration, geographic scope, activity or subject, it shall be construed by limiting and reducing such provision as to such characteristic so that the provision is enforceable to fullest extent compatible with Applicable Law as it shall then appear.

28.5. Captions and Titles. The use of captions and titles in this Plan or any Award Agreement or any other agreement entered into in connection with an Award is for the convenience of reference only and shall not affect the meaning or interpretation of any provision of this Plan or such agreement.

* * *

Exhibit 10.7

AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT is made as of July 3, 2017, by and among Gamida Cell Ltd., an Israeli company (the "Company"), and the Investors listed on Schedule A hereto (including any additional Investor that becomes a party to this Agreement following the date hereof in accordance with Section 5.9 hereof), each of which is referred to in this Agreement as an "Investor".

RECITALS

WHEREAS, the Company and certain of the Investors are parties to that certain Series F Preferred Share Purchase Agreement dated June 18, 2017 (the "Investment Agreement"); and

WHEREAS, in order to induce the Company to enter into the Investment Agreement and to induce the aforesaid Investors to invest funds in the Company pursuant to the Investment Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of all Investors to cause the Company to register Ordinary Shares issuable to the Investors, and to receive certain information from the Company, and shall govern certain other matters as set forth in this Agreement; and

WHEREAS, the Company and certain of the Investors (the "Existing Investors") are parties to that certain Second Amended and Restated Investors' Rights Agreement dated as of September 1, 2014 (the "Prior Agreement"), and desire to amend, restate and terminate the Prior Agreement in its entirety and to accept the rights and obligations created pursuant to this Agreement, in lieu of the rights and obligations granted to them under the Prior Agreement; and

WHEREAS, (i) Section 5.6 of the Prior Agreement provides that the Prior Agreement may be amended by a written instrument signed by the Company and holders of at least a majority of the Registrable Securities then outstanding, except for the provisions set forth in Section 3 (Information Rights) which may be amended by the holders of at least 70% of the outstanding Registrable Securities (as defined under the Prior Agreement), and (ii) the Existing Investors who have executed and delivered this Agreement currently (as of immediately prior to the Closing under the Investment Agreement) hold such applicable simple and 70% majorities of such Registrable Securities.

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1. "Affiliate" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person.

1.2. "Damages" means any loss, damage, claim, cost, expense, or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.3. "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.4. "Excluded Registration" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a share option, share purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Ordinary Shares being registered are Ordinary Shares issuable upon conversion of debt securities that are also being registered.

1.5. "Form F-1" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.6. "Form F-3" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.7. "Holder" means any holder of Registrable Securities who is a party to this Agreement.

1.8. "Initiating Holders" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.9. "IPO" shall have the meaning ascribed to it in the Company's Articles of Association, as may be amended from time to time ("Articles").

1.10. "Major Investor" means any Investor that, individually or together with such Investor's Affiliates and other Permitted Transferees, holds at least 0.5% of the voting power represented by the then issued and outstanding shares of the Company, on a Fully-Diluted Basis (as defined in the Articles).

1.11. "Ordinary Shares" means Ordinary Shares of the Company, nominal value NIS 0.01 each.

1.12. "Permitted Transferee" shall have the meaning set forth in the Articles.

1.13. "Person" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.14. "Preferred Shares" means, collectively, Series A Preferred Shares of the Company, Series B Preferred Shares of the Company, Series C Preferred Shares of the Company, in each case, of nominal value NIS 0.01 each, and , Series D Preferred Shares, Series E Preferred Shares and Series F Preferred Shares.

1.15. "Registrable Securities" means (i) the Ordinary Shares issued or issuable upon conversion of the Preferred Shares or upon the exercise of any warrants to purchase Ordinary Shares held by Novartis Pharma AG (hereinafter, "Novartis") on the date hereof; (ii) any Ordinary Shares issued or issuable (directly or indirectly) upon conversion and/or exercise of any other preferred shares or securities for preferred shares of the Company, held by the Investors on the date hereof or acquired by the Investors after the date hereof; and (iii) any Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 5.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.16. "Registrable Securities then outstanding" means the number of shares determined by adding the number of outstanding Ordinary Shares that are Registrable Securities and the number of Ordinary Shares issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.17. "SEC" means the Securities and Exchange Commission.

1.18. "SEC Rule 144" means Rule 144 promulgated by the SEC under the Securities Act.

1.19. "SEC Rule 145" means Rule 145 promulgated by the SEC under the Securities Act.

1.20. "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.21. "Selling Expenses" means all underwriting discounts, selling commissions, and share transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder.

1.22. "Series D Preferred Shares" - Series D Preferred Shares of the Company, nominal value NIS 0.01 each.

1.23. "Series E Preferred Shares" - Series E-1 Preferred Shares and Series E-2 Preferred Shares of the Company, nominal value NIS 0.01 each.

1.24. "Series F Preferred Shares" - Series F-1 Preferred Shares and Series F-2 Preferred Shares of the Company, nominal value NIS 0.01 each.

2. Registration Rights. The Company covenants and agrees as follows:

2.1. Demand Registration.

(a) Form F-1 Demand. If at any time after one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from (1) Holders of a majority of the Registrable Securities *(ignoring, for such purpose, but only (A) prior to the exercise of the demand right under clause (2) below, or (B) after an exercise of the demand right under clause (2) below in which none of the Registrable Securities underlying Series F Preferred Shares and requested to be included therein were not excluded from registration ('cutback') in accordance with Section 2.3(a)(i) below)*, any Registrable Securities then outstanding that were issued or are issuable upon conversion or in respect of any Series F Preferred Shares) then outstanding or (2) Holders of Registrable Securities then outstanding and constituting the Special F Majority (as defined in the Articles) that the Company file a Form F-1 registration statement with respect to (x) at least a majority of the Registrable Securities then outstanding or (y) Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $10 million, then the Company shall (i) within ten (10) days after the date such request is given, give notice thereof (the "Demand Notice") to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, use commercially reasonable efforts to file a Form F-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1(c) and Section 2.3.

(b) Form F-3 Demand. If at any time when it is eligible to use a Form F-3 registration statement, the Company receives a request from (1) Holders of at least 25 percent (25%) of the Registrable Securities *(ignoring, for such purpose, but only (A) prior to the exercise of the demand right under clause (2) below, or (B) after an exercise of the demand right under clause (2) below in which none of the Registrable Securities underlying Series F Preferred Shares and requested to be included therein were not excluded from registration ('cutback') in accordance with Section 2.3(b)(i) below), any Registrable Securities then outstanding that were issued or are issuable upon conversion or in respect of any Series F Preferred Shares)* then outstanding or (2) Holders of Registrable Securities then outstanding and constituting the Special F Majority, that the Company file a Form F-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $2 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, use commercially reasonable efforts to file a Form F-3 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Section 2.1 and Section 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Section 2.1, a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Company's Board of Directors (the "Board"), it would be materially detrimental to the Company and its shareholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than one hundred twenty (120) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other shareholder during such one hundred twenty (120) day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, (i) any registration pursuant to Section 2.1(a) - during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) any registration pursuant to Section 2.1(a)(1) - after the Company has effected three registrations pursuant to Section 2.1(a)(1); (iii) any registration pursuant to Section 2.1(a)(2) - after the Company has effected one registration pursuant to Section 2.1(a)(2); or (iv) any registration pursuant to Section 2.1(a) - if the Initiating Holders propose to dispose of shares of Registrable Securities that all of which may be immediately registered on Form F-3 pursuant to a request made pursuant to Section 2.1(b).

(e) The Company shall not be obligated to effect, or to take any action to effect, (i) any registration pursuant to Section 2.1(b) - during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided, that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) any registration pursuant to Section 2.1(b)(1) - if the Company has effected three registrations pursuant to Section 2.1(b)(1) within the twelve (12) month period immediately preceding the date of such request; or (iii) any registration pursuant to Section 2.1(b)(2) - if the Company has effected one registration pursuant to Section 2.1(b)(2) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Section 2.1(b) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Section 2.1(d).

2.2. Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for shareholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.6 (ignoring, for such purpose, any reference to Selling Expenses thereunder).

2.3. Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, as follows: (i) ***first***, that number of the Registrable Securities, which were requested to be included in such registration and are underlying Series F Preferred Shares, allocated among the requesting Holders in proportion (as nearly as practicable) to the number of Registrable Securities, which are underlying Series F Preferred Shares, then owned by each Holder or in such other proportion as shall mutually be agreed to by all such requesting applicable Holders, provided however that such total number of Registrable Securities does not exceed 40% of the maximum total Registrable Securities to be included in such registration (in the opinion of the underwriters); (ii) ***second***, that number of the Registrable Securities, which were requested to be included in such registration and are underlying Series E Preferred Shares, allocated among the requesting Holders in proportion (as nearly as practicable) to the number of Registrable Securities, which are underlying Series E Preferred Shares, then owned by each Holder or in such other proportion as shall mutually be agreed to by all such requesting applicable Holders, provided however such total number of Registrable Securities does not exceed 30% of the maximum total Registrable Securities to be included in such registration (in the opinion of the underwriters); (iii) ***third***, that number of the Registrable Securities, which were requested to be included in such registration and are underlying Series D Preferred Shares, allocated among the requesting Holders in proportion (as nearly as practicable) to the number of Registrable Securities, which are underlying Series D Preferred Shares, then owned by each Holder or in such other proportion as shall mutually be agreed to by all such requesting applicable Holders, provided however such total number of Registrable Securities does not exceed 30% of the maximum total Registrable Securities to be included in such registration (in the opinion of the underwriters); and thereafter (iv) if applicable, that number of the remaining Registrable Securities, which were requested to be included in such registration, allocated among the requesting Holders in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(b) In connection with any offering involving an underwriting of shares of the Company's share capital pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by shareholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering (after inclusion in such registration of all of the Company's securities requested to be included therein) shall be allocated among the selling Holders as follows: (i) ***first***, that number of the Registrable Securities, which were requested to be included in such registration and are underlying Series F Preferred Shares, allocated among the requesting Holders in proportion (as nearly as practicable) to the number of Registrable Securities, which are underlying Series F Preferred Shares, then owned by each Holder or in such other proportion as shall mutually be agreed to by all such requesting applicable Holders, provided however that such total number of Registrable Securities does not exceed 40% of the maximum total Registrable Securities to be included in such registration (in the opinion of the underwriters); (ii) ***second***, that number of the Registrable Securities, which were requested to be included in such registration and are underlying Series E Preferred Shares, allocated among the requesting Holders in proportion (as nearly as practicable) to the number of Registrable Securities, which are underlying Series E Preferred Shares, then owned by each Holder or in such other proportion as shall mutually be agreed to by all such requesting applicable Holders, provided however such total number of Registrable Securities does not exceed 30% of the maximum total Registrable Securities to be included in such registration (in the opinion of the underwriters); (iii) ***third***, that number of the Registrable Securities, which were requested to be included in such registration and are underlying Series D Preferred Shares, allocated among the requesting Holders in proportion (as nearly as practicable) to the number of Registrable Securities, which are underlying Series D Preferred Shares, then owned by each Holder or in such other proportion as shall mutually be agreed to by all such requesting applicable Holders, provided however such total number of Registrable Securities does not exceed 30% of the maximum total Registrable Securities to be included in such registration (in the opinion of the underwriters); and thereafter (iv) if applicable, that number of the remaining Registrable Securities, which were requested to be included in such registration, allocated among the requesting Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering. For purposes of the provision in thisSection 2.3(b)concerning apportionment, for any selling Holder, such Holder and the Permitted Transferees of such Holder shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Section 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Section 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4. Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Ordinary Shares (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form F-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to thirty (30) days, if necessary, to keep the registration statement effective until all such Registrable Securities are either sold or may be sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities and/or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter**(s)** of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) use its commercially reasonable efforts to obtain and furnish, at the request of any Holder requesting registration of Registrable Securities pursuant to Section 2, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a registration pursuant to Section 2, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters and to the Holders requesting registration of Registrable Securities, provided that the delivery of any "10b-5 statement" and opinion may be conditioned on the prior or concurrent delivery of a comfort letter pursuant to subsection (ii) below, and (ii) a letter dated such date, from the independent certified public accountants of the Company (to the extent deliverable in accordance with their professional standards), in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities; provided, that the Company shall only be required to comply with this clause (h) in connection with an underwritten offering and subject to each selling Holder to whom the comfort letter is addressed providing a customary representation letter to the independent registered public accounting firm of the Company in form and substance reasonably satisfactory to such accountants;

(i) promptly make available for inspection by the selling Holders, any managing underwriter**(s)** participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(j) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(k) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5. Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6. Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for all the selling Holders("Selling Holders Counsel"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Initiating Holders (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the applicable Initiating Holders agree to forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b)**,** as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Section 2.1(a) or Section 2.1(b). All Selling Expenses other than reasonable fees and disbursements of Selling Holders Counsel relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7. Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8. Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and shareholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8**,** give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8**,** to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8**.**

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case, (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9. Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form F-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form F-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form F-3 (at any time after the Company so qualifies to use such form).

2.10. Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would provide to such holder the right to include securities in any registration other than on a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include**.**

2.11. "Market Stand-off" Agreement. In connection with the IPO, each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company for its own behalf of Ordinary Shares or any other equity securities under the Securities Act on a registration statement on Form F-1, or Form F-3, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days in the case of the IPO), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Ordinary Shares (held immediately before the effective date of the registration statement for such offering) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.11 (1) shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family or to Permitted Transferees of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (2) shall not be construed as to prohibit or limit the exercise during such period of warrants or options to purchase shares of the Company, and (3) shall be applicable to the Holders only if all officers, directors and shareholders individually owning more than one percent (1%) of the Company's outstanding Ordinary Shares (after giving effect to conversion into Ordinary Shares of all outstanding Preferred Shares) are subject to the same restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 2.11 and shall have the right, power, and authority to enforce the provisions hereof as though they were parties hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

2.12. Registration Outside the U.S. The provisions of Section 2 hereof shall apply also, *mutatis mutandis*, to any registration of shares of the Company in any jurisdiction other than the U.S. and all references to U.S. laws and regulations shall be deemed as made to the applicable relevant laws.

2.13. Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Section 2.1 or Section 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation (other than a Non-Liquidity Event, as defined in the Articles); and

(b) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration; and

(c) the 7th anniversary of the IPO.

3. Information Rights.

3.1. Delivery of Financial Statements. The Company shall deliver to each Major Investor:

(a) as soon as practicable, but in any event within 50 days after the end of each fiscal year of the Company, financial statement for such fiscal year, prepared in accordance with International Financial Reporting Standards ("IFRS"), audited by an accounting firm associated with one of the "Big 4" international accounting firms;

(b) as soon as practicable, but in any event within 35 days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited financial statements for such fiscal quarter, prepared in accordance with IFRS, consistently applied with prior practices for earlier periods, reviewed by such "Big 4" international accounting firm;

(c) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "Budget"), approved by the Board and prepared on a quarterly basis;

(d) as soon as practicable following such Major Investor's request, but in any event within 7 days *(or, if such requested information is not readily available for delivery or requires certain preparation or compilation by or on behalf the Company, then as soon as practicably thereafter)*, such other information relating to the financial condition, business, prospects, or corporate affairs of the Company and its subsidiaries as any Major Investor may from time to time reasonably request for purposes of good faith compliance with any disclosure obligation or requirement of such Major Investor under any applicable law or regulations; provided, however, that such Major Investor's request will be made in the most limited scope as required for the purposes of compliance with such applicable law;

(e) as soon as practicable following such Major Investor's request, but in any event within sixty (60) days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares of each class and series of share capital and securities convertible into or exercisable for share capital outstanding at the end of the period, the Ordinary Shares issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Ordinary Shares and the exchange ratio or exercise price applicable thereto, and the number of options (issued and not yet issued but reserved for issuance, if any), all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company on both issued and fully-diluted bases, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Without derogating from the foregoing, the Company shall deliver to any Investor which is either a public company, a regulated body or a provident fund ("Regulated Body"), as soon as practicable following such Investor's reasonable request, any information or report relating to the financial condition, business, prospects, or corporate affairs of the Company and its subsidiaries as may reasonably be requested by such Investor in order to comply with any obligation of such Investor under applicable law, including without limitation, Securities Laws, Stock Exchange rules and regulations and/or any request of the Stock Exchange, Securities Authority, Ministry of Finance or any other authority. Without derogating from the generality of the above, the Company was informed that such Regulated Bodies may be subject to the Securities Law, 5728-1968 and the regulations promulgated thereunder (together the "Securities Law"), as well as to the instructions of the professional staff of the Israel Securities Authority (the "Securities Authority"), and that the obligation of the Company under this paragraph is necessary in order to assist the Regulated Body to fulfill the aforementioned legal obligations.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes, based upon opinion of its counsel, it must do so to comply with the SEC rules applicable to such registration statement and related offering, except as required for a Regulated Body or any other Major Investor which is (or its controlling parent company is) a publicly traded company for purposes of compliance with its obligations under applicable law or regulations to issue annual, quarterly or other periodic reports; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2. Inspection. The Company shall permit each Major Investor and its representative (provided that the Board has not reasonably determined that such Major Investor is a competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its representatives, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a customary form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3. Accounting. The Company will maintain and cause each of its subsidiaries to maintain a system of accounting established and administered in accordance with IFRS consistently applied, and will set aside on its books and cause each of its operating subsidiaries to set aside on its respective books all such proper reserves as shall be required by IFRS.

3.4. Termination of Information Rights. The covenants set forth in Section 3.1 and Section 3.2 shall terminate and be of no further force or effect upon the earlier of the consummation of a Qualified IPO or a Deemed Liquidation under Article 6.5 thereof (as such terms are defined in the Articles), whichever event occurs first, subject to and immediately prior to the closing thereof.

3.5. Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company (whether pursuant to the terms of this Agreement or otherwise) (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach by such Investor of any confidentiality obligation), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Section 3.5; (iii) to any existing or prospective Affiliate, partner, member, shareholder, or wholly-owned subsidiary of such Investor in the ordinary course of business, provided thatsuch Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required for purposes of compliance by such Investor with any disclosure obligation or requirement of such Investor (or its controlling parent company) under applicable law or regulations, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. The members of the Board (including for such purpose, any observer to the Board) may share information regarding the Company's operating plans and budgets with the shareholders who appointed them, subject to enforceable confidentiality agreement, in a customary form acceptable to the Company.

3.6. Dividend Policy. As soon as is reasonably practicable after the end of each fiscal year and at such other time(s) as the Board shall specify, the Board shall consider the distribution of some or all of the profits of the Company available for distribution to the shareholders. The Board may, in making that determination, take into account the provisions of applicable law and the reasonable financial requirements of the Company. Notwithstanding the foregoing, until the payment in full to the holders of Series F Preferred Shares of their entire Preference F Amounts (as defined in the Articles), if, at any time, the Company grants an exclusive license of its intellectual property or assets and pursuant to such transaction, the Company has actually received non-refundable and non-contingent cash (revenues and/or receipts) in an amount which shall exceed US$ 50 Million (after deduction of VAT and any amounts paid in consideration for manufacturing, research and/or development and other third party expenses and royalties), then to the extent permitted under applicable law, and unless the Special F Majority otherwise agree, the shareholders will recommend to the Board to distribute, in accordance with the Dividend Provisions in the Articles (Article 5.3.1), the balance of all of its distributable profits accumulated and undistributed in respect of prior periods to that date BUT after allowing for and/or deducting the Company's budgeted expenditure for the next ensuing twenty-four (24) months. This section will expire upon the consummation of a Qualified IPO.

4. Bring Along; Stand-still.

4.1. Bring Along. Each Investor hereby agrees to be bound by, and further undertakes to comply in a timely manner and in all respects with, the terms and conditions of the Bring Along provisions set forth in Article 18.4 of the Articles.

4.2. Stand-still. Notwithstanding anything to the contrary contained in the Articles, Novartis' and its Affiliates' (collectively, the "Stand-Still Shareholders Group") holding percentage in Company's issued and outstanding share capital on an as-converted basis, at any time, shall be limited such that, unless approved by the holders of at least a majority of the voting power represented by the then issued and outstanding Preferred Shares (treated together as a single class, on an as-converted basis, without taking into account any Preferred Shares held by Novartis or any of its Affiliates), (i) in no event (whether pursuant to the purchase of shares or rights thereto from the Company, directly or by exercising preemptive rights pursuant to the Articles or similar participation rights, or from any shareholder of the Company (whether directly, by exercising first refusal rights pursuant to the Articles or otherwise), or by the conversion of any Convertible Securities or Options (as such terms are defined in the Articles) or the application of any anti-dilution protection, or by entering into any voting or similar agreement with any holder of an equity interest in the Company (other than voting undertakings actually taken by the holders of substantially all of the shares of the Company on a Fully Diluted Basis), or otherwise) shall Novartis and/or its Affiliates hold Ordinary Shares, Options or Convertible Securities (as such terms are defined in the Articles) constituting more than the Novartis Permitted Percentage of the issued and outstanding share capital of the Company (as defined below), and (ii) any issuance by the Company or Transfer (as defined in the Articles) by any party to Novartis or its Affiliates of any Ordinary Shares, Options or Convertible Securities, in a number that will result in Novartis and its Affiliates holding, in the aggregate, more than Novartis Permitted Percentage of the Company's issued and outstanding share capital, shall be null and void and shall not be recorded by the Company in its corporate records; provided, however, that nothing herein shall require Novartis or its Affiliates to sell or Transfer (a) any of the shares that have been issued to Novartis pursuant to those certain Investment Agreements by and between the Company and Novartis dated August 18, 2014 and October 9, 2015 and by and between the Company, Novartis and other investors dated June 18, 2017, nor any of the Ordinary Shares that are issuable to Novartis upon an exercise of the Ordinary Shares Warrant Agreement by and between the Company and Novartis dated September 1, 2014 or the Series F-2 Preferred Shares issuable upon exercise of the Warrant Agreement by and between the Company and Novartis dated July 3, 2017 in order to keep the Permitted Percentage. The "Novartis Permitted Percentage" shall mean the lesser of (i) 19.90% of the issued and outstanding share capital of the Company, or (ii) 19.90% of the voting power represented by the issued and outstanding share capital of the Company on an as-converted basis.

5. Miscellaneous.

5.1. Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of Registrable Securities that (i) is a Permitted Transferee of a Holder or (ii) is a Major Investor or becomes a Major Investor as a result of such transfer or assignment; provided, however, that (x) the Company is, as a condition to such transfer or assignment, furnished with written notice of the name and address of such transferee or assignee and the Registrable Securities with respect to which such rights are being transferred or assigned; and (y) such transferee or assignee agrees in a written instrument delivered to the Company, to be bound by and subject to the terms and conditions of this Agreement, including without limitation the provisions of Section 2.11above. For the purposes of determining the percentage of voting power held by a transferee, the holdings of a transferee that is a Permitted Transferee of a Holder shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

5.2. Governing Law; Jurisdiction. This Agreement and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of Israel, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Israel. Any dispute arising under or in relation to this Agreement shall be resolved exclusively in the competent court located in Tel Aviv-Jaffa, Israel, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such court.

5.3. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

5.4. Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

5.5. Notices. Any notice and other communication required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing, mailed by registered or certified mail, postage prepaid, or prepaid express courier service, transmitted by facsimile or email, or otherwise delivered by hand or by messenger, addressed to such party's address as set forth below, and will be effective and deemed given to such party on the earliest of the following: (a) the date of personal delivery (or refusal to receive); (b) one (1) Business Day (as defined in the Investment Agreement) after transmission via email, except where a notice is received stating that such email has not been successfully delivered); (c) one (1) Business Day after deposit with a return receipt express courier service; or (d) three (3) Business Days after deposit in local mail for registered or certified mail. All notices not delivered personally or by facsimile or email will be sent with postage and/or other charges prepaid and properly addressed to the party to be notified. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 5.5.

5.6. Amendments and Waivers. Notwithstanding anything to the contrary contained in this Section 5.6 or elsewhere in this Agreement, this Agreement shall terminate automatically upon a Deemed Liquidation event. Any term of this Agreement may be amended or terminated, only with the written consent of the Company and the holders of at least a majority of the Registrable Securities then outstanding, (i) except for the provisions set forth in Section 3 above (Information Rights) which may be amended or terminated only with the written consent of the Company and the holders of at least 70% of the Registrable Securities then outstanding (which 70% majority shall include the Special F Majority (as defined in the Articles)), and (ii) except for any rights that are specifically granted in this Agreement to the Series F Preferred Shares (and not merely by virtue of the inclusion of such shares within a group that also includes other shares, such as being included within the definition of Preferred Shares) (the "Series F Rights"), which may be amended or terminated only with the written consent of the Company and the Special F Majority, provided that no consent under this clause (ii) shall be required if such amendment or termination is made in connection with External Financing(s) (as defined in the Articles) in which (A) the rights of the Series F Preferred Shares are adversely affected in a manner that is proportionate to any adverse effect such amendment or termination would have on the rights hereunder of the other Preferred Shares then outstanding and (B) the percentage of participation of the Series F Preferred Shares in case of a 'cutback' under Section 2.3(a)(i) and 2.3(b)(i) above are reduced by not more than 50%. The observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company (if such term inures to the benefit of the Company) and/or the holders of at least a majority of the Registrable Securities then outstanding (if such term inures to the benefit of the Investors), (i) except that the observance of the provisions set forth in Section 3 above ('Information Rights') may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company (if such term inures to the benefit of the Company) and/or (if such term inures to the benefit of the Investors) the holders of at least 70% of the Registrable Securities then outstanding (which 70% majority shall include the Special F Majority), and (ii) except that the observance of the provisions setting forth the Series F Rights may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the holders of the Special F Majority if such waiver is made in connection with External Financing(s) (as defined in the Articles) in which (A) the rights of the Series F Preferred Shares are adversely affected in a manner that is proportionate to any adverse effect such waiver would have on the rights of the other Preferred Shares then outstanding under this Agreement and (B) the percentage of participation of the Series F Preferred Shares in case of a 'cutback' under Section 2.3(a)(i) or 2.3(b)(i) above are reduced by not more than 50%; provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion. The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Section 5.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

5.7. Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

5.8. Aggregation of Shares. All Registrable Securities held or acquired by Permitted Transferees shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Permitted Transferees may apportion such rights as among themselves in any manner they deem appropriate.

5.9. Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional Preferred Shares after the date hereof, whether pursuant to the Investment Agreement or otherwise, to a purchaser approved in advance and in writing by the Company and the holders of at least a majority of the Registrable Securities then outstanding, then such preapproved purchaser of Preferred Shares may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement with the Company, and agreeing in writing to be bound by all of the obligations as an "Investor" hereunder, whereupon Schedule A attached hereto shall be updated to include such additional Investor, and thereafter such preapproved purchaser shall be deemed an "Investor" for all purposes hereunder.

5.10. Entire Agreement. This Agreement (including any Schedules hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties (including without limitation the Prior Agreement (excluding those provisions thereof that terminate any prior agreements or rights) is expressly terminated and no further force and effect.

5.11. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such non-breaching or non-defaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

5.12. Further Action. Each of the parties shall take such actions, including the execution and delivery of further instruments and voting its shares in the Company, as may be necessary to give full effect to the provisions hereof and to the intent of the parties hereto.

5.13. Acknowledgment. The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Company:

Gamida Cell Ltd.
By: /s/ Yael Margolin
Chief Executive Officer

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors:

Shavit Capital Fund III (US), L.P.

By: Shavit Capital Fund 3 GP, LP
By: Shavit Capital Management 3 (GP) Ltd., its general partner:

By (sign name): /s/ Gary Leibler
Print Name: Gary Leibler
Title: Director

Shavit Capital Fund IV (US), L.P.

By: Shavit Capital Fund 4 GP, LP
By: Shavit Capital Management 4 (GP) Ltd., its general partner:

By (sign name): /s/ Gary Leibler
Print Name: Gary Leibler
Title: Director

Shavit Capital Fund 3 (Israel), L.P.

By: Shavit Capital Fund 3 GP, LP
By: Shavit Capital Management 3 (GP) Ltd., its general partner:

By (sign name): /s/ Gary Leibler
Print Name: Gary Leibler
Title: Director

Shavit Capital Fund 4 (Israel), L.P.

By: Shavit Capital Fund 4 GP, LP
By: Shavit Capital Management 4 (GP) Ltd., its general partner:

By (sign name): /s/ Gary Leibler
Print Name: Gary Leibler
Title: Director

Gabriel Capital Management Ltd.

By (sign name): /s/ Gary Leibler
Print Name: Gary Leibler
Title: Director

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

SMARTMIX LIMITED

By: /s/ Benny Chong
(Name & Title of Signatory)
Name: Benny Chong
Title: Director

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

ISRAEL BIOTECH FUND I, L.P.

By its general partner:

ISRAEL BIOTECH FUND GP PARTNERS, L.P.

By its general partner:

I.B.F. Management, Ltd.

By: /s/ Yuval Cabiily

Name: Yuval Cabiily
Title: Director

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

YELIN-LAPIDOT PROVIDENT
FUNDS MANAGEMENT LTD.
(as fiduciary manager solely on behalf of
certain managed provident funds)

By: /s/ Orit Oren
(Name & Title of Signatory)
Orit Oren
Portfolio Manager

/s/ Sany Zelka
Sany Zelka
Co-CEO

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

C.C.R Trustees in Investments
(as trustee for certain investors)

By: [Illegible Signature]
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

NOVARTIS PHARMA AG

By: [Illegible Signature]
Head Strategic Venture Capital Fund & Pharma Equities
(Name & Title of Signatory)

By: /s/Klupp Jochen
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Clal Biotechnology Industries

/s/Assaf Segal
By: Assaf Segal, CFO
(Name & Title of Signatory)

/s/ Ofer Goldberg
By: Ofer Goldberg, VP
(Name & Title of Signatory)

Bio Medical Investment (1997) Ltd.

/s/Assaf Segal
By: Assaf Segal, CFO
(Name & Title of Signatory)

/s/ Ofer Goldberg
By: Ofer Goldberg, VP
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Israel HealthCare Ventures 2 LP
Incorporated (IHCV II)

By: /s/ P.M. Whitford
(Name & Title of Signatory)

P.M. Whitford – Director
IHCV2 General
Partner Limited

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Joseph Investment LLC

By: [Illegible Signature]
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Your Niece Ltd. (on its own behalf and in trust)

By: /s/ Alan Glasenberg
(Name & Title of Signatory)

Alan Glasenberg
President

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

GC-SC Holdings LLC

By: /s/ Irene Susmano
(Name & Title of Signatory)

Irene Susmano
VP

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Ligon 205 Pty Ltd ATF The Summit Road Investment Trust

/s/ Bruce Fink

By: Mr. Bruce Fink, Director of Trustee
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

/s/ Harry Grynberg
Harry Grynberg

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Do-Tsach Ltd.

By: [Illegible Signature]
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

/s/ Gary Leibler
Gary Leibler

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Nordea Bank SA

By: _____
(Name & Title of Signatory)

Federman Enterprises Ltd

By: _____
(Name & Title of Signatory)

Lerosh Investments Ltd.

By: _____
(Name & Title of Signatory)

Indufin SA

By: _____
(Name & Title of Signatory)

Vintage Venture Partners, L.P.

By: _____
(Name & Title of Signatory)

Vintage Venture Partners (Parallel), L.P.

By: _____
(Name & Title of Signatory)

Vintage Venture Partners (Israel), L.P.

By: _____
(Name & Title of Signatory)

Vintage Venture Partners III (Cayman), L.P.

By: _____
(Name & Title of Signatory)

Vintage Venture Partners III (Israel), L.P.

By: _____
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Atara Technology Ventures Ltd.

By: _____
(Name & Title of Signatory)

Caremi Partners Ltd.

By: _____
(Name & Title of Signatory)

Rose Nominees Ltd.

By: _____
(Name & Title of Signatory)

Byrthen Holdings Limited

By: _____
(Name & Title of Signatory)

Sheipaula Ltd.

By: _____
(Name & Title of Signatory)

Dagon Batey Mamgurot LeIsrael Ltd.

By: _____
(Name & Title of Signatory)

Paramar Limited

By: _____
(Name & Title of Signatory)

Whitehall Financial Group Inc.

By: _____
(Name & Title of Signatory)

/s/Elie Zilkha
Elie Zilkha

Meir Riba

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Sage Holding Inc.

By: _____
(Name & Title of Signatory)

Denali Ventures LLC

By: _____
(Name & Title of Signatory)

Auriga Ventures

By: /s/ S. Descarpentries
(Name & Title of Signatory)

S. Descarpentries
Managing Partner

Socingestao Sociedade Independente de Gestao Limited

By: _____
(Name & Title of Signatory)

Atlas Capital SA.

By: _____
(Name & Title of Signatory)

B.J.Gottstein, LLC

By: _____
(Name & Title of Signatory)

/s/ Meir Shani
Meir Shani

[Gamida Cell Ltd./ Signature Page to
Amended & Restated Investors' Rights Agreement / 2017]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

The Investors (continued):

Ariel Landau

Elbit Cord Blood Limited Partnership

By: /s/ Doron Moshe
Doron Moshe

By: /s/ Yael Naftali
Yael Naftali

/s/ Benad Goldwasser
Benad Goldwasser

Yoseph Shimony
(in trust for Alejandro and Lida Zaffaroni)

Amir Beker

Goldwaser Investment and Management Ltd.

By: /s/ Benad Goldwasser
(Name & Title of Signatory)

Ehud Gilboa

Amgen Inc.

By:
(Name & Title of Signatory)

[Gamida Cell Ltd./ Signature Page to Amended & Restated Investors' Rights Agreement / 2017]

Schedule A - Investors Information

Investor	Address
Shavit Capital Fund III (US), L.P. Shavit Capital Fund 3 (Israel), L.P. Shavit Capital Fund IV (US), L.P. Shavit Capital Fund 4 (Israel), L.P. Gabriel Capital Management Ltd.	c/o Shavit Capital Jerusalem Technology Park – Malha Building 1B, Box 70 Jerusalem, Israel 96951 Fax: 972-2-649-0401
YELIN-LAPIDOT PROVIDENT FUNDS MANAGEMENT LTD. in its capacity as fiduciary manager solely on behalf of certain managed provident funds	Migdal Al, 50 Dizengoff St. Tel Aviv, 6433222 Israel Fax – 972-37132322 Attn.: Itay Danieli e-mail: itayd@yl-invest.co.il
C.C.R Trust in Investments Ltd. (as trustee)	c/o Chaikin Cohen Rubin & Co. Kiryat Atidim, Bldg. 4, PO 58143 Tel-Aviv, 6158002, Israel Fax: 03-6489946 Attn.: Dov Gutmman, CPA dov@ccrcpa.co.il
SMARTMIX LIMITED	c/o VMS Investment Group 49/F, One Exchange Square 8 Connaught Place, Central, Hong Kong Fax: +852 2996 2101 Attn.: Andrew Ng; Jason Ho email: andrewng@vmsig.com; jasonh@vmsig.com
Israel Biotech Fund I, L.P.	Ruhrberg Science Center Pekeris 3, Rehovot Israel 7670203 Fax: + 97237617730 Attn.: Sarit Steinberg, Adv., General Counsel email: Sarit@IsraelBiotechFund.com
Novartis Pharma AG	Lichstrasse 35 Postfach Legal Department Forum 2.6.16A Ch-4002 Basel Switzerland Attn.: General Counsel email: harshad.vaidya@novartis.com

Investor	Address
Clal Biotechnology Industries Ltd. Bio Medical Investment (1997) Ltd.	3 Azrieli Center, Triangle Tower 132 Menachem Begin St. Tel Aviv 6702301, Israel Fax. +972 3 6124545 Attn.: Shiran Manor, Adv. or Assaf Segal, CFO email: Shiran@cbi.co.il; Assaf@cbi.co.il
Israel HealthCare Ventures 2 LP Incorporated (IHCV II)	c/o Israel Health Care Ventures Ltd. 32 Habarzel St., Tel Aviv, 69710, Israel Fax: +972-3-6488474 Attn. : Dr. Hadar Ron, Managing Partner email: hron@ihcv.co.il
Joseph Investment LLC	c/o Tag Associates 810 Seventh Avenue, 7th Floor New York, NY 10019-5890 USA Attn: Clara Wong, cwong@tagassoc.com
Your Niece Ltd. (on its own behalf and in trust)	150 Signet Drive Toronto, ON M9L 1T9, Canada Attn: Jonathan Grauman, jgrauman@sherfam.com
GC-SC Holdings LLC	655 Third Avenue, 28th Floor New York, NY 10017 Attn: Irene Susmano, isusmano@arcny.com
Ligon 205 Pty Ltd ATF The Summit Road Investment Trust	Level 6, 77 Castlereagh Street Sydney, NSW 2000 Australia Attn: Bruce Fink, bfink@bickhamcourt.com.au
Harry Grynberg	Ephraim Abramson & Co. Beit Hatayelet 2 Beitar Street, 3rd Floor Jerusalem 93386 Israel Fax: (+972) 2 565 4001 Attn.: Harry Grynberg, Adv. and Ami Hordes, Adv. E-mail: hgrynberg@abramson-law.co.il and ahordes@abramson-law.co.il
Do-Tsach Ltd.	19 Kehilat Odesa Tel-Aviv 6951911 Israel

Investor	Address
Gary Leibler	c/o Shavit Capital Fund 4 (Israel), L.P. (at the address above)
Yoseph Shimony (in trust for Alejandro and Lida Zaffaroni)	5 Bedner, Ramat Gan, Israel Fax: 972-3-6116610 e-mail: yossi@shimony.com
Nordea Bank SA	Nordea Bank SA 532 Postfach St., Zuerich 8039, Suisse e-mail: Oscar.lewisonn@soditic.co.uk Attntion: Oscar Lewisonn
Lerosh Investments Ltd.	9 Ehad Ha'am St., Tel-Aviv 61291, Israel Fax: 972-3-5168188 e-mail: leroshinvest@lerosh.co.il Attention: Ms. Ruthi Gorenshtein
Indufin SA	Interleuvenlaan 15/D1, Heverlee 3001, Belgium Fax: +32-(0)16-39 30 49 e-mail: evelyne.ackermans@indufin.be Attention: Evelyn Ackerman
Vintage Venture Partners, L.P.	Aba Even 12, Hertzelia, Israel Fax: +972-9 9541012 e-mail:alanf@vintage-ip.com Attention: Alan Feld
Vintage Venture Partners (Parallel), L.P.	
Vintage Venture Partners (Israel), L.P.	
Vintage Venture Partners III (Cayman), L.P.	
Vintage Venture Partners III (Israel), L.P.	
Federman Enterprises Ltd	Hayarkon 99, Tel Aviv Israel e-mail: tzvika@federmann-ent.com Attention: Tsvika Federman
Atara Technology Ventures Ltd.	Hashalom 53, Givataaim, Israel e-mail: Sharonf3@fnx.co.il / yanivc2@fnx.co.il Attention: David Federman
Caremi Partners Ltd.	American Lane 2, GreenWich, Connecticut, U.S.A e-mail: sruchefsky@paloma.com Attention: Steven Ruchefsky
Rose Nominees Ltd.	The Grange, Rosenheath, P.O. Box 25, St. Peter Port, Guernsey, Channel Islands Fax: +44 1 481 714 796 e-mail: subs@gg.butterfieldgroup.com Attention: Maxine Vaudin

Investor	Address
Meir Riba	Mishael 4, Holon Israel 5883815 e-mail: eldadhadani@gmail.com / meirriba@orange.net.il Attention: Meir Riba
Sheipaula Ltd.	18 Luard Road, 1 Capital Place, Unit A, 19/F Wanchai, Hong Kong e-mail: jmd@floridienne.be Attention: Jean Marie Delwart
Dagon Batey Mamgurot LeIsrael Ltd.	P.O.Box 407, Haifa 3100301, Israel e-mail: aamit@dagon.co.il Attention: Amnon Amit
Paramar Limited	c/o Sodipra SA, 114 Rue du Rhone, Geneve 1204, Suisse e-mail: karin.meier@sodipra.com Attention: Karin Meier
Whitehall Financial Group Inc.	711 Fifth Avenue, 16th fl., New York, NY 10022, USA Fax: 212-634-3312 e-mail: lgould@whitehallcap.com Attention: Mr. Leon Gould
Elie Zilkha	c/o Sodipra SA, 114 Rue du Rhone, Geneve 1204, Suisse e-mail: elie.zilkha@gmail.com Attention: Elie Zilkha
Byrthen Holdings Limited	c/o Edoardo Bugnone chemin des Sansonnets 11 1222 Vésena Switzerland Fax: +41792002511 e-mail: edbugnone@bluewin.ch
Ariel Landau	30 Yehiam St., Ramat Hasharon, Israel 4730128 Fax: +972-3-5409347 e-mail: meir@dardar.co.il / mspigelman@skzlaw.co.il/nforer@skzlaw.co.il Attention: Meir Burstin / Noam Forer / Michael Spigelman

Investor	Address
Socingestao Sociedade Independente de Gestao Limited	c/o Edoardo Bugnone chemin des Sansonnets 11 1222 Vésena Switzerland Fax: +41792002511 e-mail: edbugnone@bluewin.ch
Sage Holding Inc.	c/o Atlanticominium SA. 24 Route de Malagnou, Geneve 1211, Suisse e-mail: Jeremy.Smouha@gam.com Attention: Jeremy Smouha
Atlas Capital SA.	116 Rue du Rhone, Geneve 1204, Suisse e-mail: avy.lugassy@gva.hyposwiss.ch robert.dwek@gva.hyposwiss.ch Attention: Avy Luassy/ Robert Dwek
Meir Shani	1st Altalef stree, Yahud, Israel 5621601 Fax: +972 -35360332 e-mail: meir@saholdings.com Attention: Meir Shani
Amir Beker	9 Mivsa Uvda, street, Rosh Haayin, Israel e-mail: amirbeker@gmail.com Attention: Amir Beker
Denali Ventures LLC	City Gate 2, 22 Ben-Gurion St. Herzelia, Israel e-mail: kate@carrgottstein.com/ dave@carrgottstein.com Attention: Dave Le Clair
B.J.Gottstein, LLC	c/o Denali Ventures LLC, City Gate 2, 22 Ben-Gurion St., Herzelia, Israel e-mail: kate@carrgottstein.com / dave@carrgottstein.com Attention: Dave Le Clair
Auriga Ventures	18 Avenue Matignon 75008 Paris, France e-mail: elbez@aurigapartners.com / descarpentries@aurigapartner.com Attention: Franck Elbez / Sebastien Descarpentries
Elbit Cord Blood Limited Partnership	7 Motah Gur st. Petach Tikva , Isarel Fax: +972 -3-6086050 e-mail: doron@elbitimaging.com Attention: Doron Moshe

Investor	Address
Benad Goldwasser	6 Herzl Rosenbaum St. Apt. 6114, Tel Aviv, Israel Fax: +972 -3-5100868 e-mail: benadgold@gmail.com Attention: Benad Goldwasser
Goldwaser Investment and Management Ltd.	
Ehud Gilboa	53 Hashsom street, Givaateim e-mail: gilboa@topnotchcapital.com
Amgen Inc.	One Amgen Center Drive, Thousand Oaks, CA 91320-1799, USA e-mail: munshi@amgen.com Attention: Abdul Safik Munshi

Exhibit 10.8

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

MANUFACTURING SERVICES AGREEMENT

This Manufacturing Services Agreement (the "**Agreement**") is made as of February 8, 2016, (the "**Effective Date**") between Lonza Walkersville, Inc., a Delaware corporation having its principal place of business at 8830 Biggs Ford Road, Walkersville, Maryland 21793 ("**LWI**"), and Gamida Cell Ltd., an Israeli corporation ("**CLIENT**") (each of LWI and CLIENT, a "**Party**" and, collectively, the "**Parties**").

RECITALS

A. CLIENT desires to have LWI produce a product containing human cells and intended for therapeutic use in humans, and LWI desires to produce such product.

B. CLIENT desires to have LWI conduct work according to individual Statement of Work, as further defined in Section 1.33 below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants hereinafter set forth, LWI and CLIENT, intending to be legally bound, hereby agree as follows:

AGREEMENT

1. DEFINITIONS

When used in this Agreement, capitalized terms will have the meanings as defined below and throughout this Agreement. Unless the context indicates otherwise, the singular will include the plural and the plural will include the singular.

1.1. "**Acceptance Period**" shall have the meaning set forth in Section 5.2.2.

1.2. "**Affiliate**" means, with respect to either Party, any other corporation or business entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition, the term "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means direct or indirect ownership of more than fifty percent (50%) of the securities or other ownership interests representing the equity voting stock or general partnership or membership interest of such entity or the power to direct or cause the direction of the management or policies of such entity, whether through the ownership of voting securities, by contract, or otherwise.

1.3. "**Background Intellectual Property**" means any Intellectual Property either (i) owned or controlled by a Party prior to the Effective Date or (ii) developed or acquired by a Party independently from performance under this Agreement during the term of the Agreement.

1.4. "**Batch**" means a specific quantity of Product that is intended to have uniform character and quality, within specified limits, and is produced according to a single manufacturing order during the same cycle of manufacture.

1.5. "**Batch Record**" means the production record pertaining to a Batch.

1.6. "**cGMP**" means the regulatory requirements for current good manufacturing practices promulgated by the FDA and the European Medicines Agency as may be amended from time to time.

1.7. "**Change Order**" has the meaning set forth in Section 2.2.

1.8. "**CLIENT Development Materials**" has the meaning set forth in Section 2.3.

1.9. "**CLIENT Inventions**" means any know-how or inventions, whether or not patentable, conceived, developed or reduced to practice by, or on the behalf of, CLIENT on or before the Effective Date.

1.10. "**CLIENT Materials**" means the CLIENT Development Materials and the CLIENT Production Materials.

1.11. "**CLIENT Personnel**" has the meaning set forth in Section 4.7.1.

1.12. "**CLIENT Production Materials**" has the meaning set forth in Section 4.1.

1.13. "**Commencement Date**" means the date set forth in the Statement of Work for the commencement of the production of the Product.

1.14. "**Confidential Information**" has the meaning set forth in Section 10.1.

1.15. "**Disapproval Notice**" shall have the meaning set forth in Section 5.2.2.

1.16. "**Facility**" means a multi-client cell-therapy facility operated by LWI located in Maryland.

1.17. "**FDA**" means the U.S. Food and Drug Administration, and any successor agency thereof.

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Confidential Treatment Requested Under 17 C.F.R. §§ 200.80(c) and 230.406

1.18. "**First Statement of Work**" has the meaning set forth in the definition of Statement of Work.

1.19. "**Intellectual Property**" means all worldwide patents, copyrights, trade secrets, know-how and all other intellectual property rights, including all applications and registrations with respect thereto, but excluding all trademarks, trade names, service marks, logos and other corporate identifiers.

1.20. "**LWI Inventions**" means any know-how, media, assays, methods or other inventions, whether or not patentable, conceived, developed or reduced to practice by LWI: (a) on or before the Effective Date; or (b) in connection with the performance of the Statement of Work.

1.21. "**LWI Operating Documents**" means the standard operating procedures, standard manufacturing procedures, raw material specifications, protocols, validation documentation, and supporting documentation used by LWI, such as environmental monitoring, for operation and maintenance of the Facility and LWI equipment used in the process of producing the Product, excluding any of the foregoing that are unique to the manufacture of Product.

1.22. "**LWI Parties**" has the meaning set forth in Section 15.2.

1.23. "**Master Production Record**" means the documentation developed by LWI that contains a detailed description of a Process and any other instructions to be followed by LWI in the production of a Product.

1.24. "**Materials**" means all raw materials and supplies to be used in the production of a Product.

1.25. "**Process**" means the manufacturing process for a Product developed by LWI pursuant to the terms of this Agreement.

1.26. "**Product**" has the meaning set forth in a Statement of Work.

1.27. "**Product Warranties**" means those warranties as specifically stated in Section 5.2.2.

1.28. "**Production Term**" shall have the meaning set forth in Section 4.3.

1.29. "**Quality Agreement**" means the Quality Agreement entered into by the Parties before March 31, 2016 (or such other date to be agreed by the Parties) relating to a Product.

1.30. "**Regulatory Approval**" means the approval by the FDA to market and sell the Product in the United States.

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

1.31. "**SOP**" means a standard operating procedure.

1.32. "**Specifications**" means the Product specifications set forth in the Statement of Work or as modified by the Parties in connection with the production of a particular Batch of Product hereunder.

1.33. "**Statement of Work**" or "**SOW**" means a plan to develop a Process or Product that is attached hereto as Appendix A or later becomes attached through an amendment by the Parties. The first Statement of Work, which is attached hereto, is numbered Appendix A-1 and is hereby incorporated and made a part of this Agreement (the "**First Statement of Work**"). It is contemplated that each separate project shall have its own Statement of Work. As each subsequent Statement of Work is agreed to by the Parties, each shall state that it is to be incorporated and made a part of this Agreement and shall be consecutively numbered as A-2, A-3, etc.

1.34. "**Technology Transfer**" means the transfer of documentation, specifications, and production process by CLIENT to LWI for the development of the Master Production Record for the manufacturing of the Product specifically for the CLIENT as further detailed in the SOW.

1.35. "**Third Party**" means any party other than LWI, CLIENT or their respective Affiliates.

2. Statements of Work - Process and Product Development; Technology Transfer; Process or Product Manufacture

2.1 Statement of Work. Prior to performing any Process or Product development, Technology Transfer, or Process or Product manufacture, the Parties will collaborate to develop a Statement of Work, describing the activities to be performed by the Parties, or, if specifically approved by CLIENT, to be subcontracted by LWI to Third Parties. Once agreed to by the Parties, the Statement of Work shall be executed by each of the Parties and appended hereto as part of Appendix A. In the event of a conflict between the terms and conditions of this Agreement and any Statement of Work, the terms and conditions of this Agreement shall control unless specified otherwise in the SOW.

2.2 Modification of Statement of Work. Should CLIENT want to change a Statement of Work or to include additional services to be provided by LWI, CLIENT may propose to LWI an amendment to the Statement of Work with the desired changes or additional services ("**Change Order**"). If LWI determines, in good faith, that it has the resources and capabilities to accommodate such Change Order, LWI will prepare a modified version of the Statement of Work reflecting such Change Order (including, without limitation, any changes to the estimated timing, estimated charges or scope of a project) and will submit such modified version of the Statement of Work to CLIENT for review and comment. The modified Statement of Work shall be binding on the Parties only if it refers to this Agreement, states that it is to be made a part thereof, and is signed by both Parties. Whereafter, such modified version of the Statement of Work will be deemed to have replaced the prior version of the Statement of Work. Notwithstanding the foregoing, if a modified version of the Statement of Work is not agreed to by both Parties, the existing Statement of Work shall remain in effect.

2.3 **CLIENT Deliverables**. Within the time period specified in a Statement of Work, CLIENT will provide LWI with (a) the materials listed in the Statement of Work for which CLIENT is responsible for delivering to LWI, and any handling instructions, protocols, SOPs and other documentation necessary to maintain the properties of such materials for the performance of the Statement of Work, and (b) any protocols, SOPs and other information and documentation in possession or control of CLIENT and necessary for the performance of the Statement of Work, and for the preparation of the Master Production Record in conformance with cGMP, including, without limitation, process information, SOPs, development data and reports, quality control assays, raw material specifications (including vendor, grade and sampling/testing requirements), product and sample packing and shipping instructions, and product specific cleaning and decontamination information (collectively, the "**CLIENT Development Materials**"). If CLIENT does not provide the CLIENT Development Materials within the time period specified in a Statement of Work, then CLIENT shall be responsible for any costs reasonably incurred by LWI arising from such failure, if any.

2.4 **Performance by LWI**. Subject to the provision by CLIENT of the CLIENT Development Materials pursuant to Section 2.3, LWI [*], subject to the terms of the Statement of Work or approval by CLIENT (such approval not to be unreasonably withheld), through a Third Party contractor, the work described in a Statement of Work [*] manner in accordance with the terms of this Agreement. LWI will use commercially reasonable efforts promptly to notify CLIENT of any material delays that arise during the performance of the Statement of Work.

3. Technology Transfer

3.1 Based on the information provided by CLIENT and including process changes developed by LWI pursuant to any applicable Statement of Work, LWI will prepare the Master Production Record for the Process in accordance with the schedule set forth in the Statement of Work. CLIENT will inform LWI of any specific requirements CLIENT may have relating to the Master Production Record, including, without limitation, any information or procedures CLIENT wishes to have incorporated therein. If LWI intends to include in the Master Production Record the use of any assay, medium, or other technology that is not commercially available, LWI will inform CLIENT of such intention and the Parties will meet to discuss and attempt to agree in good faith on the terms of use of such non-commercially available materials or technology in the Process.

3.2 CLIENT will cooperate with LWI to assist LWI to develop the Master Production Record and Process, including, without limitation, by providing LWI with additional information and procedures as may be required to create the Master Production Record, Process, and/or any of the following: (i) manufacturing process information, SOPs, development reports, (ii) quality control assays, (iii) raw material specifications (including vendor, grade and sampling/testing requirements), (iv) Product and sample packing and shipping instructions, (v) Product specific cleaning and decontamination information.

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3.3 LWI will deliver a draft version of the Master Production Record to CLIENT for its review and approval in accordance with the schedule set forth in the Statement of Work. CLIENT will notify LWI in writing of any objections it has to the draft Master Production Record, and upon such notification, representatives of LWI and CLIENT will meet promptly (whether in person or by teleconference) to resolve such objections. Upon CLIENT's written acceptance of the draft Master Production Record, or in the event that CLIENT does not submit a written notice setting forth CLIENT's objections to the draft Master Production Record within [*] days following receipt of such draft by CLIENT, such draft will be deemed approved by CLIENT.

3.4 The Process, Master Production Record, Specifications, and any improvements or modifications thereto developed during the term of this Agreement, but excluding any LWI Operating Documents, LWI Inventions or LWI Confidential Information included in any of the foregoing, will be deemed CLIENT Confidential Information and subject to the provisions set forth in Article 10. [*].

3.5 Any subsequent transfer of documentation, specifications, and production process [*] from LWI's facility in Walkersville, Maryland to another Facility for the manufacturing of the Product [*] shall be [*]; provided, however, that any such transfer [*], shall be [*]. For the avoidance of doubt, in the event a subsequent transfer is required for commercial manufacturing purposes, the Parties will [*].

4. Manufacture Of Product; Order Process; Deliveries

4.1 **CLIENT Deliverables.** Within any time period specified in and agreed to in any applicable Statement of Work, CLIENT will provide LWI with the materials listed in the Statement of Work required to be supplied by CLIENT for the production of the Product, and any handling instructions, protocols, SOPs and other documentation necessary to maintain the properties of such materials for the performance of the Statement of Work (collectively, the "**CLIENT Production Materials**").

4.2 **Commencement Date**. The Statement of Work will include a Commencement Date agreed upon by the Parties.

4.3 **Manufacture by LWI**. During the time period specified in any Statement of Work during which Product will be manufactured (the "**Production Term**"), LWI [*] package, ship, handle quality assurance and quality control for the Product, all as set forth in the Statement of Work, and [*] to manufacture and deliver to CLIENT the quantities of Product requested by CLIENT in the Statement of Work, all in accordance with the terms set forth in Section 4.4 below.

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4.4 **Packaging and Shipping**. LWI [*] package and label the Product for shipment in accordance with the Master Production Record and LWI's standard practices in effect at the time of performance by LWI. LWI will ship the Product FCA Facility to a common carrier designated by CLIENT to LWI in writing not less than ten days prior to the applicable delivery date unless otherwise agreed to in the Statement of Work. CLIENT will provide to LWI its account number with the selected carrier and will pay for all shipping costs in connection with each shipment of Product. Each shipment will be accompanied by the documentation listed in the Statement of Work. Risk and title in the Product will pass upon delivery to the carrier. LWI will use best efforts to deliver each shipment of Product to CLIENT on the requested delivery date for such shipment. Notwithstanding the foregoing, in the event CLIENT changes the originally proposed delivery date or time within 5 days from the delivery time, LWI will use [*] to comply with the new date/time of delivery ("**Expedited Delivery**"); provided, however, that LWI shall have no liability in the event it does not or cannot comply with the new date and/or time to the extent LWI used its [*]; provided, further, however, that LWI shall be entitled to increase any and all fees associated with Expedited Delivery. LWI will promptly notify CLIENT if LWI reasonably believes that it will be unable to meet a delivery date. CLIENT shall be required to take delivery of a Batch of Product within [*] after completion of such Batch in accordance with Section 5.2 (the "**Delivery Period**") and no fees will charged for storage of the Batch during the Delivery Period.

4.5 **Quality Agreement**. Upon the decision to manufacture a Product according to a Statement of Work, the Parties shall enter into a separate Quality Agreement which will be based upon the quality agreement previously executed between the Parties, in a form to be agreed upon by the Parties as soon as practicable following the Effective Date (acting expeditiously and in good faith), setting forth the terms for Product quality, quantity, price, and any other terms necessary for such agreements. Such Quality Agreement when executed shall be separately appended to this Agreement.

4.6 **Records**. LWI will maintain accurate records for the production of the Product, as required by applicable laws and regulations. LWI will retain possession of the Master Production Record, all Batch Records and LWI Operating Documents, and will make copies thereof available to CLIENT in a joint database. LWI Operating Documents will remain LWI Confidential Information. CLIENT will have the right to use and reference any of the foregoing in connection with a filing for Regulatory Approval of the Product or as otherwise authorized by the Agreement.

4.7 **CLIENT Access**.

4.7.1 CLIENT's employees and agents (including its independent contractors) (collectively, "**CLIENT Personnel**") may participate in the production of the Product only in such capacities as agreed in the Quality Agreement and as may be approved in writing in advance by LWI. Such approval not to be unreasonably withheld or delayed. CLIENT Personnel working at the Facility are required to comply with LWI's Operating Documents and any other applicable LWI facility and/or safety policies. For the avoidance of doubt, CLIENT Personnel may not physically participate in the production or manufacture of any Product that may be used in or on humans.

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4.7.2 CLIENT Personnel working at the Facility will be and remain employees of CLIENT, and CLIENT will be solely responsible for the payment of compensation for such CLIENT Personnel (including applicable Federal, state and local withholding, FICA and other payroll taxes, workers' compensation insurance, health insurance, and other similar statutory and fringe benefits). CLIENT covenants and agrees to maintain workers' compensation benefits and employers' liability insurance as required by applicable law with respect to all CLIENT Personnel working at the Facility.

4.7.3 CLIENT will pay for the actual cost of repairing or replacing to its previous status (to the extent that LWI determines, in its reasonable judgment, that repairs cannot be adequately effected) any property of LWI damaged or destroyed by CLIENT Personnel (as shall be reasonably proven by LWI), provided CLIENT shall not be liable for repair or replacement costs resulting from ordinary wear and tear.

4.7.4 CLIENT Personnel visiting or having access to the Facility will abide by LWI standard policies, operating procedures and the security procedures established by LWI. CLIENT will be liable for any breaches of security by CLIENT Personnel. In addition, CLIENT will reimburse LWI for the cost of any lost security cards issued to CLIENT Personnel, at the rate of $50 per security card. All CLIENT Personnel will agree to abide by LWI policies and SOPs established by LWI and conveyed in writing to CLIENT, and will sign an appropriate confidentiality agreement.

4.7.5 CLIENT will indemnify and hold harmless LWI from and against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) arising out of any injuries suffered by CLIENT Personnel while at the Facility or elsewhere, except to the extent caused by the gross negligence or willful misconduct on the part of any LWI Party.

4.8 **Disclaimers**. CLIENT acknowledges and agrees that LWI Parties will not engage in any Product refinement or development of the Product, other than as expressly set forth in this Agreement and the Statement of Work. CLIENT acknowledges and agrees that LWI Parties have not participated in the invention or testing of any Product, and have not evaluated its safety or suitability for use in humans or otherwise.

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5. PRODUCT WARRANTIES; ACCEPTANCE AND REJECTION OF PRODUCTS

5.1 Product Warranties. LWI warrants that any Product manufactured by LWI pursuant to this Agreement, at the time of delivery pursuant to Section 4.4: (a) conforms to the Specifications; (b) was manufactured in accordance with the Master Production Record; and (c) was manufactured in accordance with cGMP.

5.2 Approval of Shipment.

5.2.1 When the Product ordered by CLIENT is ready for delivery, LWI will notify CLIENT and supply CLIENT with the required documentation set forth in the Statement of Work.

5.2.2 Within [*] after CLIENT's receipt of such documentation regarding such Product (the "**Acceptance Period**"), Client shall determine by review of such documentation whether or not the given Batch conforms to the product warranties set forth in Section 5.1 above ("**Product Warranties**"). If CLIENT asserts that the Product does not comply with the Product Warranties set forth in Section 5.1 above, CLIENT will deliver to LWI, in accordance with the notice provisions set forth in Section 17.4 hereof, written notice of disapproval (the "**Disapproval Notice**") of such Product, stating in reasonable detail the basis for such assertion of non-compliance with the Product Warranties. If a valid Disapproval Notice is received by LWI during the Acceptance Period, then LWI and CLIENT will provide one another with all related paperwork and records (including, but not limited to, quality control tests) relating to both the production of the Product and the Disapproval Notice. If a valid Disapproval Notice is not received during the Acceptance Period, the Product will be deemed accepted and ready for shipment. Upon acceptance, the Product shall be delivered to CLIENT, and CLIENT shall accept delivery thereof, within the Delivery Period. Title and risk of loss to such Product shall pass to CLIENT at the time of acceptance, provided that LWI shall use commercially reasonable efforts to continue to comply with the Quality Agreement.

5.3 Dispute Resolution. LWI and CLIENT will attempt to resolve any dispute regarding the conformity of a shipment of Product with the Product Warranties. If such dispute cannot be settled within [*] of the submission by each Party of such related paperwork and records to the other Party, and if the Product is alleged not to conform with the Product Warranties set forth in Section 5.1(a), then CLIENT will submit a sample of the Batch of the disputed shipment to an independent testing laboratory of recognized repute selected by CLIENT and approved by LWI (such approval not to be unreasonably withheld, delayed or conditioned) for analysis, under quality assurance approved procedures, of the conformity of such shipment of Product with the Specifications. The costs associated with such analysis by such independent testing laboratory will be paid by the Party whose assessment of the conformity of the shipment of Product with the Specifications was mistaken. Without derogating the foregoing, it is agreed that to the extent such independent testing laboratory is unable determine whether the shipment of Product conforms with the Product Warranties, then the dispute will be submitted to an arbitrator, with the requisite scientific background and training selected jointly by LWI and CLIENT. Such arbitrator, employing the Commercial Arbitration Rules of the American Arbitration Association, will determine whether the Product shipped by LWI conforms with the Product Warranties and either Party's responsibility to any nonconformity discovered (if any), and such arbitrator's findings will be final and binding. The arbitration shall take place in New York. The costs and expenses of such arbitrator will be borne by the party that does not prevail in the arbitration proceeding.

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5.4 Remedies for Non-Conforming Product.

5.4.1 In the event that the Parties agree, or an independent testing laboratory or arbitrator, as applicable, determines, pursuant to Section 5.3, that a Batch of Product materially fails to conform to the Product Warranties (for clarity, CLIENT's inability to use such Batch caused by non-conformance with the Product Warranties as determined by an independent testing laboratory or an arbitrator, as applicable, of Product shall be deemed, *inter alia*, a material failure) due to the failure of: (a) LWI personnel properly to execute the Master Production Record, (b) LWI personnel to comply with cGMP, or (c) the Facility utilities, then, at CLIENT's request, LWI will produce for CLIENT sufficient quantities of Product to replace the non-conforming portion of such Batch of Product or provide another Batch of Product in accordance with CLIENT's reasonable request (the "**Production Rerun**"), in accordance with the provisions of this Agreement and at no additional cost to CLIENT; provided, however, CLIENT shall have first paid for the original Batch of Product.

5.4.2 In the event that the Parties agree, or an independent testing laboratory determines, pursuant to Section 5.3, that a Batch of Product materially fails to conform to the Product Warranties for any reason other than as set forth in Section 5.4.1, then LWI shall have no liability to CLIENT with respect to such Batch and LWI will, at CLIENT's request, produce for CLIENT a Production Rerun at CLIENT's expense.

5.4.3 CLIENT acknowledges and agrees that its sole remedy with respect to the failure of Product to conform with any of the Product Warranties (except to the extent such failure is caused due to LWI's gross negligence or willful misconduct) are (i) as set forth in this Section 5.4, and (ii) when [*] Production Reruns are produced (pursuant to Section 5.4.1), and the [*] Production Rerun materially fails to conform to the Product Warranties due to: (a) LWI personnel to properly execute the Master Production Record, (b) LWI personnel to comply with cGMP, or (c) the Facility utilities, then CLIENT may terminate this Agreement [*], and in furtherance thereof, CLIENT hereby waives all other remedies at law or in equity regarding the foregoing claims.

6. Damage or Destruction of Materials and/or Product

6.1 Remedies. If during the manufacture of Product pursuant to this Agreement, including without limitation during the Technology Transfer procedures, Product and/or Materials are destroyed or damaged by LWI Personnel, and such damage or destruction resulted from LWI's failure to execute the Process in conformity with the Master Production Record, then, except as provided in Section 6.2 below, LWI, as soon as it is commercially practicable to do so, will provide CLIENT with additional Product production time equal to the actual time lost because of the destruction or damage of the Product and/or Materials and will replace such Product and/or Materials at no additional cost to CLIENT. CLIENT acknowledges and agrees that its sole remedy with respect to damaged or destroyed Materials and/or Product (except for the non-conformity of shipped Product described in Section 5) is as set forth in this Section 6.1, and in furtherance thereof, CLIENT hereby waives all other remedies at law or in equity regarding the foregoing claims.

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6.2 **Limitations**. Notwithstanding anything to the contrary set forth in the preceding Section 6.1, if during the manufacture of Product pursuant to this Agreement, Product or Materials are destroyed or damaged by LWI Personnel while LWI Personnel were acting at the direction of CLIENT Personnel and such damage or destruction of the Materials resulted directly from the directions by CLIENT Personnel, then LWI will have no liability to CLIENT as the result of such destruction or damage.

7. Storage Of Materials

7.1 **Pre-Production**. LWI will store at the expense of CLIENT any CLIENT Materials, equipment or other property delivered pursuant to the Statement of Work to the Facility by CLIENT more than [*] prior to the Commencement Date. The storage rates will be set forth in the Statement of Work and may be amended from time to time by LWI. No storage fees will be charged during the period starting [*] prior to the Commencement Date and ending upon the expiration or termination of the Production Term.

7.2 **Post-Production**. LWI will store at the Facility free of charge any in–process materials, CLIENT Materials, equipment and other CLIENT property (other than Product manufactured hereunder) that remains at the Facility on the date of expiration or termination of the Production Term (collectively "**Remaining CLIENT Property**"), for up to [*] calendar days. If CLIENT has not provided any instructions as to the shipment or other disposition of Remaining CLIENT Property prior to the expiration of such [*]-day period, LWI may, in its sole discretion, and after notifying the same to the Client in writing (and confirming the receipt of such notice), destroy such Remaining CLIENT Property, or continue to store such Remaining CLIENT Property at the Facility or elsewhere. In the event that LWI continues to store such Remaining CLIENT Property, CLIENT will pay to LWI a storage charge at LWI's then-standard storage rates for the period beginning on the [*] day after the expiration or termination of the Production Term through the date that the storage terminates.

7.3 **Product**. Notwithstanding the foregoing, if CLIENT fails to take delivery of a Product within the applicable Delivery Period as required by Section 4.4, LWI shall have the right to immediately dispose of the Product without Client's approval.

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8. Regulatory Matters

8.1 Permits and Approvals. During the Production Term, LWI will maintain any currently known licenses, permits and approvals necessary for the manufacture of the Product in the Facility and use its best efforts to obtain new licenses, permits and approvals necessary for the manufacture of the Product in the Facility. LWI will promptly notify CLIENT if LWI receives notice that any such license, permit, or approval is or may be refused, revoked or suspended.

8.2 Inspections/Quality Audit by CLIENT. Up to [*] during the Production Term and upon not less than [*] prior written notice, LWI will permit CLIENT to inspect and audit the parts of the Facility where the manufacture of the Product is carried out in order to assess LWI's compliance with cGMP. In the event that, in the reasonable opinion of CLIENT, corrective action is necessary so as to cause LWI to comply with the requirements of cGMP, then LWI and CLIENT will meet to discuss in good faith (i) a potential action plan with respect to same and (ii) any costs associated with such action plan, provided that [*] shall bear all costs in connection with [*] and [*] shall bear all costs in connection with [*]. CLIENT shall have the right to additional audit if LWI receives notice that any necessary license, permit, or approval is or may be refused, revoked or suspended, following any Product found to have failed to confirm with Specifications or performance of an action plan or following any correction of any finding during CLIENT's audit. CLIENT Personnel engaged in such inspection will abide by the terms and conditions set forth in Sections 4.9.4 and 10.

8.3 Inspections by Regulatory Agencies. LWI will allow representatives of any regulatory agency to inspect the relevant parts of the Facility where the manufacture of the Product is carried out and to inspect the Master Production Record and Batch Records to verify compliance with cGMP and other practices or regulations and will promptly notify CLIENT of the scheduling of any such inspection relating to the manufacture of Product. LWI will promptly send to CLIENT a copy of any reports, citations, or warning letters received by LWI in connection with an inspection of a regulatory agency to the extent such documents relate to or affect the manufacture of the Product. If a regulatory agency notifies LWI and/or Client that certain actions are required by LWI in order to comply with the regulations applicable to the manufacture of Product ("**Compliance Actions**"), then LWI shall, at no additional charge to CLIENT, perform such Compliance Actions as soon as practicable.

9. Financial Terms

9.1 Payments. CLIENT will make payments to LWI in the amounts and on the dates set forth in the Statement of Work upon receipt of an invoice from LWI. In the event that CLIENT has not paid an invoice within [*] business days of the applicable due date (as established by Section 9.3), CLIENT's failure shall be considered a material breach under Section 14.2, subject to the cure provisions set forth therein. Further, in addition to all other remedies available to LWI, in the event that CLIENT has not paid an invoice with respect to undisputed charges within [*] business days of the applicable due date (as established by Section 9.3), LWI may elect to suspend the provision of all or a portion of the services under this Agreement, provided that CLIENT shall remain liable for all fees owed pursuant to the Statement of Work during any such suspension. In the event that CLIENT has a reasonable dispute with regard to any amounts invoice, CLIENT shall provide written notice of such dispute, in reasonable detail, within [*] business days of receipt of invoice. The Parties shall meet to discuss such dispute and shall use commercially reasonable efforts to resolve any such dispute within [*] business days after the date of such written notice. Upon the determination that the amount is no longer in dispute and is and was properly payable, such amount shall be payable immediately, together with interest (at the rate set forth in Section 9.5 below) accrued as of the date such dispute was resolved. In the event that CLIENT has not paid an undisputed invoice within [*] business days of the applicable due date (as established by the preceding sentences), CLIENT's failure shall be considered a material breach under this Agreement.

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9.2 **Security Deposit**. The Security Deposit, as defined in the Statement of Work, will be returned to CLIENT within [*] days after the date of expiration or termination of this Agreement, if CLIENT has paid all fees, charges, or other payments due in connection with charges incurred prior to the expiration or termination of this Agreement, including, but not limited to, charges for lost, destroyed, stolen or damaged property of LWI (all such fees, charges, or other payments being called "**Obligations**"). If any Obligations remain outstanding after the date of expiration or termination of this Agreement, then LWI, after notifying CLIENT in writing in advance, shall be entitled to apply the Security Deposit against the payment of such Obligations. The amount of the Security Deposit remaining, if any, after such application will be returned to CLIENT. CLIENT shall remain liable to LWI for any deficiencies remaining after the application of the Security Deposit against the Obligations.

9.3 **Invoices and Pricing**. Within [*] days of the end of each month during which charges were incurred, LWI will provide CLIENT with an invoice setting forth a detailed account of any fees, expenses, or other payments payable by CLIENT under this Agreement for the preceding month. The amounts set forth in each such invoice which has been received by CLIENT prior to the [*] day of each month will be due and payable by the end of such month. However, any invoice which will be received by CLIENT after the [*] day of the each month will be due and payable by the end of the next month. All pricing excludes costs relating to shipping, validation and regulatory filings, all taxes shall be paid in accordance with the provisions of Section 9.4 below. The price of Product manufactured outside of the United States shall be invoiced to CLIENT in either the local currency of the location of the Facility in which the Product is manufactured or such other currency mutually agreed by the Parties.

9.4 **Taxes**. All amounts due under this Agreement are exclusive of any Value Added Tax or of any other applicable taxes, levies, imposts, duties and fees of whatever nature imposed by or under the authority of any government or public authority which shall be paid by CLIENT. CLIENT shall be entitled to deduct and withhold from the amount payable the tax which CLIENT is liable under any provisions of tax law. If the withholding tax rate is reduced according to the regulations in the Double Tax Treaty, no deduction shall be made or a reduced amount shall be deducted only if CLIENT is timely furnished with necessary documents by LWI. Any withheld tax shall be treated as having been paid by CLIENT to LWI for all purposes of this Agreement. CLIENT shall timely forward the tax receipts certifying the payments of withholding tax on behalf of LWI.

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9.5 **Interest**. Any fee, charge or other payment due to LWI by CLIENT under this Agreement that is not paid within 30 days after it is due will accrue interest on a daily basis at a rate of [*] (or the maximum legal interest rate allowed by applicable law, if less) from and after such date.

9.6 **Method of Payment**. Except as otherwise set forth in Section 9.3, all payments to LWI hereunder by CLIENT will be in United States currency and will be by check, wire transfer, money order, or other method of payment approved by LWI. Bank information for wire transfers is as follows:

Mailing address for wire transfer payments:

[*]

ABA# for wires and ACH for our account = [*]

[*]

9.7 **Cost Adjustments**. In the event of mutually agreed upon changes to a Statement of Work, LWI may annually adjust the costs and rates directly and solely attributable to such changes to the applicable Statement of Work; provided, however, that any increase in labor rates shall not exceed any percentage increase in the [*] for the most recently published percentage change for the 12-month period preceding the applicable contract anniversary date. LWI agrees to provide CLIENT with written notice and reasonable documentation of any such cost adjustment at least [*] days prior.

10. CONFIDENTIAL INFORMATION

10.1 **Definition**. "**Confidential Information**" means all technical, scientific and other know-how and information, trade secrets, knowledge, technology, means, methods, processes, practices, formulas, instructions, skills, techniques, procedures, specifications, data, results and other material, pre-clinical and clinical trial results, manufacturing procedures, test procedures and purification and isolation techniques, and any tangible embodiments of any of the foregoing, and any scientific, manufacturing, marketing and business plans, any financial and personnel matters relating to a Party or its present or future products, sales, suppliers, customers, employees, investors or business, that has been disclosed by or on behalf of such Party or such Party's Affiliates to the other Party or the other Party's Affiliates either in connection with the discussions and negotiations pertaining to this Agreement or in the course of performing this Agreement. Without limiting the foregoing, the terms of this Agreement will be deemed "Confidential Information" and will be subject to the terms and conditions set forth in this Article 10.

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10.2 Exclusions. Notwithstanding the foregoing Section 10.1, any information disclosed by a Party to the other Party will not be deemed "Confidential Information" to the extent that such information:

(a) at the time of disclosure is in the public domain;

(b) becomes part of the public domain, by publication or otherwise, through no fault of the Party receiving such information;

(c) at the time of disclosure is already in possession of the Party who received such information, as established by contemporaneous written records;

(d) is lawfully provided to a Party, without restriction as to confidentiality or use, by a Third Party lawfully entitled to possession of such Confidential Information; or

(e) is independently developed by a Party without use of or reference to the other Party's Confidential Information, as established by contemporaneous written records.

To remove doubt, it is expressly stated that the fact that a specific part of the Confidential Information is encompassed by more general Confidential Information which falls within one of the exemptions stated in this Section 10.2, or the fact that any Confidential Information is a combination of individual items of Confidential Information which, individually, fall within the above-mentioned exemptions, shall not itself result in such Confidential Information itself falling within the above-mentioned exemptions.

10.3 Disclosure and Use Restriction. Except as expressly provided herein, the Parties agree that for the longer of (i) [*] years from the Effective Date, and (ii) the term of this Agreement and the [*]-year period following any termination of this Agreement, each Party and its Affiliates will keep completely confidential and will not publish or otherwise disclose any Confidential Information of the other Party, its Affiliates or sublicensees, except in accordance with Section 10.4. Neither Party will use Confidential Information of the other Party except as necessary to perform its obligations or to exercise its rights under this Agreement.

10.4 Permitted Disclosures. Each receiving Party agrees to (i) institute and maintain security procedures to identify and account for all copies of Confidential Information of the disclosing Party and (ii) limit disclosure of the disclosing Party's Confidential Information to its Affiliates and each of its and their respective officers, directors, employees, agents, consultants and independent contractors having a need to know such Confidential Information for purposes of this Agreement; provided that such Affiliates and each of its and their respective officers, directors, employees, agents, consultants and independent contractors are informed of the terms of this Agreement and are subject to obligations of confidentiality, non-disclosure and non-use similar to those set forth herein. Provided further that the receiving Party shall remain liable for any breach of the obligations hereunder by the entities and individuals described in this Section 10.4.

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Confidential Treatment Requested Under 17 C.F.R. §§ 200.80(c) and 230.406

10.5 Government-Required Disclosure. If a duly constituted government authority, court or regulatory agency orders that a Party hereto disclose information subject to an obligation of confidentiality under this Agreement, such Party shall comply with the order, but shall notify the other Party as soon as possible, so as to provide the said Party an opportunity to apply to a court of record for relief from the order.

10.6 Publicity. Neither Party will refer to, display or use the other's name, trademarks or trade names confusingly similar thereto, alone or in conjunction with any other words or names, in any manner or connection whatsoever, including any publication, article, or any form of advertising or publicity, except with the prior written consent of the other Party.

11. Intellectual Property

11.1 Ownership.

11.1.1 Except as expressly otherwise provided herein, neither Party will, as a result of this Agreement, acquire any right, title, or interest in any Background Intellectual Property of the other Party. Except as expressly otherwise provided herein, ownership of any Intellectual Property that is developed, conceived, invented, first reduced to practice or made in connection with the performance under this Agreement shall follow inventorship all as determined under applicable laws.

11.1.2 CLIENT shall own all right, title, and interest in and to any and all Intellectual Property that LWI and/or its Affiliates develops, conceives, invents, first reduces to practice or makes, solely or jointly with CLIENT or others, that is [*] and/or [*] (collectively, "CLIENT New IP"). LWI hereby assigns to CLIENT all of LWI's right, title and interest in and to such CLIENT New IP. LWI shall promptly disclose to CLIENT in writing all CLIENT New IP. LWI shall execute, and shall require its personnel as well as its Affiliates, or other contractors or agents and their personnel involved in the performance of this Agreement to execute, any documents reasonably required to confirm CLIENT's ownership of CLIENT New IP, and any documents required to apply for, maintain and enforce any patent or other right in the CLIENT New IP.

11.1.3 **[***], LWI shall own all right, title and interest in "LWI New IP", which as used in this Agreement means Intellectual Property that LWI and/or its Affiliates, or other contractors or agents of LWI develops, conceives, invents, or first reduces to practice or makes in the course of performance under this Agreement that (i) is [*] or (ii) is [*]. For avoidance of doubt, "LWI New IP" shall include any material, processes or other items that embody, or that are claimed or covered by, any of the foregoing Intellectual Property. For the removal of doubt, LWI New IP shall not include CLIENT New IP, as defined above. CLIENT hereby assigns to LWI all of CLIENT's right, title and interest in and to such LWI New IP. CLIENT shall promptly disclose to LWI in writing all LWI New IP. CLIENT shall execute, and shall require its personnel as well as its Affiliates, or other contractors or agents and their personnel involved in the performance of this Agreement to execute, any documents reasonably required to confirm LWI's ownership of the LWI New IP, and any documents required to apply for, maintain and enforce any patent or other right in the LWI New IP.

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

11.2 License Grants.

11.2.1 During the term of this Agreement, CLIENT hereby grants to LWI a fully paid, revocable, non-exclusive license under any and all CLIENT Intellectual Property that is necessary for LWI to perform its obligations under this Agreement for the sole and limited purpose of LWI's performance of its obligations under this Agreement, including, without limitation, the development of the Process and the development of the Process and the manufacture of Product for CLIENT.

11.2.2 Subject to the terms and conditions set forth herein (including the payment required under this Agreement), LWI hereby grants to CLIENT a non-exclusive, world-wide, fully paid-up, irrevocable, transferable license, including the right to grant sublicenses, under the LWI New IP, [*].

11.3 Further Assurances. Each Party agrees to take all necessary and proper acts, and will cause its employees, Affiliates, contractors, and consultants to take such necessary and proper acts, to effectuate the ownership provisions set forth in this Article 11.

11.4 Prosecution of Patents.

11.4.1 LWI will have the sole right and discretion to file, prosecute and maintain patent applications and patents claiming LWI Inventions at LWI's expense. CLIENT will reasonably cooperate with LWI to file, prosecute and maintain patent applications and patents claiming LWI Inventions, and will have the right to review and provide comments to LWI relating to such patent applications and patents.

11.4.2 CLIENT will have the sole right and discretion to file, prosecute and maintain patent applications and patents claiming CLIENT Inventions at CLIENT's expense. LWI will reasonably cooperate with CLIENT to file, prosecute and maintain patent applications and patents claiming CLIENT Inventions, and will have the right to review and provide comments to CLIENT relating to such patent applications and patents.

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12. Representations and Warranties

12.1 By CLIENT. CLIENT hereby represents and warrants to LWI that it has the full corporate right, power, and authority to enter into this Agreement and perform its obligations hereunder. CLIENT further represents and warrants to LWI that, to the best of its knowledge, (i) it has the requisite intellectual property and legal rights related to the CLIENT Materials and the Product to authorize the performance of LWI's obligations under this Agreement, and (ii) the performance of the Statement of Work and the production by LWI of the Product as contemplated in this Agreement will not give rise to a potential cause of action by a Third Party against LWI for infringement or another violation of intellectual property rights. Such representation and warranty will not apply to any production equipment supplied by LWI, or any performance under LWI's SOPs or in connection with LWI Intellectual Property or Confidential Information of LWI to the extent that such infringement or another violation of intellectual property rights is solely due to LWI's SOPs, LWI Intellectual Property or Confidential Information of LWI.

12.2 By LWI. LWI hereby represents and warrants to CLIENT that it has the full corporate right, power, and authority to enter into this Agreement and perform its obligations hereunder. LWI further represents and warrants to Client that, to the best of its knowledge, (i) it or its Affiliates have the requisite intellectual property rights in its equipment and Facility to be able to perform its obligations under this Agreement, (ii) [*] and (iii) neither LWI, nor any of its or its Affiliates' respective directors, officers, employees and agents, is known to have been, debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any health care program by any federal or state law or regulation. LWI undertakes to promptly notice the CLIENT should the situations described in the precedent sentence changes. \

13. Disclaimer; Limitation of Liability

13.1 DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, LWI MAKES NO REPRESENTATIONS AND GRANTS NO WARRANTIES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, WITH RESPECT TO THE PRODUCTS, MATERIALS, AND SERVICES PROVIDED UNDER THIS AGREEMENT, AND LWI SPECIFICALLY DISCLAIMS ANY OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE WITH RESPECT TO SUCH PRODUCTS, MATERIALS, OR SERVICES.

13.2 Disclaimer of Consequential Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER OR ANY OF ITS AFFILIATES FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS OR GOODWILL) SUFFERED OR INCURRED BY SUCH OTHER PARTY OR ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

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13.3 **Limitation of Liability**. BOTH PARTIES HEREBY AGREE THAT TO THE FULLEST EXTENT PERMITTED BY LAW, LWI'S LIABILITY TO CLIENT, FOR ANY AND ALL INJURIES, CLAIMS, LOSSES, EXPENSES, OR DAMAGES, WHATSOEVER, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT FROM ANY CAUSE OR CAUSES, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, ERRORS, OMISSIONS OR STRICT LIABILITY ("**TOTAL LIABILITY**"), SHALL NOT EXCEED THE TOTAL CHARGES PAID BY CLIENT TO LWI UNDER THE APPLICABLE STATEMENT OF WORK DURING THE [*] PRECEDING THE EVENT GIVING RISE TO LIABILITY, PROVIDED THAT TO THE EXTENT THE EVENT GIVING RISE TO LIABILITY HAS OCCURRED BEFORE THE LAPSE OF THE FIRST [*] FOLLOWING THE COMMENCENET OF THE APPLICABLE STATEMENT OF WORK, THEN THE TOTAL LIABILITY SHALL BE [*] BY CLIENT TO LWI UNDER [*] DURING THE FIRST [*] FOLLOWING THE COMMENCENET OF THE APPLICABLE STATEMENT OF WORK. TO THE EXTENT THAT THIS CLAUSE 13 CONFLICTS WITH ANY OTHER CLAUSE, THIS CLAUSE 13 SHALL TAKE PRECEDENCE OVER SUCH CONFLICTING CLAUSE. IF APPLICABLE LAW PREVENTS ENFORCEMENT OF THIS CLAUSE, THEN THIS CLAUSE 13 SHALL BE DEEMED MODIFIED TO PROVIDE THE MAXIMUM PROTECTION FOR LWI AS IS ALLOWABLE UNDER APPLICABLE LAW.

13.4 **Carve-Outs**. The limitations set forth in this Clause 13 shall not apply to damages caused due to, or in connection with, either Party's (i) gross negligence or willful misconduct; (ii) breach of the confidentiality obligations hereunder; (iii) intentional misappropriation of other Party's Intellectual Property rights; and (iv) breach by CLIENT of its warranty under Section 12.1(ii) and by [*].

14. Term and Termination

14.1 **Term**. The term of this Agreement will commence on the Effective Date and will continue until the fifth anniversary of the Effective Date unless terminated prior to that time or extended by the Parties.

14.2 **Termination for Material Breach**. Either Party may terminate this Agreement, or any applicable Statement of Work by written notice to the other Party, for any material breach of this Agreement by the other Party, if such breach is not cured within [*] after the breaching Party receives written notice of such breach from the non-breaching Party; provided, however, that if such breach is not capable of being cured within such thirty-day period and the breaching Party has commenced and diligently continued actions to cure such breach within such thirty-day period, except in the case of a payment default, the cure period shall be extended to [*], so long as the breaching Party is making diligent efforts to do so. Such termination shall be effective upon expiration of such cure period. For the avoidance of doubt, in the event of any termination under this Section 14.2, CLIENT shall remain liable for all fees owed pursuant to any applicable Statement of Work during such cure period if Services were being provided during such notice period in accordance with this Agreement and no further fees shall be owed to LWI with respect to such termination.

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Confidential Treatment Requested Under 17 C.F.R. §§ 200.80(c) and 230.406

14.3 Termination by Notice.

14.3.1 Without Cause.

(a) CLIENT may terminate this Agreement or any applicable Statement of Work by providing written notice of termination not less than [*] in advance of the date of termination. For the avoidance of doubt, in the event of termination by CLIENT under this Section 14.3.1, CLIENT shall remain liable for all fees (including monthly fees) owed pursuant to each outstanding Statement of Work during such six-month period, provided that services are being provided by LWI during such six-month period in accordance with the terms of the Agreement.

(b) After December 31, 2017, LWI may terminate this Agreement or any applicable Statement of Work by providing written notice of termination not less than [*] in advance of the date of termination.

14.3.2 Termination of Clinical Trials. Either Party may terminate this Agreement or any applicable Statement of Work if such Party receives notice that the production of Product hereunder or the clinical trials for which Product is being produced hereunder have been or will be suspended or terminated by the FDA (or other regulatory authority) due to failure of the Product by providing written notice of termination not less than [*] in advance of the date of termination. For the avoidance of doubt, in the event of termination under this Section 14.3.2, CLIENT shall remain liable for all fees (including monthly fees) owed pursuant to each outstanding Statement of Work during such two-month period.

14.4 Termination by Insolvency. Either Party may terminate this Agreement upon notice to the other Party, upon (a) the dissolution, termination of existence, liquidation or business failure of the other Party; (b) the appointment of a custodian or receiver for the other Party who has not been terminated or dismissed within [*] of such appointment; (c) the institution by the other Party of any proceeding under national, federal or state bankruptcy, reorganization, receivership or other similar laws affecting the rights of creditors generally or the making by such Party of a composition or any assignment for the benefit of creditors under any national, federal or state bankruptcy, reorganization, receivership or other similar law affecting the rights of creditors generally, which proceeding is not dismissed within [*] of filing. All rights and licenses granted pursuant to this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of Title 11 of the United States Code, licenses of rights of "intellectual property" as defined therein.

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14.5 Effects of Termination.

14.5.1 Accrued Rights. Termination of this Agreement for any reason will be without prejudice to any rights that will have accrued to the benefit of a Party prior to such termination. Such termination will not relieve a Party of obligations that are expressly indicated to survive the termination of this Agreement.

14.5.2 Disposition of Remaining CLIENT Property and Confidential Information. Upon termination or expiration of this Agreement, LWI will store any Remaining CLIENT Property as set forth in Section 7.2 and, at CLIENT's option, return or destroy any CLIENT Confidential Information in the possession or control of LWI. Likewise, CLIENT will, at LWI's option, return or destroy any LWI Confidential Information in the possession or control of CLIENT. Notwithstanding the foregoing provisions: (i) LWI may retain and preserve, at its sole cost and expense, samples and standards of each Product following termination or expiration of this Agreement solely for use in determining LWI's rights and obligations hereunder; and (ii) each Party may retain a single copy of the other Party's Confidential Information for documentation purposes only and which shall remain subject to the obligations of nonuse and confidentiality set forth in this Agreement.

14.5.3 Survival. Sections 1, 3.4, 4.8, 7.2, 8.3, 10, 11, 13, 14.5, 15, 16 and 17 of this Agreement, together with any appendices referenced therein, will survive any expiration or termination of this Agreement.

15. INDEMNIFICATION

15.1 Indemnification of Client. LWI will indemnify CLIENT, its Affiliates, and their respective directors, officers, employees and agents, and defend and hold each of them harmless, from and against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) in connection with any and all liability suits, investigations, claims or demands finally awarded against or settled with such indemnitees (collectively, "**Losses**") to the extent such Losses arise out of or result from any claim, lawsuit or other action or threat by a Third Party arising out of: (a) any material breach by LWI of this Agreement, (b) the gross negligence or willful misconduct on the part of one or more of the LWI Parties in performing any activity contemplated by this Agreement, or (c) the use or practice by CLIENT, its Affiliates or any Third Party of any process, invention or other intellectual property or Confidential Information of LWI supplied by LWI to the extent such use or practice is permitted under this Agreement, except for those Losses for which CLIENT has an obligation to indemnify the LWI Parties pursuant to Section 15.2, as to which Losses each Party will indemnify the other to the extent of their respective liability for the Losses.

15.2 Indemnification of LWI. CLIENT will indemnify LWI and its Affiliates, and their respective directors, officers, employees and agents (the "**LWI Parties**"), and defend and hold each of them harmless, from and against any and all Losses to the extent such Losses arise out of or result from any claim, lawsuit or other action or threat by a Third Party arising out of: (a) any material breach by CLIENT of this Agreement, (b) the use or sale of Products, except to the extent such Losses arise out of or result from a breach by LWI of the Product Warranties, (c) the gross negligence or willful misconduct on the part of CLIENT or its Affiliates in performing any activity contemplated by this Agreement, or (d) the use or practice by LWI in accordance with this Agreement of any process, invention or other intellectual property supplied by CLIENT to LWI under this Agreement, except for those Losses for which LWI has an obligation to indemnify CLIENT pursuant to Section 15.1, as to which Losses each Party will indemnify the other to the extent of their respective liability for the Losses.

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15.3 Indemnification Procedure.

15.3.1 An "**Indemnitor**" means the indemnifying Party. An "**Indemnitee**" means the indemnified Party, its Affiliates, and their respective directors, officers, employees and agents.

15.3.2 An Indemnitee which intends to claim indemnification under Section 15.1 or Section 15.2 hereof shall promptly notify the Indemnitor in writing of any claim, lawsuit or other action in respect of which the Indemnitee, its Affiliates, or any of their respective directors, officers, employees and agents intend to claim such indemnification. The Indemnitee shall permit, and shall cause its Affiliates and their respective directors, officers, employees and agents to permit, the Indemnitor, at its discretion, to settle any such claim, lawsuit or other action and agrees to the complete control of such defense or settlement by the Indemnitor; provided, however, that in order for the Indemnitor to exercise such rights, such settlement shall not adversely affect the Indemnitee's rights under this Agreement or impose any obligations on the Indemnitee in addition to those set forth herein. No such claim, lawsuit or other action shall be settled without the prior written consent of the Indemnitor and the Indemnitor shall not be responsible for any legal fees or other costs incurred other than as provided herein. The Indemnitee, its Affiliates and their respective directors, officers, employees and agents shall cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any claim, lawsuit or other action covered by this indemnification, all at the reasonable expense of the Indemnitor. The Indemnitee shall have the right, but not the obligation, to be represented by counsel of its own selection and expense.

15.4 Insurance. CLIENT will maintain, at all times during the term of this Agreement a Clinical Trial insurance policy (the "**Insurance Policy**"), including extended reporting period and limits of liability as per local standard in the territory of which the study takes place. The CLIENT will provide a Certificate of Insurance to LWI that the Insurance Policy has been endorsed to designate LWI as an additional insured only in territories for which it is accordance with the local regulation. CLIENT will maintain the Insurance Policy with an insurance company having a minimum AM Best rating of A. CLIENT will provide LWI with at least 30 days' written notice prior to termination of such Insurance Policy. LWI will maintain, at all times during the term of this Agreement and for five years thereafter, a products liability insurance policy (the "**Insurance Policy**"), with a per occurrence limit of at least [*] and an aggregate limit of at least [*], and will provide a Certificate of Insurance to the CLIENT that the Insurance Policy has been endorsed to designate the CLIENT as an additional insured. LWI will maintain the Insurance Policy with an insurance company having a minimum AM Best rating of A. LWI will provide the CLIENT with at least [*] written notice prior to termination of such Insurance Policy.

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16. Additional Covenants

16.1 Non-Solicitation. During the term of this Agreement and for [*] thereafter, each of the Parties agrees not to seek to induce or solicit any employee of the other Party or its Affiliates to discontinue his or her employment with the other Party or its Affiliate in order to become an employee or an independent contractor of the soliciting Party or its Affiliate; provided, however, that neither Party shall be in violation of this Section 16.1 as a result of making a general solicitation for employees or independent contractors. For the avoidance of doubt, the publication of an advertisement shall not constitute solicitation or inducement.

16.2 Commercial Scale Manufacture and Other Products. In the event that CLIENT desires to commence commercial scale manufacture of Product and any clinical scale manufacturing of other products, the Parties agree to negotiate for the provision of such manufacturing services to CLIENT by LWI, provided that CLIENT will be free, at its discretion, to engage with any third party for the provision of such manufacturing services.

17. Miscellaneous

17.1 Independent Contractors. Each of the Parties is an independent contractor and nothing herein contained shall be deemed to constitute the relationship of partners, joint venturers, nor of principal and agent between the Parties. Neither Party shall at any time enter into, incur, or hold itself out to Third Parties as having authority to enter into or incur, on behalf of the other Party, any commitment, expense, or liability whatsoever.

17.2 Force Majeure. Neither Party shall be in breach of this Agreement if there is any failure of performance under this Agreement (except for payment of any amounts due under this Agreement) occasioned by any reason beyond the control and without the fault or negligence of the Party affected thereby, including, without limitation, an act of God, fire, flood, act of government or state, war, civil commotion, insurrection, acts of terrorism, embargo, sabotage, prevention from or hindrance in obtaining energy or other utilities, labor disputes of whatever nature, or any other reason beyond the control and without the fault or negligence of the Party affected thereby (a "**Force Majeure Event**"). Such excuse shall continue as long as the Force Majeure Event continues. Upon cessation of such Force Majeure Event, the affected Party shall promptly resume performance under this Agreement as soon as it is commercially reasonable for the Party to do so. Each Party agrees to give the other Party prompt written notice of the occurrence of any Force Majeure Event, the nature thereof, and the extent to which the affected Party will be unable to fully perform its obligations under this Agreement. Each Party further agrees to use commercially reasonable efforts to correct the Force Majeure Event as quickly as practicable (provided that in no event shall a Party be required to settle any labor dispute) and to give the other Party prompt written notice when it is again fully able to perform such obligations. It is hereby clarified that LWI shall not be entitled to any payments or fees related to any services not completed and which cannot be completed appropriately after the correction the Force Majeure Event or if there is no more need for such services after the correction the Force Majeure Event.

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17.3 **Condemnation**. LWI shall use commercially reasonable efforts to oppose any Condemnation (as defined below) efforts, provided, however, that if the Facility is condemned or taken as a result of the exercise of the power of eminent domain or will be conveyed to a governmental agency having power of eminent domain under the threat of the exercise of such power (any of the foregoing, a "**Condemnation**"), then this Agreement will terminate as of the date on which title to the Facility vests in the authority so exercising or threatening to exercise such power and CLIENT will not have any right to the Condemnation proceeds.

17.4 **Notices**. Any notice required or permitted to be given under this Agreement by any Party shall be in writing and shall be (a) delivered personally, (b) sent by registered mail, return receipt requested, postage prepaid, (c) sent by a nationally-recognized courier service guaranteeing next-day or second day delivery, charges prepaid, or (d) delivered by facsimile (with documented evidence of transmission), to the addresses or facsimile numbers of the other Party set forth below, or at such other addresses as may from time to time be furnished by similar notice by any Party. The effective date of any notice under this Agreement shall be the date of receipt by the receiving Party.

If to LWI:
Lonza Walkersville, Inc.
Attn: Vice President, Cell Therapy Bioservice
8830 Biggs Ford Road
Walkersville, Maryland 21793
Fax: (301) 845-6099

With a copy to:
Assistant General Counsel
Lonza America, Inc.
90 Boroline Road
Allendale, NJ 07401
Fax: (201) 696-3589

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If to Client:
Gamida Cell Ltd.,
5 Nachum Hafzadi St.,
Jerusalem, Israel
Fax: 972-2-6595616
Attn: Company Executive Officer

with a copy to:
Meitar Liquornik Geva Leshem Tal, Law Offices
16 Abba Hillel Silver Rd., Ramat Gan, Israel
Fax: 972-3-6103732
Attn: Boaz Mizrahi, Adv.
e-mail: mizrahib@meitar.com

Either Party may change its address for notice by giving notice thereof in the manner set forth in this Section 17.3.

17.5 Entire Agreement; Amendments. This Agreement, including the Appendices attached hereto and referenced herein, constitutes the full understanding of the Parties and a complete and exclusive statement of the terms of their agreement with respect to the specific subject matter hereof and supersedes all prior agreements and understandings, oral and written, among the Parties with respect to the subject matter hereof. No terms, conditions, understandings or agreements purporting to amend, modify or vary the terms of this Agreement (including any Appendix hereto) shall be binding unless hereafter made in a written instrument referencing this Agreement and signed by each of the Parties.

17.6 Governing Law. The construction, validity and performance of the Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without giving effect to its conflicts of laws provisions.

17.7 Counterparts. This Agreement and any amendment hereto may be executed in any number of counterparts, each of which shall for all purposes be deemed an original and all of which shall constitute the same instrument. This Agreement shall be effective upon full execution by facsimile or original, and a facsimile signature shall be deemed to be and shall be as effective as an original signature.

17.8 Severability. If any part of this Agreement shall be found to be invalid or unenforceable under applicable law in any jurisdiction, such part shall be ineffective only to the extent of such invalidity or unenforceability in such jurisdiction, without in any way affecting the remaining parts of this Agreement in that jurisdiction or the validity or enforceability of the Agreement as a whole in any other jurisdiction. In addition, the part that is ineffective shall be reformed in a mutually agreeable manner so as to as nearly approximate the intent of the Parties as possible.

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17.9 **Titles and Subtitles**. All headings, titles and subtitles used in this Agreement (including any Appendix hereto) are for convenience only and are not to be considered in construing or interpreting any term or provision of this Agreement (or any Appendix hereto).

17.10 **Exhibits**. All "RECITALS", "DEFINITIONS", exhibits and appendices referred to herein form an integral part of this Agreement and are incorporated into this Agreement by such reference.

17.11 **Pronouns**. Where the context requires, (i) all pronouns used herein will be deemed to refer to the masculine, feminine or neuter gender as the context requires, and (ii) the singular context will include the plural and vice versa.

17.12 **Assignment**. This Agreement shall be binding upon the successors and assigns of the Parties and the name of a Party appearing herein shall be deemed to include the names of its successors and assigns. Neither Party may assign its interest under this Agreement without the prior written consent of the other Party, such consent not to be unreasonably withheld; provided, however, either Party shall be entitled without the prior written consent of the other Party to assign this Agreement to an Affiliate or to any company to which such Party may transfer all or substantially all of its assets or capital stock relating to the activities contemplated under this Agreement, whether through purchase, merger, consolidation or otherwise; provided, however, that notwithstanding the forgoing, neither Party shall assign or transfer (whether through purchase, merger, consolidation or otherwise) its interest under this Agreement to a competitor of the other Party. Any permitted assignment of this Agreement by either Party will be conditioned upon that Party's permitted assignee agreeing in writing to comply with all the terms and conditions contained in this Agreement. Any purported assignment without a required consent shall be void. No assignment shall relieve any Party of responsibility for the performance of any obligation that accrued prior to the effective date of such assignment.

17.13 **Waiver**. The failure of any Party at any time or times to require performance of any provision of this Agreement (including any Appendix hereto) will in no manner affect its rights at a later time to enforce the same. No waiver by any Party of any term, provision or condition contained in this Agreement (including any Appendix hereto), whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, provision or condition or of any other term, provision or condition of this Agreement (including any Appendix hereto). For the avoidance of doubt, it is hereby clarified that unless specifically stated otherwise, the contents of any inspection report provided by CLIENT in accordance with this Agreement and anything omitted from it, shall not constitute a waiver of any term, provision or condition of this Agreement or of any of CLIENT's rights.

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17.14 **Dispute Resolution**. If the Parties are unable to resolve a dispute, despite its good faith efforts, either Party may refer the dispute to the President of each Party's respective business unit (or other designee). In the event that no agreement is reached by the Presidents (or other designees) with respect to such dispute within thirty (30) days after its referral to them, either Party may pursue any and all remedies available at law or in equity; provided that any and all such disputes hereunder shall be resolved exclusively by the courts of New York, New York.

17.15 **No Presumption Against Drafter**. For purposes of this Agreement, CLIENT hereby waives any rule of construction that requires that ambiguities in this Agreement (including any Appendix hereto) be construed against the drafter.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date last signed by the parties hereto.

GAMIDA CELL LTD.

Feb. 10, 2016
Date

By: /s/ Yael Margolin
Name: Yael Margolin
Title:

LONZA WALKERSVILLE, INC.

Feb. 11, 2016
Date

By: [Illegible Signature]
Name:
Title:

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Confidential Treatment Requested Under 17 C.F.R. §§ 200.80(c) and 230.406

APPENDIX A

TECHNOLOGY TRANSFER AND STATEMENT OF WORK

TO BE ATTACHED

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

APPENDIX B

QUALITY AGREEMENT

TO BE ATTACHED

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

APPENDIX A:

PROTOCOL

TECHNOLOGY TRANSFER OF NICORD TO LONZA WALKERSVILLE, US

[*]

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1. SCOPE

This QUALITY AGREEMENT ("AGREEMENT") outlines the co-operation and Good Manufacturing Practices ("GMP"), Quality Assurance ("QA") responsibilities ("QUALITY RESPONSIBILITIES) between Client, Lonza, Walkersville, Inc. (LWI) and Lonza, Verviers Sprl (LVS) with respect to CLIENT's products ("PRODUCT").

2. OBJECT OF THE AGREEMENT

The aim of this AGREEMENT is to define and agree upon the GMP and QUALITY RESPONSIBILITIES associated with the manufacture, testing and release of the PRODUCT by Qualified Project Team Members, whilst utilizing CLIENT'S process for ex vivo expansion of hematopoietic stem/progenitor cells ("Process"), testing and releasing of the PRODUCT and Materials to be used at the clinical trials ("Clinical Trials") under the MANUFACTURING SERVICES AGREEMENT.

[The QUALITY RESPONSIBILITIES associated with the manufacture of the PRODUCT must meet all applicable requirements of the "Code of Federal Regulations of the U.S. Food and Drug Administration", 21 CFR Parts 210, 211, 610, 820, and 1271, FDA guidelines as well as EU Commission Directive 2003/94/EC and any additional regulatory agency requirements that Client communicates to LWI from time-to-time in order to seek registration ex-US. Client may not require LWI to perform activities that do not meet the current requirements of 21 CFR Parts 210, 211, 610, 820, and 1271 and FDA guidelines unless discussed and agreed with the FDA in writing, with pertinent copies provided to Lonza]

3. MANUFACTURER DESCRIPTION

LWI will manufacture, test, disposition and store the Client PRODUCT, identified as NiCord and CordIn, at the LWI Facility, 8830 Biggs Ford Road, Walkersville, MD in accordance with Food and Drug Administration, 21 CFR Parts 210 and 211, 610, 820, and 1271 and any relevant FDA guideline as well as with **EU Commission Directive 2003/94/EC**

4. DESCRIPTION OF PRODUCTION PROCESS

4.1. [*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

5. ANALYTICAL METHODS

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

6. QUALITY RESPONSIBILITIES ASSOCIATED WITH THE MANUFACTURING OF THE PRODUCT

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

7. TESTING OF PRODUCT

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

8. QUALIFIED PRODUCTION AND QUALITY CONTROL EMPLOYEES

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

9. QUALIFIED PERSON

9.1. [*]

10. INTERACTIONS BETWEEN THE SLM, LWI AND QUALIFIED PERSON DURING AND AT THE END OF THE PRODUCTION PROCESS

10.1. [*]

11. PROJECT CLOSEOUT AND RESTART

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

12. REGULATORY

[*]

13. REGULATORY AND QUALITY AUDITS

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

14. RESPONSIBILITIES

[*]

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15. VALIDITY AND DISCLOSURE

In case of any conflict between this AGREEMENT and the Manufacturing Services Agreement, the Manufacturing Services Agreement shall govern.

This AGREEMENT may be disclosed to the Regulatory Authorities during the course of either routine GMP or Pre-Approval inspections.

This AGREEMENT may only be amended by the procedures described herein and signed by the duly authorised representatives of the Client and LWI.

LWI:

Print Name: Michele Jones

Position: Director of Quality

Signature: **/s/** Michele Jones

Date: 15 Aug 2016

Print Name: Laura LeClair

Position: Manager, QA CT Operations

Signature: **/s/** Laura LeClair

Date: 15 Aug 2016

Qualified Person:

Print Name: Veronique Dengis

Position: Principal Qualified Person

Signature: **/s/** Veronique Dengis

Date: 09 Aug 2016

Gamida Cell:

Print Name: Dorit Harati

Position: VP, Quality Assurance

Signature: /s/ Dorit Harati

Date: 29-Aug-2016

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Attachment 1: Quality Control Testing of the PRODUCT

Testing Facility	Client SOP#	LWI SOP#	LWI Test Code	Test
[*]	[*]	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

APPENDIX A

STANDARD OPERATING PROCEDURE

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Attachment 2: Qualified Project Team Members

Name	Department
[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Attachment 4: Information, Timelines and Certificates Required for Release of Products

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Attachment 3: Responsible Personnel

[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Attachment 5: Raw Materials Provided to LWI by the Client

LWI PN	Material Dacriptioa	Mannfacturer	Manufacturer's Number	Source Manufacturer Address
[*]	[*]	[*]	[*]	[*]

[*] = Certain confidential information contained in this document, marked by brackets, is filed with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Exhibit 10.9

AMENDMENT NO. 2 TO MANUFACTURING SERVICES AGREEMENT

This Amendment No. 2 (the "Amendment") is made as of May ___, 2016 ("to that certain Manufacturing Services Agreement by and between Gamida Cell Ltd. ("Client") and Lonza Walkersville, Inc. ("Lonza") effective as of February 8, 2016 (as amended, the "Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, Lonza and Client entered the Agreement effective as of February 8, 2016; and

WHEREAS, Lonza and Client desire to amend the Agreement.

NOW THEREFORE, in consideration of the above premises and the mutual covenants herein set forth, the Parties hereto agree as follows:

1. Section 1.29 is hereby deleted in its entirety and replaced with the following:

"**Quality Agreement**" means the Quality Agreement entered into by the Parties before June 30, 2016 (or such other date to be agreed by the Parties) relating to a Product.

2. Remainder of Agreement. Except as modified by this Amendment, all other terms and provisions of the Agreement shall remain in full force and effect in accordance with their terms.

3. Entire Agreement. This Amendment and the Agreement supersede all other prior agreements, understandings, representations and warranties, oral or written between the parties hereto in respect of the subject matter hereof.

4. Counterparts; Delivery. This Amendment may be executed in any number of counterparts, each of which shall for all purposes be deemed an original and all of which shall constitute the same instrument. Delivery of an executed signature page of this Amendment by facsimile or other electronic transmission shall be as effective as delivery of an original executed counterpart of this Amendment.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective authorized representatives effective as of the date first above written.

LONZA WALKERSVILLE, INC.

By: /s/ Kyle W. Keese

Name: Kyle W. Keese

Title: Sr. Site Director

GAMIDA CELL LTD.

By: /s/ Naftali Brikashvili

Name: Naftali Brikashvili

Title: CFO

Exhibit 10.10

Unprotected Lease Agreement

Made and executed in Tel Aviv on the 13th day of December, 2017

Between: **Y.D.B Investments Ltd., Company Registration No. 514479518**
By **Mr. Yoram Bar-On, ID. No.** 057315616, the authorized signatory on behalf of the Company
Of 1 Mavo Sivan St., Kiryat Gat
(Hereinafter: "**the Lessor**")

The first party;

And between: **Gamida Cell Ltd., Company Registration No. 512601204**
By _____, the authorized signatory on behalf of the Company
Of 5 Nahum Haftsadi St., Jerusalem
(Hereinafter: "**the Lessee**")

The second party;

Whereas: The Lessor is the sole and exclusive lessee of the Property, within its meaning hereunder;

And whereas: The Lessee wishes to lease from the Lessor **part** of the Property in accordance with the provisions set forth in this Agreement and in accordance with the definition of the Leased Premises hereunder, and the Lessor wishes to lease **part** of the Property in accordance with the provisions set forth in this Agreement hereunder;

And whereas: The parties agree that this Agreement shall come into operation **only after the fulfillment of the condition precedent** according to which the Lessor shall obtain the approval from the Ministry of Economy and the Ministry of Industry and Israel Land Authority to lease the Leased Premises, within its meaning hereunder, to the Lessee, in light of the undertaking of the Lessor to obtain the prior and written approval of the Ministry of Economy to lease the Leased Premises to a third-party, in 6 months as of the date of signing this Agreement (hereinafter: "**the Condition Precedent**"). The parties further agree that as of the date of meeting the Condition Precedent (and assuming that the Condition Precedent will be met within the said period of time of 6 months, otherwise – this shall be deemed as if the Condition Precedent was not met), this Agreement shall come into operation without either party hereof being required to perform any action for the purpose of granting force to the Agreement. The Lessor undertakes to notify the Lessee regarding the process that is conducted with the authorities for the purpose of obtaining the approval which is the subject matter of the Condition Precedent and notify the Lessee immediately after obtaining the approval and after meeting the Condition Precedent and/or, alternatively – failing to obtain the approval (and in such circumstances this Agreement shall not be in effect);

And whereas: Insofar as the Condition Precedent is met and the Agreement comes into operation, the Lessor shall lease to the Lessee the Leased Premises within their meaning hereunder, for a limited period, when the Lessee shall not be deemed as a protected tenant;

And whereas: The Lessor wishes to lease the Leased Premises, within their meaning hereunder, to the Lessee through an unprotected lease, and the Lessee wishes to lease the Leased Premises, within their meaning hereunder, from the Lessor through an unprotected lease, for the period and under the terms set forth in the Agreement;

And whereas: The parties wish to set out and regulate their rights and obligations with respect to the Leased Premises, as specified in this Agreement;

And whereas: The Lessee inspected the Leased Premises as a reasonable lessee and it is aware of their condition and subject to the correctness of the declarations of the Lessor in this Agreement it shall not raise any claims with respect to the Leased Premises and it waives any claim in connection with the standard of the Leased Premises and/or non-conformance therein, except for a latent defect and/or failure and/or non-conformance and/or of which the Lessor was aware and did not disclose to the Lessee;

And whereas: The parties wish to regulate and formalize the engagement between them in accordance with the provisions set forth in this Agreement;

Therefore, it is Declared, Stipulated and Agreed between the Parties as Follows:

1. **Preamble and Appendixes**

1.1. The preamble to this Agreement and Appendixes thereof constitute an integral part hereof and shall have the same force as any other provision hereof, and the declarations of the parties therein constitute the grounds for the engagement between the parties.

1.2. Unless otherwise stated, in any event of a non-conformance and/or contradiction and/or ambiguity between a provision in the Agreement and any of the provisions set forth in an appendix of the Agreement, the provisions set forth in the Agreement shall take precedence, and the provisions set forth in the Appendix shall be construed in accordance with the provisions set forth in the Agreement, unless the parties to this Agreement agreed otherwise.

1.3. The headings of the Sections will serve for the purpose of orientation and convenience only and will not serve for the purpose of interpreting the Agreement.

2. **Definitions**

As used in this Agreement, the following terms shall have the respective meanings set forth beside them below:

"The Property" - Block 1840, parcel 25 (in part) and block 3027 parcels 5 (in part), 17 (in part) and 18 (in part) in an area of approximately 22,500 sq.m. in Kiryat Gat. The certificate of rights is enclosed as **Appendix A**.

"The Project" - The building actually built on the Property, as of the date of signing this Agreement, in accordance with the Blueprint, Appendix B.

"The Leased Premises" - Part of the Project constituting a roofed building in an area of 4,860 sq.m. gross (hereinafter: "**Building of the Plant**") that is built on the Property, and 50 marked parking spaces (hereinafter: "**the Parking Spaces**") in accordance with the blueprint hereby enclosed as **Appendix B** constituting an integral part of this Agreement. In the event the Lessee fails to realize the option for the lease of the additional area, the Lessor shall be entitled to change the location of 20 Parking Spaces, provided that these Parking Spaces remain in the area of the Property other than the services areas of the Leased Premises and following advance coordination with the Lessee. The Building of the Plant is highlighted in blue and dark orange and marked with the numbers "1" and "2" in the Blueprint, and the Parking Spaces are marked in the Blueprint in an orange frame and with the number "3." The Building of the Plant and the Parking Spaces shall be referred hereinafter: "**the Leased Premises**." In addition, the service areas that shall constitute part of the Leased Premises and that shall be included in the area of the Leased Premises are highlighted in light orange and with the number "4" and these shall constitute part of the Leased Premises and shall be included in the area of the Leased Premises and will be made available to the Lessee, including the operational area, areas on the roof, loading and unloading areas, parking areas, waste disposal and collection areas and the like in accordance with the provisions set forth in this Agreement hereunder.

It is clarified that an area of approximately 1,000 sq.m. of the office building will be allocated to the Lessee, without any additional cost and/or liability, out of the area of the roof marked in green and with the number "6" in the Blueprint hereby enclosed. Nevertheless, it is clarified that the use of the roof as aforesaid requires the advance coordination with the Lessor.

3. **Purpose of Lease**

3.1. The Lessee leases from the Lessor the Leased Premises for the purpose of operating in the Leased Premises a business of establishing a bio-pharmaceutical plant.

3.2. The Lessee undertakes not to conduct in the Leased Premises any business and not to use the Leased Premises for any purpose other than the purpose of the lease as aforesaid without obtaining the prior and written approval of the Lessor, which approval shall not be unreasonably withheld, and, without derogating from the foregoing, the Lessee undertakes not to make any ecological use of the Leased Premises that might cause soil or air pollution, including in occupations related to waste and recycling.

3.3. The Lessee and/or any of its managers and/or employees shall be entitled to use the Leased Premises also for office purposes and/or any other use in the Leased Premises, at their discretion, provided that the use is in conformance to the purpose of the lease, as stated above, and that the use is legal.

4. **Non-applicability of tenancy protection laws**

4.1. The Lessee declares and confirms that it did not pay to the Lessor any key money or any other premium in respect of the Leased Premises and/or in respect of the rights that are granted to the Lessee in accordance with this Agreement, and that the provisions set forth in the Tenant Protection Law [Consolidated Version] 5732-1972 shall not apply to the lease contemplated in this Agreement and to the Leased Premises, and the Lessee shall not be considered a protected tenant in accordance with this law and/or in accordance with any other law and/or any other amendment that shall add and/or modify the aforesaid.

4.2. It is further agreed that any modification and/or renovation and/or repair and/or addition and/or investment and/or work of any kind that is performed in the Leased Premises by and/or on behalf of the Lessee and/or any payment paid by the Lessee to the Lessor during the Term of Lease shall not be deemed as key money and/or any other premium and shall not be deemed as a fundamental change regarding the Tenant Protection Law.

5. **Term of Lease**

5.1. The Lessee shall lease the Leased Premises for a period of 120 months (10 years) as of December 15, 2017 and until December 14, 2027 ("**First Term of Lease**").

5.2. The Lessee is granted the option to extend the Term of Lease by an additional term of 60 months (5 years) (hereinafter: "**Option Term**") that shall commence immediately after the expiration of the First Term of Lease. The right of the Lessee to extend the Term of Lease is conditional on the fulfillment of all of the following conditions cumulatively:

5.2.1. The Lessee delivered a prior and written notice, at least 180 days prior to expiration of the relevant Term of Lease, regarding its wish to extend the lease and realize the option.

5.2.2. The Lessee did not commit a fundamental breach of this Agreement and the said breach was not cured in 14 days as of the date of receiving a written notice detailing the breach.

5.2.3. The Lessee does not owe any debts and/or outstanding current payments to the Lessor (except for circumstances in which the Lessee is conducting a proceeding against any authority with respect to the amount of the debts and that, according to its contention, is a disputed debt) and no proceedings are held in court between the parties.

5.2.4. The Lessee actually delivered to the Lessor postdated checks for the Option Term.

5.3. In the event conditions set forth above with respect to the extension of the Term of Lease are met, the lease shall be extended by the agreed term, and the entire terms set forth in this Agreement including Appendixes thereof shall apply thereto, *mutatis mutandis*, and subject to the change of the basic Rent as stated hereunder.

The First Term of Lease and the Option Terms, to the extent realized, shall be referred hereinafter collectively: "**Term of Lease**."

5.4. The Lessee undertakes to vacate the Leased Premises upon expiration of the Term of Lease, in accordance with the provisions set forth in Section 12 hereunder.

5.5. Notwithstanding the said, it is agreed that after expiration of a five (5) years of lease, the Lessee shall be entitled to terminate this Agreement early upon delivery of a 180 days' prior and written notice. It is further clarified that the Lessee shall be entitled to deliver advance termination notice after 4.5 years of lease, in such manner that the Lease Agreement shall be terminated immediately after expiration of 5 years of lease.

5.5.1. In the event the lease contemplated in this Agreement was terminated earlier in accordance with the provisions set forth in this Section, the Lessee shall pay a one-time, final, exhaustive and ground compensation as follows:

Early termination date (after a Term of Lease of X years)	Compensation for early termination (payment of the Rent in respect of Y years of lease)
5	2.5
6	2
7	1.5
8	1.5

5.5.2. The Lessor shall not raise any claim and/or demand and/or suit of any kind against the Lessee as a result of the early termination of this Agreement in accordance with the provisions set forth in this Section.

6. **Declarations of the Lessor**

The Lessor hereby affirms, declares and undertakes as follows:

6.1. It is the sole and exclusive Lessee in the Leased Premises and it is the sole possessor of the Leased Premises.

6.2. It did not receive a notice from Israel Land Authority (ILA) regarding the breach of the Lessor of its development agreement with ILA and it undertakes, to the extent that this is depending on the Lessor, to continue and uphold the provisions set forth in the development agreement and its undertakings towards ILA during the entire Term of Lease.

6.3. The building where the Leased Premises are located is in working order, was lawfully built in accordance with the construction permit that was lawfully issued (except for a plan including alterations that was submitted by the Lessor and was not approved yet however the Lessor shall act for the purpose of its approval in such manner that the building shall comply with all the permits that were issued) and that there are no construction defects and/or drainage defects and/or construction and/or waterproofing defects and/or leaks and/or defects in the electricity system.

6.4. To the best of its knowledge, its rights in the Leased Premises are free and unencumbered from any third-party rights, including a pledge and/or a charge and/or an attachment and/or an administrative order and/or a judicial order, except for a senior mortgage made in favor of Israel Discount Bank for an unlimited amount, and the Lessor is solely entitled to lease the Leased Premises and receive the Rent in accordance with the provisions set forth in this Agreement, for the entire Term of Lease stated in this Agreement.

6.5. Its engagement in this Agreement and the fulfillment of its undertakings in accordance with this Agreement shall not constitute an undertaking towards any third-party, and there is no pending proceeding of any kind that might cause the Lessor to fail to fulfill its undertakings in accordance with this Agreement.

6.6. It undertakes in a material undertaking that during the entire Term of Lease the Property and/or any building and structure located thereon and/or that will be built thereon in the future and that does not constitute part of the Leased Premises shall not be leased to lessees whose sphere of activity is in the food industry and/or the animal industry and/or any other kind of biological industry (including, but not limited to, powder, liquid, fresh, frozen and/or in any other manner), chemical industry (including toxic, pottants or any other powder), active pharmaceutical substances or pharmaceutical products, whether in the form of a liquid, frozen or fresh.

6.7. It shall not lease the Project to another lessee (that engages in activities other than the activities enumerated in Section 6.6 above, when in any event the said lessees shall not be allowed to lease the Leased Premises) unless it obtains the prior and written approval of the Lessee.

6.8. It will allow the installation of a sign on behalf of the Lessee in the façade of the building where the Leased Premises are located according to the simulation enclosed as Appendix C.

6.9. It undertakes to furnish and present to the Lessee Form 4 for the shell (that is not conditional) in 6 months after commencement of the First Term of Lease, or on the date on which the Lessee is willing to start the performance of the customization works, whichever is later (hereinafter: "**the Effective Date**"). In the event Form 4 is not furnished until the Effective Date the following provisions shall come into operation:

6.9.1. In the event the Lessee decided, at its sole discretion, to start with the customization works prior to obtaining Form 4 and consequently no Form 4 is issued for the shell, the Lessor shall cooperate with the Lessee (upon its request) for the purpose of obtaining Form 4 for the finish. The Lessor shall be responsible for repairing any defect as may be required and shall indemnify the Lessee for the full damages caused to the Lessee as a result of failure to receive a Form 4 for the finish, and that do not derive directly and clearly from the works that were performed exclusively by the Lessee and that are completely unrelated to the works in the shell.

6.9.2. In the event the Lessee decided, at its sole discretion, not to start with its customization works, the Lessee shall be exempt from payment of the Rent, as of the Effective Date and until Form 4 is issued for the shell (hereinafter: "**Exemption from Payment of the Rent**") and, to the extent that Form 4 is not furnished in 10 months as of the commencement date of the First Term of Lease, the Lessor shall pay to the Lessee compensation in an amount equal to one month of Rent in respect of each additional month of delay (or a relative part thereof for a part of a month) until Form 4 is issued to the Lessee (hereinafter: "**Additional Compensation**"). The parties agree that in the event the Lessor furnishes to the Lessee, no later than one month as of the date of signing this Agreement, confirmation evidencing the submission of a request for modifications to ILA, in such circumstances the Additional Compensation for each month of delay (in the event of a delay in furnishing Form 4 that is greater than 10 months as of the commencement date of the First Term of Lease), shall decrease and shall be in the amount of 20% of the monthly Rent (or any relative part thereof, for part of a month) For the avoidance of doubt it is clarified that in the event an application for a modifications permit is submitted, the right of the Lessee to receive an Exemption from Payment of the Rent shall not be impaired thereby, until the date of issuance of Form 4 and in accordance with the provisions set forth in this Section.

6.10. As part of the customization works of the Lessee in the Property the Lessor undertakes to allow the Lessee to bring systems to the Leased Premises such as: a cooling tower, chiller, generators, air treatment units, hot water systems (boilers), compressed air system, containers for industrial wastewater, liquid nitrogen containers, blowers, carbon dioxide containers, gas cylinders. In addition, the Lessor undertakes to allow connection to existing drainages and manholes, the construction of additional protected spaces, means of escape, opening of skylights, construction of a gallery, leveling and groove flooring and the installation of ducts from the roof downwards.

6.11. It will allow the Lessee to install cameras and alarm sensors in the areas that are operated by the Lessee.

6.12. It will grant the Lessee independent (however not exclusive) control of the main gate to the entrance to the complex where the Leased Premises are located and will issue to the Lessee, at its expense and under its responsibility, any means of entry required in connection therewith.

6.13. It undertakes to cooperate, to the extent required, prior to and during inspections conducted by the authorities in the Lessee's plant.

6.14. The Lessee shall be entitled to request an exemption from payment of the municipal taxes in respect of a property under renovation (and not in respect of a vacant property) at any time and until the actual occupancy date of the Leased Premises and commencement of activities therein (except for inspections) and it undertakes to cooperate, to the extent required, and to sign, at the request of the Lessee, any document and/or application that are necessary for the purpose of obtaining this exemption, provided that no additional liability is imposed on the Lessor beyond the liability the Lessor undertook to assume expressly in this Agreement and provided that its rights in the Project shall not be impaired thereby.

6.15. It shall be responsible for the regular monitoring and extermination of pests and rodents in the areas of the Property (except for in the area of the Leased Premises).

6.16. It will not place in the area of the Property flues and shall install flues only following advance coordination, provided that the installation of these flues shall be performed in accordance with the relevant laws, standards and the guidelines of statutory entities and other authorities (such as: The Home Front Command, National Fire and Rescue Authority, Ministry of Health, Israel Electric Corp., environmental protection entities, municipal authorities/companies and the like).

6.17. The waste produced by the Lessor shall be located in a covered area and following coordination with the Lessee.

6.18. It is a company registered in Israel, no resolution regarding its liquidation was passed and there is no statutory or contractual preclusion preventing its engagement in this Agreement with the Lessee. The Lessor further declares that this Agreement is signed by the authorized signatories on behalf of the Lessor and that the engagement in this Agreement is made in accordance with the instruments of incorporation of the Lessor.

7. **Declarations of the Lessee**

The Lessee hereby affirms, declares and undertakes as follows:

7.1. It saw and inspected the Leased Premises and the Project as a reasonable lessee and was afforded the opportunity to conduct inspections on its behalf and that subject to correctness of the declarations of the Lessor in this Agreement it found the Leased Premises compliant with its purposes and requirements and to its satisfaction and it waives any claim regarding a defect and/or failure and/or non-conformance in connection therewith, and it shall not raise any claims as aforesaid except for claims with respect to a latent defect and/or a failure and/or a non-conformance and/or that the Lessor knew and did not disclose to the Lessee.

7.2. It leases the Leased Premises "as-is," with all ensuing consequences, subject to the fulfillment of the entire undertakings of the Lessor in accordance with this Agreement and the correctness of its declarations.

7.3. It will observe the provisions set forth in any law that applies to the possession and use of the Leased Premises.

7.4. It will allow the Lessor and/or its representatives to visit the Leased Premises at any reasonable time, during customary hours of work, and following advance coordination with the Lessee, *inter alia*, for the purpose of inspecting the Leased Premises and the manner of use thereof and the compliance of its use with the terms set forth in this Agreement.

7.5. It will allow the Lessor and/or its representatives to visit the Leased Premises at any reasonable time, during customary hours of work, following advance coordination with the Lessee, in order to present the Leased Premises to potential buyers and/or (during the last 12 months of lease) potential lessees (during the last 6 months of lease).

7.6. It will present to the Lessor, upon receiving its written demand, receipts and proof evidencing the payments it is obligated to pay in accordance with this Agreement.

7.7. It will act for the purpose of obtaining all the required licenses and permits ("**the Approvals**"), if required, in accordance with the provisions set forth in any law, for the purpose of conducting a business such as the business that the Lessee will conduct in the Leased Premises in accordance with the purpose of the lease and use thereof. For the avoidance of doubt, it is clarified that the Lessee is obligated to obtain the necessary Approvals. In addition, it is hereby clarified that the Lessee shall be solely and exclusively responsible for obtaining the Approvals. The Lessor undertakes to sign any document that requires its signature in order to allow the Lessee to obtain the Approvals, provided that this does not impose on the Lessee any monetary liability that is not imposed on the Lessee in accordance with the provisions set forth in this Agreement and that its rights in the Project shall not be impaired thereby.

7.8. It shall maintain the Leased Premises in working order and clean and shall perform maintenance works therein (current maintenance) and shall avoid causing any damage in the Leased Premises as a result of malice, negligence, neglect or non-conforming use.

7.9. It is aware that the roof of the Leased Premises, except for the area of the roof designated to the Lessee, as highlighted in green and marked with the number "6" in the Blueprint (Appendix B) does not constitute part of the Leased Premises. The Lessor shall have exclusive right to use the roof at its absolute and sole discretion, including the leasing of the roof to third-parties, provided that the Lessor shall be solely responsible for any damage and/or defect created as a result of this use and that the rights of the Lessee in accordance with this Agreement shall not be impaired thereby.

7.10. It will repair at its expense any damage and/or breakdown caused to the Leased Premises as a result of its use of the Leased Premises, except for reasonable wear in the Leased Premises following reasonable use. The said repair shall be performed within a reasonable time taking into account the nature of the repair. In the event the Lessee did not repair and/or fails to repair the damage and/or the defect that were caused as a result of the use in the Leased Premises within a reasonable time and that the Lessee is responsible for repairing in accordance with the provisions set forth in this Agreement, the Lessor or anyone acting on its behalf shall be entitled to enter the Leased Premises for the purpose of this matter and repair the defect and/or the damage and charge payment from the Lessee, provided that the Lessee delivers written notice to the Lessor in connection therewith at least 5 business days in advance. The Lessee undertakes to pay the bill for the repair in 14 days as of the date of delivery thereof.

7.11. The Lessee shall observe all laws, regulations and bylaws applicable to the Leased Premises, including with respect to their use and the business, work and the activities performed therein. Despite the fact that the parties are of the opinion that the use of the Leased Premises in accordance with the purpose of the lease does not constitute non-conforming use towards the Local Council, in the event any levy is imposed as a result of non-conforming use by the Local Council, the Lessee undertakes to incur such payment as aforesaid, without derogating from any right granted to the Lessee to conduct a proceeding against the said authority. It is agreed that in the event ILA imposes a levy for non-conforming use, the Lessor shall incur the said levy, without derogating from the entitlement of the Lessor to conduct a proceeding against ILA as aforesaid.

7.12. It shall not perform any construction works in the Leased Premises that require a permit without obtaining the said permit by law.

7.13. Without derogating from the foregoing and for the avoidance of doubt, it is hereby clarified that the Lessee hereby waives in advance any claim regarding betterment of the Leased Premises by the Lessee.

7.14. It is aware that the Lessor reserves the right to design the Project in any manner it deems fit in accordance with the provisions set forth in this Agreement.

7.15. It is aware that the Lessor shall be entitled to perform any alteration and/or addition in the Project from time to time, even after commencement of the activities in the Project and/or that commencement of the Term of Lease, provided that the reasonable use of the Leased Premises and the rights of the Lessee in accordance with this Agreement shall not be impaired thereby (including the imposition of additional costs on the Lessee) and that these works shall be performed in accordance with the provisions set forth in this Agreement.

7.16. During the period of performance of the customization works in the Leased Premises by the Lessee, it shall endeavor to the best of its abilities to prevent a disturbance in the other leased premises in the Project and in full coordination with the Lessor.

8. **Rent**

8.1. In consideration for the lease of the Leased Premises, the Lessee shall pay to the Lessor monthly Rent as follows:

An amount of NIS 37 for each 1 sq.m. in the area of the Building of the Plant. It should be noted that if and to the extent that the parties agree to increase the area of the Leased Premises, rent shall be added to the Rent according to the additional area that the Lessor will lease according to a price per 1 sq.m. of NIS 37 in the area of the Building of the Plant or NIS 43 per 1 sq.m. for the additional area in the office building, as stated hereinabove and hereunder.

In addition, and notwithstanding the aforesaid, the Lessor grants to the Lessee 5 months as a grace period (hereinafter: "**Grace Period**") in which Rent shall not be paid for the purpose of organizing and customizing the Leased Premises according to its requirements and specifications. The Lessor exempts the Lessee **from payment of 5 months of lease for the period between December 15, 2017 and until April 14, 2018**.

8.2. Value added tax imposed on the Rent shall be paid by the Lessee together with and in addition to any payment of the Rent, against invoice and presentation of a valid certificate regarding exemption from withholding of tax at source and shall be deemed as Rent for all intents and purposes.

8.3. Rent shall be paid in the following manner: at the time of signing this Agreement the Lessee shall deliver to the Lessor 18 checks for the first 60 months of lease, in the amount of 3 months of lease and in addition to VAT for each. Upon expiration of every 48 months of lease the Lessee shall deliver to the Lessor 20 checks for the next 60 months of lease that shall constitute a direct continuation of the payment of the Rent. It is agreed that in the event this Lease Agreement is terminated in accordance with the provisions set forth in Section 5.5 above, the Lessor undertakes, no later than the evacuation date of the Leased Premises by the Lessee, to return to the Lessee the checks that were delivered to it in advance for the period after expiration of the Term of Lease (or deliver to the Lessor a check for a relative part of the amount of the Rent, in the event the lease is terminated in the middle of a quarter).

8.4. During the entire Term of Lease and/or the Option Term, Rent shall be linked to the increase in the consumer price index and the basic index shall be the index in October 2017 that will be published on November 15, 2017. In addition to the said, after expiration of a period of 5 years of lease the Rent shall be increased by 5%. Upon expiration of each year of lease the parties shall make a calculation of the existing linkage for that year and the Lessee undertakes to pay to the Lessor the differences in the index in 30 business days.

8.5. For the avoidance of doubt, it is hereby clarified that depositing the checks with the Lessor shall not constitute payment of the Rent and only the actual cashing of each check shall be deemed as payment of the Rent (subject to a settling of accounts in respect of linkage differentials and an addition of 5% after 60 months of lease).

8.6. For the avoidance of doubt it is hereby clarified that the termination of use of the Leased Premises or any part thereof and/or the unlawful evacuation of the Leased Premises by the Lessee during the Term of Lease shall not release the Lessee from the fulfillment of all its undertakings in accordance with this Agreement, including its obligation to pay the Rent, incurring expenses, and all the other undertakings and payments applicable to the Lessee in accordance with this Agreement, until expiration of the Term of Lease. The provisions set forth in this Section shall not apply in circumstances in which it is impossible to use the Leased Premises in accordance with the purpose of the lease as a result of an act and/or omission of the Lessor and/or anyone acting on its behalf and/or in the event the Lessor committed a fundamental breach of this Agreement.

8.7. Breach of any of the provisions set forth in this since 8 including subsections thereof shall constitute a fundamental breach of this Agreement.

9. **Taxes and payments**

9.1. The Lessee shall incur all taxes, levies, fees, Management Fees and other payments in respect of the use of the Leased Premises during the entire Term of Lease. Without derogating from the generality of the aforesaid, the Lessee shall also incur the following expenses and payments:

9.1.1. Payments of municipal taxes ("Arnona"), payments to the municipality, any payment of tax, fee, levy, expense or any other payment of debt that applies and/or that will apply in the future to the Leased Premises in accordance with the law and/or deriving from the use of the Leased Premises (as opposed to payments and/or levies that will apply by law and/or that naturally apply to the owners of properties, subject to the provisions set forth in Section 7.11 above) such as fees for signage and business licenses.

Notwithstanding the aforesaid it is hereby agreed that the Lessor shall incur mandatory payments applicable to the Lessor as the owner of the Leased Premises in accordance with the law and/or that naturally apply to the Lessor and payments that constitute betterment of the Property such as – drainage and betterment levies (subject to the provisions set forth in Section 7.11 above), sewage, pavements, paving and the like.

9.1.2. Current payments and costs for the consumption and use of electricity, water, gas, telephone, maintenance of the fire suppression systems (including sprinklers) and the like, according to the reading of meters that will be installed in the Leased Premises by and at the expense of the Lessor.

9.2. Without derogating from the foregoing, the Lessee undertakes to act for the purpose of transferring to its name all bills in connection with the Leased Premises and use thereof.

9.3. In the event any of the parties failed to fulfill its undertakings in accordance with this Section 9.1 above, the other party shall be entitled, however not obligated, to fulfill the said undertakings in its place and the breaching party undertakes to return to the other party, immediately upon receiving its demand, any sum as aforesaid and/or any sum that the said party expended and/or paid as aforesaid – in addition to the expenses of the said party in respect of the said payment and against presentation of receipts.

9.4. In the event the collection of any sum as aforesaid requires payment of legal expenses and/or attorney fees, the expenses and the fees shall be added to the mandatory sum the breaching party paid in addition to VAT and any sum that was paid as aforesaid shall be allocated first on expense of the expenses and the fees and afterwards according to the aforesaid order.

9.5. Breach of any of the provisions set forth in this Section 9 including sub-sections thereof shall constitute a fundamental breach of this Agreement.

10. **Option to lease an additional area in the office building**

10.1. The parties agree that during the first 6 months of lease and as long as this Agreement is in effect the Lessee shall have the option to lease from the Lessor an additional area (up to 700 sq.m. and including) in the office building (hereinafter: "**the Additional Area**") according to the area highlighted in yellow in the Blueprint enclosed as Appendix B and marked with the number "5."

10.2. Rent for the Additional Area shall be in the amount of NIS 43 for each 1 sq.m.

10.3. For the avoidance of doubt, the terms of the lease in connection with the Additional Area or any part thereof shall be in accordance with the conditions set forth in this Agreement in such manner that the Additional Area shall become an integral part of the Leased Premises and anywhere in this Lease Agreement where the words "Leased Premises" are used this shall also be deemed as including the Additional Area, unless otherwise agreed between the parties.

It is agreed that the payment of the Rent in respect of the Additional Area shall commence on April 15, 2018 even if the Term of Lease of the Additional Area commences prior to or after this date.

11. **Delivery of possession, alterations, customizations and additions in the Leased Premises**

11.1. It is hereby agreed that the Lessee shall receive possession in the Leased Premises in their condition "as-is" on December 15, 2017. Subject to the performance of the works as stated in Section _____ hereunder by the Lessor, when the Leased Premises are connected to the electricity and water systems and shall customize the Leased Premises according to its requirements and specifications at its expense and under its sole responsibility.

11.2. The customization works that will be performed by and at the expense of the Lessor in 6 months at the latest as of the lease commencement date shall include the following:

11.2.1. Separation of the area of the Leased Premises from the remaining area of the building of the Project with a fireproof wall, reinforced and up to the height of the roof.

11.2.2. Permanent connection of the Leased Premises to the water and electricity systems and the installation of a backflow preventer in the main water supply pipe.

11.3. The Lessee shall be entitled to perform at its expense and under its responsibility alterations for the purpose of customizing the Leased Premises according to its requirements and specifications. The Lessee undertakes to deliver to the Lessor plans prior to the performance of actual works.

11.4. Save as provided expressly in Section 11.3, the Lessee shall not be entitled to perform in the Leased Premises any alterations or additions that may alter and/or affect the foundation and/or that may affect the construction and/or alterations that constitute a change in the use of the construction rights, without obtaining the prior and written approval of the Lessor regarding the alterations and/or the addition as requested and under conditions that the Lessor will set out (hereinafter: "**Prohibited Alterations**"). Notwithstanding the said, it is agreed that the Lessee shall be entitled to build in the Leased Premises a gallery in an area of up to 2,000 sq.m. in coordination with the Lessor.

11.5. The Lessee undertakes to appear in the Leased Premises and receive possession therein on the delivery of possession date and further confirms that in any event it fails to appear and receive possession in the Leased Premises on this date, despite delivery of notice regarding delivery of possession by the Lessor, the Lessee shall be deemed to have received possession in the Leased Premises on the delivery of possession date with respect to the fulfillment of its entire undertakings and responsibilities, as stated in the Agreement and/or in accordance with the provisions set forth in any law (including, and without derogating from the generality of the aforesaid, making all payments of any kind the Lessee is obligated to pay in accordance with this Agreement), without any reservations regarding their condition, provided that the Leased Premises are delivered to the Lessee in accordance with the provisions set forth in this Agreement, without defects, and after the Lessor completed the performance of the alterations it is required to perform in accordance with the provisions set forth in Section 11.2 above.

11.6. The following provisions shall apply to the delivery of possession in the Leased Premises to the Lessee:

11.6.1. The Leased Premises shall be delivered to the Lessee in shell level only, except for preparation for electricity utilities that include the following, *inter alia*: a total electric power of 2000 kVA. The Lessor undertakes to endeavor reasonably, in cooperation and in coordination with the Lessee, for the purpose of connecting the Leased Premises to the power supply directly from Israel Electric Corp. In the event the parties agree that the direct supply of electricity from Israel Electric Corp. to the Leased Premises is unreasonable, the parties shall reach another agreement in good faith. It is agreed that in any event the Lessee shall not pay for the electricity a higher rate than the rate the Lessee would have paid to Israel Electric Corp. according to a low-voltage time of use rate.

11.6.2. Loads: the floor of the Leased Premises will allow a load of up to 500kg per 1 sq.m.

11.6.3. The roof of the Leased Premises will allow a load of 500kg per 1 sq.m.

11.6.4. On the delivery date the representatives on behalf of the parties shall draw up a delivery protocol in accordance with the provisions set forth in the Agreement (hereinafter: "**Delivery Protocol**"). Delivery of possession in the Leased Premises shall be subject to the working order of the temporary connections as stated in Section 11 above and that shall be listed in the Delivery Protocol.

11.6.5. For the avoidance of doubt it is clarified that the avoidance of the Lessee from cooperating with the Lessor in the preparation of the Delivery Protocol and the existence of any defects and/or the need to complete the works in the Leased Premises by the Lessor – shall not give rise to a preclusion preventing the delivery of possession in the Leased Premises and the Lessee shall be obligated receive possession in the Leased Premises, provided that the said defects and/or the completion of the works do not disturb the use of the Lessee in the Leased Premises and/or the performance of the customization works of the Lessee in the Leased Premises.

11.7. The Lessee undertakes to perform the following actions on the delivery of possession date:

11.7.1. To receive possession in the Leased Premises; receiving possession in the Leased Premises by the Lessee shall constitute approval on behalf of the Lessee that the Leased Premises were delivered to the Lessee in accordance with the provisions set forth in this Agreement and that the Lessee does not and will not raise any claims in anything related to the manner of delivering the Leased Premises, subject to the amendment of the defects detailed in the Delivery Protocol and/or the repair of undetectable defects at the time of drawing up the Delivery Protocol, to the extent that there are any, and in accordance with the provisions set forth above.

11.7.2. Furnish to the Lessor all the guarantees and securities it is obligated to furnish on this date.

11.7.3. Furnish to the Lessor all certificates of insurance for the Term of Agreement as stated in this Agreement.

11.8. It is clarified that in the event the Lessee fails to perform any of the aforesaid actions fully and timely, the Lessee shall not receive possession in the Leased Premises and this shall not be deemed as any breach on behalf of the Lessor, without derogating from any relief and/or remedy and/or right granted to the Lessor and/or the Management Company in accordance with this Agreement and/or the Management Agreement and/or in accordance with the provisions set forth in any law. The fact that possession is not delivered to the Lessee in accordance with the provisions set forth in this Section shall not derogate from the obligation of the Lessee to pay all payments imposed on the Lessee in accordance with this Agreement as if possession in the Leased Premises was actually delivered to the Lessee as of the date designated as the delivery of possession date and subject to the existence of the grace period and the provisions set forth in this Agreement.

11.9. Prior to the commencement of the works and during the period of the customization works the Lessee shall coordinate with a supervisor on behalf of the Lessor the performance of the works and shall receive from the supervisor instructions regarding safety at work.

11.10. During the period that commences as of the delivery of possession date and for the period of time set for the performance of the Lessee's works, the Lessee shall be entitled to perform in the Leased Premises, under its responsibility and at its expense, all works as may be required for the purpose of customizing the Leased Premises for its use (provided that the Lessee observes all the provisions set forth hereunder), while concurrently the Lessor shall be entitled to perform, by different contractors and craftsmen, different works in the Project, provided that the aforesaid works shall not delay and/or prevent from the Lessee to perform its customization works.

11.11. The safety consultant on behalf of the Lessee shall conduct an inspection of the Leased Premises upon completion of the works for the purpose of obtaining the approval the National Fire and Rescue Authority confirming that the Lessee's works were performed in accordance with all safety instructions and guidelines, to the extent required for the purpose of issuing Form 4 for the finish, and the Lessee shall be responsible for obtaining Form 4.

11.12. It is agreed that permanent alterations in the Leased Premises that cannot be dismantled and that are performed as part of the customization works of the Lessee shall be transferred to the ownership of the Lessor upon expiration of the Agreement free of charge.

11.13. The parties clarify and agree that any installation of chattel in the Leased Premises including air-conditioning systems and shelves shall not be deemed as fixtures in the Leased Premises and shall remain the property of the Lessee upon expiration of the Term of Lease, unless the Lessee decides, at its sole discretion, to keep them in the Leased Premises upon expiration of the Term of Lease.

12. **Electricity works in the Leased Premises**

12.1. The Lessee undertakes to install an electricity System in the Leased Premises as detailed in the electricity plans of the Lessee.

12.2. The Lessee shall submit solely for the inspection of the Lessor a copy of the electricity plans in the Leased Premises, upon receiving its demand and such action shall not cause a delay in the performance of the works and/or allow the Lessor to prevent and/or delay the performance of the works.

12.3. The Lessee shall furnish to the Lessor, upon its demand and on the date required in connection therewith, an approval from a qualified electrical inspector, confirming that the electricity system in the Leased Premises is in working order and that there is no risk in connecting it to the electricity systems in the Project. Failure to present such approval as aforesaid and failure to connect the Leased Premises to the electricity system shall not allow to the Lessee to continue the lease of the Leased Premises, and this shall not exempt the Lessee from the timely fulfillment of all its other obligations in accordance with this Agreement including, and without derogating from the generality of the aforesaid, payment of the Rent and any other payment the Lessee owes in accordance with the Agreement. For the avoidance of doubt, it is clarified that the presentation of such approval as aforesaid shall not impose on the Lessor and/or anyone acting on its behalf any responsibility with respect to the working order of the electricity system in the Leased Premises as aforesaid.

12.4. Without derogating from any responsibility imposed on the Lessee in accordance with the Agreement, the Lessee undertakes to act immediately and replace and/or repair and/or alter and/or remove immediately any electrical and/or electronic component and/or facility and/or appliance (hereinafter in this Section: "**the Facility**") upon receiving the demand of the competent authorities, in any event in which such a competent authority as aforesaid is of the opinion that the Facility harms and/or might cause harm and/or is inappropriate and/or is unsuited or fails to meet the requirements set forth in any standard and/or that constitutes a safety and/or other risk and/or that might disrupt and/or harm the supply of electricity to the Leased Premises and/or other parts in the Project, and the Lessee shall raise no claims and/or suits and/or demands towards the Lessor even if the Lessee obtained prior approval for its installation. The aforesaid shall not derogate from the right of the Lessee to conduct a proceeding with the said authority for the purpose of appealing its arguments.

13. **Use of public areas and nuisances**

13.1. Each of the parties undertakes to conduct its business in the Project in accordance with the provisions set forth in any law as may be applicable and without causing any nuisance including, and without derogating from the generality of the aforesaid, unreasonable noise, unreasonable odors, pollution, vibrations, tremor, flashes of light to the public of visitors in the Project and/or the other possessors and/or lessees in other nearby areas in the Project in and outside the Leased Premises. It is clarified that the provisions set forth in this Section shall not apply to the Lessee during the period of performance of the Lessee's works in the Leased Premises.

13.2. The Lessee undertakes to prevent any damage to the Leased Premises, including fixtures and/or facilities and/or installations thereof and to other leased premises and/or any other areas in the Project, and undertakes to repair at its expense and promptly any damage and/or breakdown and/or nuisance caused to these areas by the Lessee and/or by anyone acting on its behalf and/or by its workers and/or suppliers and/or visitors and/or customers and/or any other person on its behalf, without derogating from any other provision set forth in this Agreement.

13.3. Without derogating from the generality of the aforesaid the Lessee undertakes not to operate in the area of the Leased Premises public announcement systems and/or speakers and/or amplification systems and/or lighting system and/or any other system that emits flashes of light (as opposed to an internal PA system in the Leased Premises) and keep a high standard of cleanliness and maintenance in the Leased Premises, and not to remove or display goods or movable property outside the area of the Leased Premises. In addition, the Lessee shall not be entitled to distribute any other advertising materials in the complex without obtaining the express, prior and written approval of the Lessor, which approval shall not be unreasonably withheld. Breach of the provisions set forth in this paragraph above shall constitute a fundamental breach of this Agreement.

13.4. The Lessee shall not be entitled to make any use of the pavements, roads, passageways and any other public area that is shared with the Leased Premises and does not constitute part of the Leased Premises however solely in accordance with its designated purpose. It is clarified that the Lessee is strictly prohibited from removing outside the Leased Premises any movable property of any kind without obtaining the prior and written approval of the Lessor, which approval shall not be unreasonably withheld.

13.5. The Lessee shall not obstruct and/or shall not cause any obstruction in the emergency passageways and shall not place any obstacles or goods that prevent free, safe and proper access to these locations.

13.6. The Lessee shall not discharge to the sewage system waste whose quality or quantity may harm the aforesaid system or harm its proper operations, or that might risk the standard use of water sources. The Lessee shall take measures to prevent the presence of solid substances in the wastewater that might harm the pipes or the drainage system and harm the sewage pipes, inspection chambers, measurement devices, purification facilities or that might clog these facilities. The Lessee shall dispose waste from its business solely to the places designated for that purpose in the Project.

13.7. The Lessee shall not keep any materials, instruments, equipment, goods for inventory and any other movable property (hereinafter: "**Movable Property**") outside the Leased Premises in any manner without obtaining the prior and written approval of the Lessor, which approval shall not be unreasonably withheld. In the event any Movable Property of the Lessee is located outside the Leased Premises without obtaining the prior and written approval of the Lessor as aforesaid, the Lessor shall be entitled to remove the Movable Property at the expense of the Lessee and shall not be responsible in any manner for the Movable Property.

14. Alterations and works in the Project

14.1. The Lessor shall be entitled, at any time, and without obtaining the approval of the Lessee, to perform any alteration or addition in the Project, at its sole discretion, both prior to the commencement of the Term of Lease and during and/or after expiration of the Term of Lease, including, but not limited to, the addition or reduction of areas, converting closed or open areas into areas under the exclusive use of different users, alterations in openings and passageways, entrances to the Project, access roads to the Project, performance of different construction additions and/or removal of construction and any other alteration in the building or in the Project plans, provided that the rights of the Lessee in accordance with this Agreement shall not be impaired thereby and provided that no additional obligations are imposed on the Lessee in connection therewith (hereinafter in this Section: "**the Alterations**").

14.2. The Lessee shall be precluded from raising any claims and/or suits and/or demands towards the Lessor and/or anyone acting on its behalf in connection with the performance of the Alterations, in whole or in part, and the Lessee undertakes not to disturb and not to object to any Alteration or addition as aforesaid for any reason, including lack of objection as aforesaid to the disturbances caused to the Lessee, if caused, during the performance of the addition or the Alteration, on the condition that the rights of the Lessee in accordance with this Agreement shall not be impaired thereby and the Lessee shall not be required to incur additional obligations in connection therewith.

14.3. The Lessee undertakes to allow the Lessor to enter the Leased Premises at any reasonable time, by appointment and during customary hours of work both for the purpose of conducting an inspection regarding the performance of the entire provisions set forth in this Agreement both for the purpose of performing the works and/or any repairs (after obtaining the approval of the Lessee for their performance, in accordance with the provisions set forth in this Agreement).

14.4. For the avoidance of doubt it is hereby agreed and clarified that the Lessee shall be solely responsible for obtaining all the licenses and/or approvals and/or permits that are required in accordance with the provisions set forth in any law for the purpose of performing the Lessee's works, to the extent required, and for the purpose of opening its business in the Leased Premises and for the purpose of conducting its business in the Leased Premises, to the extent required and all at its sole expense. The Lessee undertakes to meet all the conditions that are necessary for the purpose of obtaining such permits as aforesaid and conduct its business in accordance with their provisions and observe the provisions set forth in any permit during the entire Term of Lease, and not to use the Leased Premises in any manner that is in contradiction to the provisions set forth in this Agreement (and in particular with respect to the Section regarding the purpose of the lease in this Agreement) and not to conduct in the Leased Premises any business that is not permitted in accordance with the provisions set forth in any present or future law and observe the instructions set forth by any authority that operates in accordance with the provisions set forth in any law in connection with the aforesaid matters.

14.5. The Lessor agrees and undertakes to sign any document as may be required for the purpose of obtaining such approvals and permits as aforesaid and for my additional consideration, on the condition that this document shall not impose on the Lessor any liability that is not imposed on the Lessor in accordance with the provisions set forth in this Agreement.

15. **Management Company of the Property**

15.1. The Lessor shall manage the Project, whether by itself and whether by the Project Management Company in accordance with the management principles set forth in this Agreement hereunder. As long as no corporation or entity is appointed for the purpose of managing the Project or as long as the said entity did not start the management and maintenance of the Project, or in the event its appointment was terminated as aforesaid, the Lessor shall serve as the Management Company in the Project.

15.2. The Lessee shall sign with the Management Company that will manage the Project (hereinafter: "**the Management Company**") a management agreement in a form to be agreed provided that the rights of the Lessee in accordance with this Agreement shall not be impaired thereby (hereinafter: "**the Management Agreement**"). The Lessor undertakes that the Management Company that will manage the Project will have good reputation and will be appointed after obtaining the prior approval of the Lessee with respect to its identity. For the avoidance of doubt, it is clarified that the services that will be provided by the Management Company shall but coordinated and agreed in advance with the Lessee.

15.3. The Lessee undertakes to pay fully and timely the Management Fees to the Management Company and all other payments applicable to the Lessee in accordance with the Management Agreement (hereinabove and hereinafter: "**Management Fees**"). The Management Fees that the Lessee shall pay during the entire Term of Lease shall include the actual cost of the management services + 10% and in any event shall not be greater than NIS 5 for each 1 sq.m. In the event the actual costs of the Management Fees are greater than NIS 5 for each 1 sq.m. the parties shall consider the costs of the Management Fees in good faith and for the purpose of reaching an agreed solution between the parties.

15.4. Management Fees shall be paid once for every three months retroactively and shall not be paid in advance.

15.5. The roles of the Management Company in the Project as part of the performance of the services shall include the following actions, *inter alia*, and all expenses in connection therewith, as follows:

Guarding services, as decided between the parties, cleaning, maintenance, signage, preservation and maintenance of the public areas and the facilities including, and without derogating from the generality of the aforesaid, payment of all payments that are required to any third-party, including to the suppliers of equipment, technicians, Israel Electric Corp., water and the like.

15.5.1. Notwithstanding the aforesaid, it is hereby agreed expressly that the Lessor and the Management Company in the Project shall be deemed as a bailee of the Project and/or the units and/or contents thereof and/or any part thereof, within the meaning of this term in the Bailees Law, 5727-1967 and the provisions set forth in the aforesaid law shall not apply to the Lessee and the Lessor and/or the Management Company in the Project and/or anyone acting on its behalf.

15.5.2. The Lessee shall take measures under its responsibility and at its expense for the regular disposal of waste from the Leased Premises to a waste disposal site that is lawfully licensed or to a waste disposal site that will be designated by the Management Company in the Project. The Lessee shall concentrate the waste produced following the operation of its business, including empty packages, in a place designated for that purpose in the Leased Premises until the said waste is disposed as aforesaid. The Lessee shall avoid completely from placing any waste and/or packages and/or any other article in the public areas. The Management Company in the Project shall be entitled to set out instructions, at its discretion, in connection with the disposal of waste from the site.

15.5.3. From time to time the Management Company shall be entitled, at its discretion, to set, update and change the scope of the services including their nature and standard, and any part thereof provided to the Project or certain parts thereof, if any, and the manner and period of their performance, provided that the customary high standard that is required in similar projects is maintained and that such actions will not result in an increase of the Management Fees without obtaining the Lessee's approval in connection therewith.

15.5.4. The Management Company shall manage and perform the services by itself and/or part by itself and another part by others, at the discretion of the Management Company. Without derogating from the foregoing, it is hereby agreed that the Management Company shall be entitled to engage from time to time with suppliers and/or subcontractors and/or any other entity in agreements regarding the performance of any services and/or maintenance services to systems, facilities and areas in the Project under conditions as the Management Company deems fit, however this shall not derogate from the direct responsibility of the Management Company towards the Lessee.

16. **Vacating the Leased Premises**

16.1. Immediately after expiration of the Term of Lease and/or upon the lawful termination of this Agreement, the Lessee undertakes to vacate the Leased Premises and return to the Lessor exclusive possession therein when the Leased Premises are free from any person and article owned by the Lessee and in their condition at the time after performance of the Alterations that the Lessee performed including reasonable wear in the Leased Premises.

16.2. On the evacuation date of the Leased Premises and upon receiving the written demand of the Lessor in connection therewith, the Lessee shall furnish to the Lessor approvals from any entity and authority evidencing that the Lessee has no debts in connection with the Leased Premises and that the Lessee is obligated to pay in accordance with the provisions set forth in this Agreement, until the evacuation date.

16.3. Without derogating from any other provision set forth in this Agreement and any other right and relief the Lessor may seek in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law, in the event the Lessee fails to return possession in the Leased Premises to the Lessor upon expiration of the Term of Lease or after the lawful termination of this Agreement, the Lessee undertakes to make the following payments to the Lessor:

Usage fees for the period as of the date in which the Lessee was obligated to return the Leased Premises to the Lessor and until the Leased Premises are actually returned to the Lessor, at a rate of 180% of the monthly Rent at the time (or a relative part thereof for part of a month).

16.4. Without derogating from the foregoing, it is hereby agreed that during the entire period commencing on the date in which the Lessee was obligated to vacate the Leased Premises and until the actual evacuation of the Leased Premises, the Lessee shall be obligated to pay all other payments in accordance with the provisions set forth in this Agreement including Appendixes thereof and shall not grant to the Lessee permission to continue and possess the Leased Premises and such payment shall not grant to the Lessee any right to continue and possess the Leased Premises.

16.5. Without derogating from the foregoing, the Lessor may seek any relief in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law.

16.6. Breach of the provisions set forth in this Section 15 *[sic]* including subsections thereof, shall constitute a fundamental breach of this Agreement.

17. **Transfer of rights**

17.1. The Lessee shall not be entitled to transfer its rights in accordance with this Agreement, in whole or in part, to another or others, whether directly or indirectly, and/or allow another or others the use of the Leased Premises or any part thereof, except solely after obtaining the prior and written approval of the Lessor in connection therewith, which approval shall not be unreasonably withheld.

Notwithstanding the aforesaid, it is clarified that the Lessee shall be entitled at any time, and without obtaining the prior and written approval of the Lessor, to transfer rights in the Leased Premises and rights in accordance with this Agreement, and permit any use in the Leased Premises or any part thereof to others, as part of the sale or transfer of shares in the Lessee, activities and/or assets of the Lessee, in whole or in part, whether by way of a sale, assignment, reorganization, merger or in any other manner. In addition, the Lessee shall be entitled to transfer its rights in accordance with this Agreement, in whole or in part, or permit the use of the Leased Premises or any part thereof to any parent company and/or subsidiary and/or a controls in the Lessee or controlled by the Lessee, within the meaning of the term "control" in the Securities Law 5728-1968, without obtaining the prior and written approval of the Lessor however subject to delivery of written notice on the date such notice may be delivered to third-parties.

17.2. Notwithstanding the aforesaid, it is agreed that the Lessee shall be entitled to lease the Leased Premises and/or parts thereof in sublease to a sublessee whose identity will be approved by the Lessor, which approval shall not be unreasonably withheld and solely in connection with the identity of the transferee. It is agreed that the Lessor shall grant its approval and/or reservation to the Lessee regarding the prospective sublessee in 14 days as of the date of receiving the request of the Lessee to approve the identity of the sublessee. In the event the Lessor failed to deliver notice to the Lessee during this period of time, stating that it does not approve the identity of the substitute lessee together with all the relevant reasons in connection therewith, this shall be deemed as if the Lessor approved the identity of the sublessee.

17.3. Notwithstanding the aforesaid, the Lessee shall be entitled to transfer its rights in accordance with this Agreement to a substitute lessee whose identity shall be approved by the Lessor in advance, which approval shall not be unreasonably withheld and solely in connection with the identity of the transferee. It is agreed that the Lessor shall grant its approval and/or objection of the identity of the Lessee regarding the prospective substitute lessee in 21 days as of the date of receiving the request of the Lessee for such approval. In the event the Lessor failed to deliver notice to the Lessee within this period of time that it does not approve the identity of the substitute lessee together with the reasons in connection therewith, this shall be deemed as if the Lessor approved the identity of the substitute lessee and the parties shall cooperate in good faith for the purpose of drafting an addendum of this Agreement regarding the replacement of the Lessee in this Agreement.

17.4. The Lessor shall be entitled to transfer its rights and obligations in accordance with this Agreement to any person and/or entity and/or charge the said rights and obligations without obtaining the Lessee's approval and subject to the provisions set forth in this Agreement with respect to the types of lessees to which the Lessor is not entitled to lease areas that are adjacent to the Leased Premises in accordance with the provisions set forth in this Agreement, provided that the rights of the Lessee in accordance with this Agreement shall not be impaired thereby. Notwithstanding the provisions set forth in the Lease Agreement, the Lessee is aware that the Lessor intends to take a bank loan for the purpose of financing the purchase of the Leased Premises and for that purpose the Lessor will charge and/or mortgage and/or assign by way of a charge all its rights, including its rights in the Property and anything constructed thereon in favor of a bank(s) ((hereinafter: "**the Bank**" or "**the Banks**") and the Lessee shall not raise any claim, suit or demand against the Lessor in connection therewith, provided that the rights of the Lessee in accordance with this Agreement shall not be impaired thereby and subject to obtaining an undertaking from the Bank stating that in the event of enforcement of the charge this enforcement shall be performed subject to protection of the rights of the Lessee in accordance with this Agreement. The Lessee declares that it is aware that the rights of the Banks in accordance with the aforesaid charges shall take precedence over any other right of the Lessee and the Lessee shall not be entitled to raise any claims, suits or demand against the Banks, including a lien and/or setoff and/or demand, subject to the provisions set forth above regarding the protection of the rights of the Lessee. The Lessee shall cooperate with the Lessor and/or the transferee and/or the Bank and/or the Banks and shall sign any document and/or declaration, to the extent required, if required, by the Lessor and/or the Bank and/or the Banks for the purpose of approving and/or observing the provisions set forth in this Agreement, provided that this shall not impose on the Lessee any obligation and provided that the said actions are performed in accordance with the provisions set forth in this Agreement.

17.5. Breach of any of the provisions set forth in this Section shall be deemed as the fundamental breach of this Agreement.

18. **Liability for damages and insurance**

18.1. The Lessee (and it alone) shall be liable by law for any loss, injury or damage (hereinafter in this Section: "**Damage**") to the body and/or the property caused to the Lessee and/or anyone acting on its behalf and/or to the Lessor and/or anyone acting on its behalf and/or to any third-party – without derogating from the generality of the aforesaid, including workers, suppliers, customers, visitors and nearby occupants that are caused as a result of any unlawful act and/or omission of the Lessee and/or its workers and/or anyone acting on its behalf and/or as a result of the activities of the Lessee in the Property.

18.2. The Lessor shall be held liable by law for any loss, harm or damage to the body and/or property caused to the Lessee and/or anyone acting on its behalf and/or to any third-party caused as a result of an act and/or omission of the Lessor and/or the Management Company and/or its workers and/or anyone acting on its behalf.

18.3. Each of the parties undertakes to compensate the injured party immediately upon receiving its first demand, for the full amount of the damage for which the breaching party is responsible as aforesaid and that was caused to the injured party and/or for which the injured party paid, including all expenses that the injured party incurred in connection with the Damage, without derogating from the rights of the injured party in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law to seek any other relief or remedy. The amount of compensation as aforesaid shall be deemed as a debt due to the injured party from the breaching party in accordance with the provisions set forth in this Agreement. Notwithstanding the aforesaid, it is agreed that as long as there is no statutory liability to pay compensation to a third-party in accordance with a peremptory judgment or order, the breaching party shall not pay any compensation until a peremptory and binding order or judgment are issued as aforesaid.

18.4. Without derogating from the liability of the Lessee in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law, the Lessee undertakes, as of the date of receiving possession in the Leased Premises and/or as of the date of bringing equipment to the Leased Premises – whichever is earlier, to take out with a legally licensed and reputable insurance company and maintain at its expense during the entire Term of Lease in accordance with this Agreement the insurances detailed in the Certificate of Insurance hereby enclosed as **Appendix D** of this Agreement and constituting an integral part thereof.

18.5. In the event the Lessee deems it necessary to take out an additional and/or supplemental insurance in addition to the Lessee's insurances as aforesaid in respect of the lease contemplated in this Agreement, the Lessee undertakes to take out and maintain the additional and/or supplemental insurance as aforesaid. Each additional or supplemental insurance of the Lessee's insurances as aforesaid shall include a clause regarding waiver of the right of subrogation towards the Lessor and anyone acting on its behalf and towards the other lessees and/or tenants on the condition that their insurances include a corresponding clause regarding waiver of the right of subrogation, except for with respect to a person who caused malicious damage. The name of the insured in property and/or liability insurances shall be extended to indemnify the Lessor in respect of its liability for the acts and/or omissions of the Lessee, subject to a cross-liability clause regarding liability insurances.

18.6. The Lessee's insurances shall include an express provision stipulating that they shall not be diminished or terminated during the Term of Lease without delivery of a 60 days' prior notice, lawfully signed and delivered in person to the Lessor in connection therewith. In addition, the Lessee's insurances shall include an express provision stating that they shall take precedence over any insurance arranged by the Lessor (if any) and that the insurer waives any demand or claim regarding participation of the Lessor's insurances.

18.7. The Lessee undertakes to fulfill the entire provisions set forth in the insurances and make full and timely payment of the insurance premiums and the Lessee shall solely incur payment of the deductible amounts. In addition, the Lessee undertakes to cooperate with the Lessor, to the extent that such cooperation is not in contravention of the interests of the Lessee, for the purpose of protecting and enforcing the rights of the Lessor in accordance with its insurances, and in this regard to notify the insurer upon becoming aware of an event that might serve as grounds for a claim in accordance with its insurances.

18.8. The Lessee shall furnish the Certificate of Insurance as stated in Appendix D above, lawfully signed by its insurer, no later than 30 days after signing this Agreement. It is hereby agreed expressly that the arrangement of the insurances, the furnishing of the Certificate of Insurance, the inspection and/or avoidance from inspection of the Certificate of Insurance by the Lessor and/or anyone acting on its behalf shall not constitute approval regarding the compliance of the Lessee's insurances with the agreements between the parties, their standard, effect, nature, scope or lack thereof, and this shall not impose any liability on the Lessor and/or anyone acting on its behalf and/or diminish any liability from the Lessee.

18.9. The Lessee declares that it shall not raise any claims and/or demands and/or suits against the Lessor and/or anyone acting on its behalf and/or the other lessees and/or tenants (on the condition that their agreements include a corresponding exemption towards the Lessor) in respect of Damage for which the Lessee is entitled to indemnity in accordance with an extended fire insurance as specified in sub-sections 1 in the Lessee's Permanent Certificate of Insurance or for which it was entitled to indemnity but for the policyholder's contribution set out in the policy, provided that the said exemption from liability shall not apply in favor of a person who causes damage with malicious intent.

19. **Business license**

19.1. The Lessee shall be solely responsible for obtaining all licenses and/or approvals and/or certificates that are required in accordance with the provisions set forth in any law and from any authority for the purpose of conducting its business in the Leased Premises, the signage therein, and to maintain in full force and effect all of the said licenses, approvals and permits. It is emphasized that in the event the business of the Lessee in the Lessor requires issuance of a business license and/or any other permit, the Lessee shall be responsible and undertakes to obtain all required permits at its expense. The Lessee undertakes to actually obtain all approvals and/or licenses and/or permits as stated above and present them to the Lessor and/or anyone acting on its behalf immediately upon receiving the said documents.

19.2. The Lessor undertakes to sign, at the request of the Lessee, any document and/or application that are necessary for the purpose of obtaining a business license and/or any other permit that is required for the purpose of operating its business in accordance with the provisions set forth in any law, provided that the application is in compliance with the provisions set forth in the Agreement and/or the provisions set forth in any law, and that no additional liability is imposed on the Lessor beyond the liabilities the Lessor assumed expressly in this Agreement.

19.3. For the avoidance of doubt and without derogating from the aforesaid, the Lessee undertakes to conduct its business and observe all the requirements set forth, *inter alia*, in the Business Licensing Law 5728-1968 (hereinafter in this Section: "**the Law**") and the regulations promulgated thereunder, and any other law regarding regulation of different business licenses in general and the business of the Lessee in particular, and act for the purpose of obtaining any license and permit as may be required by law for the purpose of conducting the business of the Lessee in the Leased Premises in accordance with the purpose of the lease and extend the said license each year and/or period in accordance with the provisions set forth in any law. The Lessee shall be solely responsible for any violations and/or the breach of any law in the Leased Premises and/or in connection with the activities performed therein. The Lessee shall incur by itself any fine or penalty imposed with respect to the management of the business and/or the use of the Leased Premises by the Lessee without a permit or in violation of a permit.

19.4. None of the provisions set forth in this Agreement shall be deemed as permission the Lessor grants to the Lessee to use the Leased Premises and/or to conduct in the Leased Premises business without a license and/or permit and/or in violation of a license and/or a permit and/or in violation of the provisions set forth in any law.

19.5. It is agreed that obtaining any license and/or permit and/or certificate that the Lessee requires for the purpose of conducting its business in the Leased Premises or failure to obtain the said documents not as a result of the refusal of the Lessor to sign documents as stated in Section 18.2 above shall not release the Lessee from any of its undertakings in the Agreement, including, and without derogating from the generality of the aforesaid, its undertaking to pay any payment the Lessee owes in accordance with the Agreement during the entire Term of Lease, even if as a result of lack of a license and/or permit and/or certificate as aforesaid, and in the event the Lessee did not actually open the Leased Premises and/or opened the Leased Premises only partially. The Lessee hereby undertakes to act diligently and promptly for the purpose of obtaining any license and/or permit that is required for the purpose of operating its business in the Leased Premises.

20. **Securities**

For the purpose of assuring the timely fulfillment of the undertakings of the Lessee in accordance with this Agreement, without derogating from any of its undertakings in the Agreement and without derogating from any relief and/or remedy and/or right granted to the Lessee in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law, the Lessee shall furnish all of the following securities to the Lessor on the following dates:

20.1. Upon signing this Agreement, the Lessee shall furnish to the Lessor a monetary deposit in an amount equal to 6 months of Rent that shall be kept by the Lessor in trust for the Lessee (hereinafter: "**the Deposit**").

20.2. In the event the Lessee commits a fundamental breach of this Agreement including, but not limited to, in the event any outstanding payment is due to the Lessor from the Lessee the Lessor shall be entitled, after delivery of a 14 days' prior and written notice to the Lessee and during this period the Lessee failed to cure the breach, to forfeit the necessary amount from the amount of the Deposit, without derogating from any relief and/or remedy and/or right granted to the Lessor in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law.

20.3. It is clarified that in the event the Lessor uses the amount of the Deposit as stated above the Lessee shall be obligated to deposit with the Lessor, in 15 days as of the date the Deposit amount was forfeited, the amount forfeited by the Lessor.

20.4. In addition, the Lessee shall deposit with the Lessor a non-negotiable promissory note, undated, and signed by the Lessee and equal to the amount of one year of lease ("**the Promissory Note**"). In the event the Lessor commits a fundamental breach of this Agreement, including, but not limited to, in the event any outstanding payment is due from the Lessee to the Lessor in accordance with the provisions set forth in this Agreement, the Lessor shall be entitled, after delivery of a 14 days' prior and written notice to the Lessee, when during this period the Lessee failed to cure the breach, forfeit the necessary sums from the Promissory Note, without derogating from any relief and/or remedy and/or right the Lessor may seek in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law.

20.5. For the avoidance of doubt it is clarified that the enforcement of the Department and/or the Promissory Note shall not derogate from any other relief and/or remedy the Lessor may seek in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law as a result of breach of any of the provisions set forth in the Agreement by the Lessee, and the Deposit and/or the Promissory Note shall not set out conditions and/or exclusions with respect to the liability of the Lessee towards the Lessor.

20.6. The entire securities that are provided to the Lessor in accordance with this Agreement shall be returned to the Lessee in 15 days as of the date the Lessee vacates the Leased Premises.

21. **Reliefs and remedies as a result of breach of the Agreement**

21.1. Without derogating from the reliefs the parties may seek in accordance with this Agreement, the provisions set forth in the Contracts Law (Remedies for Breach of Contract), 5731-1970 shall govern this Agreement and breach thereof, including the provisions set forth in any other relevant law.

21.2. Without derogating from any other relief and right the Lessor may seek in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law, any default and/or delay in payments due from the Lessee to the Lessor in accordance with this Agreement shall oblige the Lessee to pay interest in arrears for the amount in default and/or delay according to the maximum rate that is customary in Bank Hapoalim Ltd. for overdrafts in current loan accounts in addition to 6% annual interest.

21.3. Any expense the Lessor incurs in connection with the collection of any amount in default shall be charged against the Lessee and the Lessee shall be obligated to return the said amount.

21.4. Without derogating from the provisions set forth expressly in this Agreement, the parties hereby agree that the breach of the provisions set forth in Sections 3, 5, 6, 8, 9, 10, 12, 13 and 16 shall constitute a fundamental breach of this Agreement within its meaning in the Contracts Law (Remedies for Breach of Contract), 5731-1970.

21.5. Without derogating from the foregoing and the other provisions set forth in the Agreement, each of the following events as stated hereunder shall entitle the Lessor the terminate the lease contemplated in this Agreement, demand the immediate eviction of the Lessee from the Leased Premises and recover from the Lessee the securities detailed in this Agreement, for the purpose of covering the entire damages of the Lessor, including the eviction of the Lessee and its equipment, and the eviction of the workers and representatives of the Lessee from the Leased Premises as follows:

21.5.1. The Lessee abandoned the Leased Premises and ceased to pay the Rent in accordance with the provisions set forth in this Agreement.

21.5.2. A judicial shutdown order was issued to the business of the Lessee as a result of an act and/or omission of the Lessee and/or anyone acting on its behalf and the order was not lifted in 90 days as of its issuance and the Lessee does not conduct a proceeding for the purpose of causing the lifting of the order (even if as part of the said proceeding the order was not lifted in 90 days as aforesaid).

21.5.3. A motion for the liquidation and/or receivership and/or a composition with creditors was filed against the Lessee or by the Lessee and/or a liquidation order and/or a stay of proceedings order was issued against the Lessee and/or a receiver and/or a liquidator and/or a trustee and/or an administrator were appointed for the Lessee, whether temporarily to permanently, with respect to all the assets or a part thereof and the motion and/or the order and/or the appointment as aforesaid were not canceled in 45 days as of the date the Lessee became aware of these proceeding or after a hearing held in the presence of the parties, whichever is later, however in the event the Lessee did not file a motion to terminate, the provisions set forth in this Section shall come into operation in 21 days as of the date the Lessee became aware of such an order or decision or appointment as aforesaid, provided that the Lessee does not pay the Rent during this period.

22. **Miscellaneous**

22.1. The parties to this Agreement shall not be entitled to offset from each other any sums the parties owe each other.

22.2. This Agreement expresses everything agreed between the parties hereto and replaces and revokes any written or oral negotiations, declarations, representations, covenants and/or agents, memorandum of understanding, drafts of agreements and the like, that existed, explicitly or implicitly, if at all, between the parties on the matters mentioned herein prior to the execution hereof.

22.3. Any extension of time, discount, waiver or avoidance from taking such actions shall be null and void unless executed in writing and signed by the parties hereto.

22.4. No conduct by any of the parties shall be deemed as waiver of any of the rights of the parties in accordance with the provisions set forth in this Agreement and/or in accordance with the provisions set forth in any law or as waiver or consent on behalf of that party with respect to any breach or failure to meet any condition, unless the said waiver, consent, rejection, modification, termination or addition were executed expressly and in writing. No conclusions shall be drawn from any waiver that was made in particular circumstances with respect to other circumstances or dates and no similar conclusions shall be drawn with respect to such waiver as aforesaid.

22.5. The Lessee shall not be entitled to register a caveat at any time or make any other registration in the Land Titles Registration Office in connection with this Agreement.

22.6. The parties agree that the competent court of Tel Aviv shall have sole and exclusive jurisdiction in anything relating to and arising out of this Agreement including interpretation, performance and breach thereof.

22.7. Any notice delivered by any of the parties to the other party shall be deemed to have reached its recipient in 5 business days from the time of its delivery in registered mail, in 24 hours from of its transmission by fax or email (and on the condition that a proof of delivery was provided and the confirmation details were stated in writing) and if delivered in person – at the time of its delivery.

And in witness hereof the parties are hereby undersigned:

[/S/ Y.D.B Investments Ltd.]	[/S/ Dr. Julian Adams]
The Lessor	The Lessee

Exhibit 10.11

PPD Diamonds

Rental Contract

Ofer House

Unprotected Rental Contract

Drafted and signed in Jerusalem on March 14, 2000

- between -

PPD Diamonds Ltd. (Private Company 51-168196-7)

Whose address for the purposes of this contract is

C/O Mold and Moldevsky

3 Jabotinsky St. Ramat Gan

(hereinafter – the "Lessor")

Of the first part

- and –

Gamida Cell Ltd. (Private Company 512601204)

Whose address for the purposes of this contract is

24 Kanfei Nesharim St., Jerusalem

(hereinafter – the "Lessee")

Of the second part

Whereas: The Lessor owns the rights to register as a lessee for a capitalized lease in a building that is under construction at 5 Nachum Hefzadi Street, Givat Shaul Gimmel, Jerusalem, known as part of Parcels 57 and 61 in Bloc 30260, Plot No. 5 according to Detailed Plan No. 4286 (hereinafter – "the Plot"), constituting a light industry building, for commerce and offices and known as Ofer House (hereinafter – "the Building"), while by the Building the Lessor intends to build an additional building for a similar purpose, and

Whereas: The Lessor is also the sole possessor and holder of rights of possession and use of a unit in the Building, on the first story facing south-northwest to a gross area of approximately 1,100 m^2 (all areas including the share of the shared property), and in accordance with the area marked in red in the attached diagram (hereinafter – the "Diagram") marked with the letter A and constituting an integral part of this Contract and a right to use 10 parking spaces in an underground parking lot (hereinafter – "the Leasehold"), and

Whereas: The Lessee wishes to rent the Leasehold by rental that is not protected under the Tenant Protection Law (Consolidated Version) 5732-1972 (hereinafter – the "Law") or any other law, and

Whereas: The Lessor wishes to rent out the Leasehold by rental that is not protected under the Tenant Protection Law (Consolidated Version) 5732-1972 or any other law,

It has therefore been declared, agreed and stipulated between the parties as follows:-

1. The preamble and appendices and titles of the sections:

1.1 The preamble to this Contract constitutes an integral part hereof.

1.2 The appendices to this Contract constitute an integral part hereof and their provisions will be considered as part of the provisions hereof.

1.3 The titles of the sections of the Contract serve for convenience only and will not be used for interpretation of the content of the sections.

2. Declarations of the parties:

2.1 The Lessor hereby declares that it possesses and has the right to lease the Leasehold and that it is allowed to rent out the Leasehold to a lessee and that there is no impediment of any type and/or kind to renting out the Leasehold to the Lessee.

2.2 The Lessee hereby declares that it has inspected and seen the Leasehold and that after the inspection has found the Leasehold to be suitable for its needs and purposes and that it waives any argument of defect, choice or unsuitability with respect to the Leasehold, the location and identification of the Leasehold and it consents to accept the Leasehold.

3. The engagement and its period:

3.1 The rental period

The Lessor hereby lets the Leasehold to the Lessee and the Lessee hereby rents the Leasehold from the Lessor for a rental period that will start on June 15, 2000 and will end on June 14, 2005 (hereinafter – the "Original Rental Period").

3.2 Reduction of the rental period

3.2.1 The Lessee declares that it is aware that the length of the rental period is one of the fundamental conditions of this Contract and therefore the Lessee will not be allowed to shorten the rental period without the prior written consent of the Lessor. If the Lessee leaves the Leasehold before the end of the rental period for any reason without the consent of the Lessor, the Lessee will have to continue to pay the Lessor the full rent for the Leasehold in accordance with the provisions of this Contract, until the end of the rental period.

3.2.2 The provisions of this section will also apply to the management fee that the Lessee will have to pay to the management company as set forth in this Contract below, and all other financial charges imposed thereupon hereunder.

3.2.3 Notwithstanding the foregoing, the Lessee has the right to find an alternative lessee under the same conditions, as long as the alternative lessee will be to the satisfaction of the Lessor and will provide reasonable sureties to the complete satisfaction of the Lessor. The Lessor will not decline an alternative lessee except on reasonable grounds.

3.2.4 Notwithstanding the statements in this Contract, the Lessee will be allowed by six months' advance written notice to inform the Lessor that it wishes to leave the Leasehold before the end of the rental period. If the Lessee has given such a notice, this Contract will end once the said six months are over, as long as the Lessee has paid the full rent, the management fee and regular debts until that time and has left all adjustments to the Leasehold in the Leasehold and without being it entitled to any credit.

4. Rent and additional payments

4. Rent and additional payments *[sic]*

4.1 The rent in the Original Rental Period (not including management fee) and the payment date:

In consideration for the rental rights in the Original Rental Period and in consideration for all other obligations of the Lessor in accordance with the provisions of this Contract, not including management fees, the Lessee undertakes to pay the Lessor rent to the sums and at the rates set forth below:-

4.1.1 Rent for each month in the Original Rental Period will be to a sum equal in NIS to $12,250 per month (hereinafter – "the Rent"), plus statutory VAT.

4.1.2 It is agreed between the parties that the Rent will be linked to the representative U.S. dollar exchange rate known at the time of each individual payment.

4.1.3 In addition to the rent the Lessee will pay the Lessor value added tax at the statutory rate at the time of actual payment against receiving a duly issued tax invoice.

4.1.4 The rent for the Original Rental Period will be paid at the following times:

A. At the time of executing the Contract, the Lessee will pay the Lessor rent for 3 months in advance to a sum equal in NIS to $36,750 plus statutory VAT.

B. On June 15, 2000 or on the date on which it will receive possession of the Leasehold, whichever the earlier, the Lessee will pay the Lessor rent for 3 additional months in advance to a sum equal in NIS to $36,750, plus statutory VAT.

C. The Lessee will pay the balance of the Rent during the original Rental Period plus statutory VAT to the Lessor in equal, consecutive quarterly payments on the 1st day of a Gregorian month to a sum equal in NIS to $36,750 for each installment plus statutory VAT from 3 months from the day of receipt of possession of the Leasehold.

4.1.5 The payment of the Rent or any other payment payable by the Lessor in accordance with this Contract, in full and on time, is a fundamental condition of this Contract and in the case of failure to make any payment on time, this will be considered as a fundamental breach of the Contract by the Lessee and will grant the Lessor all of the relief in accordance with this Contract and the law, including the right to claim eviction of the Lessee from the Leasehold immediately after the default in payment. A default of up to 14 days in executing any payment will not constitute a breach.

4.1.6 It is agreed between the parties that if any of the payments pursuant to this Contract is by check or note, the delivery of the check or note will not be considered as payment, and only actual cashing of the check or note at the time prescribed to that end in this Contract will be considered as timely payment of the rent or payment of another kind, as the case may be. The Lessor undertakes to deposit immediately any check or note for cashing thereof.

4.2 Taxes and mandatory payments

4.2.1 The Lessee will bear all taxes and mandatory payments applying to the possessor of the Leasehold for the actual rental period, including bearing payments of general municipal taxes, business tax, sign fee, electricity, telephone (including fixed usage fees) and all other regular and/or additional expenses that are intended for regular possession of the Leasehold. The Lessor declares that to the best of its knowledge there is no debt for the Leasehold that may prevent the Lessee from using the Leasehold pursuant to this Contract.

The Lessor will bear all taxes and mandatory payments applying to the owners of real estate properties.

4.2.2 The parties declare that they are aware that a management and services company is operating in the Building for provision of maintenance, operation, repair and upkeep services of the Building, its facilities and shared property, including gardening, lightening, air conditioning, operation of elevators, supply of water, guarding the Building and so on.

4.3 Execution of mandatory payment by the Lessor

4.3.1 If the Lessor does not pay on time any of the payments applying to it pursuant to the provisions of Section 4 of this Contract (including all subsections), the Lessor will be allowed after giving the Lessee an extension by written notice at least 30 days in advance to pay then any such payment instead of the Lessee and the Lessee will have to return any such payment to the Lessor upon the first demand of the Lessor.

For the removal of doubt, it is hereby clarified that the foregoing does not constitute any undertaking of the Lessor to pay any payment instead of or for the Lessee, without detracting from the right of the Lessee to dispute the charge.

4.3.2 If the Lessor has paid any payment instead of or for the Lessee, as set forth above, the Lessee will return to the Lessor any such payment immediately upon the demand of the Lessor, and the provisions of Section 9.2 of this Contract below will apply to any such payment.

5. The rental conditions

5.1 Changes in the Leasehold

5.1.1 The Lessee will be allowed throughout the rental period to make internal modifications to the Leasehold as long as they do not damage the construction or systems of the Building (including air conditioning systems, plumbing, elevators, etc.), without a need for the consent of the Lessor.

5.1.2 The Lessor will not refuse to give the Lessee permission to plan the interior of the Leasehold as the Lessee sees fit and execute modifications to the Leasehold to that end (except for prohibited modifications as set forth).

5.1.3 If the Lessee breaches its said obligations, the Lessor will be allowed then to return the Leasehold forthwith to its previous condition at the expense of the Lessee as long as it has given the Lessee at last 21 days' advance written warning.

5.1.4 The Lessee undertakes to execute the completions and/or modifications if any to the best of its ability and with care and without causing damage to the Leasehold and/or to the Building and while following the instructions of the management company if there are any with respect to the manner of execution of the works.

The Lessee will bear any damage and its consequences that will be sustained by the Leasehold or by the Building as a result of execution of the completions and/or as a result of making changes of the kind set forth in the Leasehold.

5.2 Signage and installation of telephone lines

5.2.1 The Lessee will be allowed to order and install at its own expense telephone lines in the Leasehold as it sees fit.

5.2.2 The Lessee will not be allowed to install on the outside area of the Leasehold any sign. Signs will be fixed only in the intended places, after receipt of the consent of the management company and the Lessor in advance and in writing, both with respect to the act of positioning the signage and the size and shape thereof. The Lessor will install in the corridor of the story containing the Leasehold and in each of the entrance halls of the Building a sign indicating the name of the Lessees and their whereabouts like signs that are currently located at the site at the expense of the Lessor.

5.3 **Proper maintenance and inspection of the Leasehold**

5.3.1 The Lessee hereby undertakes to safeguard the Leasehold and everything fixed therein by the Lessor and/or by it throughout the rental period and to keep the Leasehold and see to its proper maintenance.

5.3.2 Any breakage or damage except for reasonable wear that will be sustained by the Lessee, its employees, proxies or visitors, will be repaired within a reasonable time by and at the expense of the Lessee.

5.3.3 If the Lessee does not immediately repair the said damage and breakages, the Lessor will be allowed, after giving a 30 day written extension to the Lessee to repair the deficiencies, to repair them according to market prices, and the Lessee will bear all expenses of the repairs that the Lessor will execute according to the market price for executing the repairs.

5.3.4 The Lessee will have to pay the Lessor any payment pursuant to Paragraph 5.3.3 above within 7 days of the day on which the Lessor provides it with a bill for the said repairs and the provisions of Section 9.2 hereof will apply to any such payment.

5.3.5 Reserved.

5.3.6 The Lessor, its employees and proxies will also be allowed to enter the Leasehold at reasonable and after advance arrangement 3 months before the end of the rental period in order to show it to parties interested in purchasing or renting it.

5.3.7 The duty of the Lessor to arrange in advance the entry into the Leasehold as set forth above does not apply to an emergency such as a fire or flood in which it is necessary to enter the Leasehold immediately, and in such a case, the Lessor will provide the Lessee immediate notice of entry into the Leasehold.

5.3.8 The Lessor will repair at its own expense any breakage or damage that will be discovered in the Leasehold as a result of a deficiency in the Leasehold or reasonable wear within a reasonable time.

5.3.9 The provisions of this section will also apply, as appropriate, to repairs that the Lessor must execute pursuant to Section 5.3.8.

5.4 Prohibited modifications

5.4.1 The Lessee will be allowed to use the Leasehold only for offices, biotechnology industry laboratories, software and Internet and communication and not for any other purpose.

5.4.2 Without derogating from the provisions in Section 5.4.1 above, the Lessee will be prohibited from:-

A) Performing in the Leasehold any mechanical work that generates noise or emits smoke, odors, pollution, etc., in excess of an acceptable level in an office and in laboratories.

B) Using the Leasehold for uses that are prohibited by law. If the Lessee provides an alternative lessee in accordance with the provisions of Section 3.2.3 above, the alternative lessee will be allowed to use the Leasehold for any purpose that does not constitute a breach of the provisions of this section.

5.4.3 If the use according to the purpose of the rental requires a license as required by the Law, the Lessee undertakes to act to obtain such a license. The Lessee will assume any liability for running a business without a license in the Leasehold if a license is required. The Lessor will sign everything required of it as an owner in order to obtain the license.

5.5 Renovation of the Leasehold

5.5.1 The Lessor will provide the Lessee the Leasehold in accordance with an attached technical specification.

5.5.2 For the removal of doubt, it is hereby clarified that any renovation that will be conducted in the Leasehold (including a renovation that will be financed in part and/or in full by at the expense of the Lessee) will be the property of and owned by the Lessor alone and the Lessee will not be entitled to receive any compensation or indemnification for the renovation, and the Lessee will hand over to the Lessor the possession of the Leasehold upon the conclusion of the rental period with the property being clean and tidy and including all renovations and improvements that have been made in the property, except for movable property of the Lessor that may be removed without causing damage to the Leasehold.

5.5.3 For the removal of doubt, it is hereby clarified that the Lessee must fulfill all of its obligations pursuant to this Contract, even if the license and/or permits for using the Leasehold for the purposes of the rental will not be given to it, as long as the Leasehold has been made available to the Lessee intact and sound and connected to all common plumbing utilities, conforming to all planning and construction requirements. If an eviction order is issued against the Lessee by a competent authority for the use of the Leasehold being unsuitable for its use in accordance with the purpose hereunder, the Lessee will be entitled to bring this Contract to its conclusion and neither party will have any arguments against the other.

6. Damage to a third party and insurance

6.1 The Kessor will bear no responsibility for any damage to the person or property of the Lessee, its employees, customers, visitors, invitees and any other third party including tenants adjoining the Leasehold, which will be sustained owing to and for the use of the Lessee or an agent thereof in the Leasehold, except for damage due to or in relation to a defect in the construction of the Leasehold or the operations of the Lessor or any agent thereof or the management company.

The Lessee undertakes to indemnify the Lessor for any sum that the Lessor will be required to pay as set forth above, if claimed, including any attendant expense, such as the cost of legal expenses, as long as the Lessee is given an opportunity to defend itself against any claim and it is paid only after a judgment has been handed down.

A. Content

1.1 The Lessee undertakes to insure the content of the Leasehold, and without derogating from the entirety of the foregoing, the furniture, equipment, facilities and inventories therein, and any modification, improvement and renovation and additions to the Leasehold that have been and/or will be made in the Leasehold by the Lessee and/or for it, of any kind or type, at restoration value against loss or damage due to the risks of fire, explosion, earthquake, riots, strikes, malicious damage, storm, hurricane, flood, water damage and electricity damage, forced entry and robbery, aircraft impact, sonic boom and collision.

1.2 The Lessee undertakes to update the insurance amounts, from time to time, in order for them to reflect always the full value of the insured property as set forth in Section 1.1 above.

1.3 The Lessee undertakes at all times that the Policy that it will execute as set forth in Section 1.1 above or any other policy that it will execute will have an explicit condition whereby the insurer explicitly waives any right of subrogation towards the Lessor and the management company and/or the agents thereof. The waiver of subrogation as mentioned above will also apply to other lessees / tenants in the Building (as long as the insurance policy for the content of the tenants and lessees includes a waiver of right of subrogation clause towards all lessees and/or tenants of the Building) and/or all parties on behalf of the foregoing, on the condition that the damage has not been caused maliciously.

- The Lessee hereby exempts the Lessor and the management company, and any agents thereof, from any liability for loss or damage owing to which the Lessee is entitled or would be entitled to indemnification in accordance with the policy executed as set forth above.

B. Employers and third parties

The Lessee undertakes to insure all of its activity in the Leasehold, by employers' liability insurance and third party liability insurance, the limit of liability of the insurer for third party liability insurance being not less than a sum of $1,000,000 (one million dollars) per event.

The definition of the occupation in these policies will also include the words "the building owners and managers".

The policies that will be issued by the Lessee as set forth in Sections (1) and (2) will be referred to hereinafter as "the Lessee Policies".

C. Indemnification of the Lessor

The Lessee hereby undertakes to expand the third party policy as set forth to indemnify the Lessor and the management company and/or their agents for their vicarious liability for the acts and/or omissions of the Lessee.

D. Cross liability

In addition, the Lessee undertakes that any third party insurance executed by it pursuant to this Agreement will be subject to a "cross liability" clause whereby the insurance will be considered as having been executed separately for each of the individuals of the insured.

E. Valid policies

The Lessee undertakes to fulfill all of the conditions of the policies of the Lessee and pay the policy fees on time.

F. Confirmation of the insurer

The Lessee will present before the end of the Leasehold possession handover day or before the date of bringing properties into the Leasehold, whichever the earlier, to the Lessor, a confirmation from the insurance company that the Lessee has been issued the Lessee policies, as a precondition to receipt of possession of the Leasehold. The said confirmations will be produced each insurance year by the Lessee, without any need for a demand on the part of the Lessor. It is explicitly hereby agreed that the presentation of the confirmations as set forth or the presentation of the policies of the Lessee and inspection thereof by the Lessor or any agent thereof will not constitute confirmation that the policies of the Lessee or confirmations as set forth correspond with the statements in the insurance section, and this does not derogate from the responsibility of the Lessee pursuant to this Agreement.

G. Cancellation of policies

It is agreed that the policies of the Lessee will include an explicit clause stating that the policies may not be cancelled until a notice of this in writing is delivered by registered mail to the Lessor at least 30 days in advance.

H. Damage due to risks

The Lessee hereby declares that it will have no argument and/or claim against the Lessor or against the management company and/or the agents thereof for damage due to risks that the Lessee has undertaken to insure against as set forth in the sections above, and it exempts the Lessor and the management company and/or the agents thereof of any responsibility for the said damage, except damage that the Lessor or an agent thereof has caused maliciously.

This section is not intended to add to or detract from any other provision of this Contract.

The breach of this insurance section constitutes a fundamental breach of the Agreement.

6.2 If and to the extent that money is received from the insurance company for damage to the Leasehold or the shared property, the money will be used at the first stage for repairing the Leasehold.

6.3 The Lessor undertakes to insure the Building containing the Leasehold including the Leasehold by comprehensive insurance for the structure and full insurance for employers' liability and third party liability for any damage either in the Leasehold or in the shared property or any person who is in the Leasehold or in the Building containing the Leasehold and any employee of the Lessor or any agent thereof. The Lessor undertakes to indemnify the Lessee for any payment that it will pay owing to damage that will be paid out of those set forth in this section as long as the Lessor is allowed to defend itself against any clam and will pay it only after a judgment is handed down. The Lessor hereby undertakes that it and its insurer and any person on its behalf will not have recourse to the Lessee or any insurer of the lessee or any person on behalf of the Lessee owing to any damage as set forth in this section and the Lessor explicitly hereby waives any such argument of claim or recourse.

7. Vacating and renovation of the Leasehold

7.1 Vacating the Leasehold

Subject to the provisions of Section 3.2.3 above, the Lessee undertakes to vacate the Leasehold at the end of the rental period or the option period or in the case of the Contract being duly canceled before the end of the rental period and to return it to the Lessor free of any person or object in its condition as it received it when it first rented it, except for reasonable, ordinary wear and modifications made during the rental period.

7.2 Renovation of the Leasehold

At the time of returning the Leasehold by the Lessee to the Lessor, a check of the Leasehold will be made by the Lessor. If the Lessor believes that it is necessary to make a list of repairs that the Lessee must make in accordance with the provisions hereof, including repairs of damage and breakages and repairs related to restoration of the Leasehold to its previous state and condition, except for reasonable wear as a result of reasonable use of the property - the Lessee will bear these repairs.

In the case of differences of opinion between the Lessor and the Lessee, an agreed expert will determine and draft a list of repairs that the Lessee will be required to execute and in the absence of any agreement concerning the identity of the expert he will be appointed by the Head of the Engineers Association.

8. General provisions

8.1 Management contract

8.1.1 The Lessor, whether by itself or through a management company, will provide the Building management services that will include the services as set forth in the appendix to this Contract. The management fees will be to a sum equal in NIS to $3,960 per month and will be paid at times that are identical to the payment dates of the rent, respectively.

8.1.2 The management fees are for common working hours. The Lessor is aware that the common working hours at the offices of the Lessee are 7:30 a.m. to 9 p.m. on workdays and 7:30 a.m. to 3 p.m. on the eve of religious holidays and Fridays. The Lessee, its employees and visitors will have access to the Building and to the Leasehold at all times.

The obligation of the Management Company will be considered as an obligation of the Lessor. The Lessor declares and undertakes that the Building will be maintained and operated at a high standard as common for office buildings in the high tech field, as long as the rights and duties of the Lessor pursuant to this Agreement will not change.

8.2 Transfer of rights to the Leasehold

8.2.1 The Lessor will be entitled at all times to transfer or pledge its rights pursuant to this Contract, and to transfer or pledge its rights to the Leasehold or to lease out and sell the Leasehold, on the condition that it informs the recipients of the rights or the buyer or the Lessee (as the case may be) of the existence of this rental contract and confirms to the Lessee in writing that their rights are subject to all the rights of the Lessee pursuant to this Agreement and the recipient of the rights or the buyer or the Lessee will assume all of the obligations of the Lessor pursuant to this rental contract. In such a case, the lessee will have no claims or arguments due to the transfer or sale of the rights or owing to the Leasehold being leased out by the Lessor.

8.2.2 The Lessee will not be allowed to transfer its rights pursuant to this Contract, in part or in full, and it will not be allowed to permit others to use the Leasehold, in part or in full, whether for consideration or without consideration, or sublet it, directly or indirectly, to any person or entity, subject to Section 3.2.3 above. Notwithstanding the provisions in this section, the Lessee will be allowed to rent out part of the office and the laboratories in the form of office services for a similar purpose as long as the said recipient of the services will sign an undertaking to vacate the Leasehold immediately upon the end of the Rental Period and to fulfill all of the obligations of the Lessee hereunder. The provisions in this section do not apply to the transfer of shares.

8.3 Non-applicability of the tenant protection laws

The Lessee hereby declares that it is aware that the Leasehold and the Building housing it are a new leasehold and building that have been built after 1968 to the effect that on the commencement day of the Tenant Protection Law (Miscellaneous Provisions) 5728-1968, the Leasehold will have no tenant that would be entitled to possess it, that no key money or other consideration has been paid or received with respect to the Leasehold or the rental relations formed pursuant to this contract except the Rent and therefore the provisions of the Tenant Protection Law (Consolidated Version), 5732-1972 or any other law replacing the said law or any other law intended to protect tenants will apply to this Contract and in no case will the Lessee be considered a protected tenant or will be entitled to payment of key money or other money when vacating the Leasehold and it will be required to vacate the Leasehold upon vacating and returning it to the Lessor free of any person and object, which it has placed or installed in the Leasehold.

9. Breach of the Contract

9.1 Breach of the conditions of the Contract

9.1.1 In the case of a fundamental breach, the Lessor is entitled to cancel this contract and demand that Lessee vacate the Leasehold forthwith and restore its possession to the Lessor forthwith. Before cancellation of the Contract or taking any sanction, the Lessor will send the Lessee a written warning with respect to the breach and will allow the Lessee to rectify the breach within 45 days of the day of sending the letter.

9.1.2 The foregoing does not constitute infringement of any right of the Lessor to claim and receive enforcement of all of the provisions of this Contract, and in particular to claim and receive from the Lessee execution of all of the payments pursuant to this Contract on time and in full and to claim and receive from the Lessee in any case compensation for any damage that the Lessor will sustain as a result of breach of the Contract by the Lessee.

The statements in this section do not derogate from any right of the Lessee.

9.2 Default in payments

Without derogating from the generality of the provisions in Section 9.1 above, in any case in which the Lessee fails to pay to or return to the Lessor or the Lessor fails to pay or return to the Lessee any of the payments prescribed in this Contract in full and at the times of repayment prescribed in the Contract, each payment in default will bear maximum interest at the maximum rate that will be practiced by Bank Leumi le Israel Ltd. at that time, for a deviation in a credit facility approved for a customer, from the payment date stated in each of the provisions of this Contract until execution of the actual payment.

9.3 Failure to vacate the Leasehold on time

9.3.1 If the Lessee fails to vacate the Leasehold at the time at which it must vacate it according to any of the provisions of this Contract or the provisions of the law (hereinafter – the “Clearing Date”), in addition to all the remedies and relief conferred to the Lessor pursuant to the provisions hereof and the provisions of any statute, the Lessee will pay the Lessor, for each additional day that it will continue to possess the Leasehold, fixed, predetermined compensation without need to prove damage to a sum equal in NIS to $450 plus statutory VAT, without derogating from any other relief that is conferred to the Lessor pursuant to any statute and/or hereunder.

In addition the Lessee will have to continue to pay the full management fee for the entire additional period for which it will continue to possess the Leasehold.

9.3.2 For the removal of any doubt, it is hereby explicitly declared that the statements in this section do not constitute any waiver of the rights of the Lessor or consent to the Lessee making any default in vacating the Leasehold. Failure to vacate the Leasehold at the vacating time will be considered as a fundamental breach of the Contract and the Lessor will be allowed to enforce the vacating in any way available to it by law.

10. The Lessee is given an option to extend the Original Rental Period by 5 years more subject to the following cumulative conditions:

A. The Lessee has not committed a fundamental breach of the Contract.

B. The Lessee has not given a notice to the Lessor at least 60 days before the end of the Original Rental Period that it wishes not to exercise the option, in which case the option will take effect automatically.

C. The rent and the management fee for the option period will be to a sum equal in NIS to the Rent and the management fee in the Original Rental Period plus 5% and statutory VAT. The remaining conditions of the Rental Contract in the Original Rental Period including the payment conditions will apply to the Option Period, mutatis mutandis.

11. Addresses of the parties

The addresses of the parties are as set forth in the preamble hereto.

Any notice that is sent by registered mail to the addresses as set forth in the preamble to this Contract will be considered as having been delivered to its destination 72 hours after posting at a post office in Israel.

In witness whereof the parties have put their hands hereunto

[/S/ PPD Diamonds Ltd.]	[/S/ Gamida Cell Ltd.]
The Lessor	The Lessee

Specification of management and maintenance services for the normal hours in the Building

The services provided by the central management company of the Building:

The agreed maintenance price will include the following services:

1. Maintenance of the building structure.

2. Maintenance of central systems in the Building, pumps, ventilation systems, etc.

3. Maintenance of the central air conditioning system of the Building including terminal unit. Notwithstanding the foregoing, repair of an electric engine and a compression unit in the terminal unit will be borne by the Lessor.

4. The supply of cold and hot water to the Leasehold and to the air conditioning systems, including servicing of system and covering the cost of energy in the ordinary activity hours, which will be determined by the custodian of the Building only.

5. Full maintenance of the elevators of the Building.

6. Maintenance of the water and sewer pipes in the Building and in the Leasehold.

7. Maintenance of the electricity systems in the main lobby, story lobbies, shared and public areas, main stairs and emergency stairs up to the story electricity panels inclusive.

8. The cost of the energy consumption in the shared use areas outside the story wings.

9. Insurance of the entire structure, without its content.

   Third party insurance of the shared areas outside the Leasehold.

10. 24 hour guard, information desk during activity hours only.

11. Cleaning of the shared areas outside the story wing, including removal of waste from the Building.

12. Servicing of firefighting systems and firefighting cupboards in the areas outside the story wing.

    Special services inside the office area

    Any servicing of a fault or modification to air condition, electricity, water, plumbing, sanitary systems, toilets, ceilings, carpets in the Leasehold and any content of the office that is owned by the Lessor will only be done by the management company at the expense of the Lessee, at the direct cost price only, as presented to the Lessee.

    The procedures for ordering work, approving it and accounting for it will be disseminated from time to time by the Management Company. The Lessor will deal by itself with the issue of telephones and communication in arrangement with the management company.

    Notwithstanding the provisions in this section, the repair of compressors and electric motors in the air conditioning units in the area of the office will be attended to by and at the expense of the Lessor only.

[/S/ PPD Diamonds Ltd.]

The Lessor
K/9/Gamida

The Lessee

Addendum to rental agreement dated March 14, 2000 (hereinafter: the "Rental Agreement")

Drafted and signed in Jerusalem on *June 5, 2000*

Between **PPD Diamonds Ltd.**

And: **Gamida Cell Ltd.**

Whereas The Rental Agreement was signed between the parties; and

Whereas The parties are interested in making a number of modifications to the Rental Agreement;

It has therefore been agreed between the parties as follows:

1. In the second "whereas" in the Rental Agreement, the words: "facing south-northwest to a gross area of approximately 1,100 m^2 (all areas including the share of the shared property)" will be deleted.

2. The diagram attached to this Addendum will replace to all intents and purposes the diagram that was attached to the Rental Agreement and marked with the letter A.

3. At the end of Section 3.2.1 of the Rental Agreement, the period is to be changed to a comma, and the following words added: "as long as the Leasehold has not been left for reasons depending on the Lessor".

4. Section 10.A of the Rental Agreement will be deleted.

5. The provisions of Section 5.3 of the Rental Agreement will also apply mutatis mutandis to the amendments stated in Section 12 of the "management and maintenance services specification" that is an appendix to the Rental Agreement, including with respect to payment according to the market price of the repair only, and the possibility of the Lessee performing the repair if the repair is not done within a reasonable time by the management company.

6. All of the other provisions of the Rental Agreement, will apply, despite the change in the Leasehold area, without any change, including with respect to the rent and the management fee.

In witness whereof the parties have put their hands hereunto:

[/S/ PPD Diamonds Ltd.]	[/S/ Gamida Cell Ltd.]
The Lessor	The Lessee

Appendix to rental agreement dated March 14, 2000

Drafted and signed in *Jerusalem* on *May 31*, 2010

Between **PPD Diamonds Ltd. (511681967)**

A company duly registered in Israel

Whose address for the purpose of this Contract is 5 Nachum Hefzadi Street, Jerusalem

(hereinafter: the "Lessor") of the first part

And

Gamida Cell Ltd. (512601204)

Whose address for the purposes of this Contract in the Leasehold is

(hereinafter: the "Lessee") of the second part

Whereas: The Lessee signed a rental agreement on March 14, 2000 (hereinafter: the "Original Agreement") with respect to the Leasehold, constituting an area of 1,100 m^2 as defined in the Original Agreement (hereinafter: "the Original Leasehold"); and the Lessee has extended the rental period in accordance with the option given thereto in the Original Agreement; and

Whereas: On June 5, 2000, an addendum to the Original Agreement was signed (hereinafter – the "Addendum to the Original Agreement") within which it was agreed between the parties that the area of the Leasehold would be 1,236 m^2 gross, as set forth in the diagram attached to the Addendum to the Original Agreement and marked A (hereinafter: "The Leasehold"); and

Whereas: The Lessor declares that from the time of the parties signing the Original Agreement until the time of the parties signing this Addendum, no planning changes applying to the Building have occurred and that the Leasehold may be used in accordance with the purpose of the rental, which is defined in Section 5.4.1 of the Original Agreement; and

Whereas: The Lessee is interested in continuing to rent the Leasehold from the Lessor and the Lessor is interested in letting the Leasehold to the Lessee as above and subject to the provisions and conditions of this Appendix;

It has therefore been stipulated and agreed between the parties as follows:

1) The preamble to this Appendix constitutes an integral part hereof and is one of its primary provisions.

2) This Appendix constitutes an integral part of the Original Agreement and is one of its primary provisions and will be referred to hereinafter as "Appendix A".

3) The rental period according to this Appendix is 5 years, from July 1, 2010 to June 30, 2015 (hereinafter: the "Extended Rental Period").

4) The rent in the Extended Rental Period will be a sum equal in NIS to sixteen thousand three hundred seventy seven U.S. dollars ($16,377) plus statutory VAT. The management fee in the Extended Rental Period will be to a sum in NIS equal to four thousand six hundred thirty five U.S. dollars ($4,635).

5) The rent and the management fee will be paid together in equal, consecutive quarterly installments on the 1st day of each Gregorian month, from July 1, 2010 to the end of the Extended Rental Period, by dollar bank transfer.

6)

A. The Lessee is hereby given an option to extend the Extended Rental Period by 5 years more, from July 1, 2015 to June 30, 2020 (hereinafter: the "Option Period"). The option conditions will be identical in nature and period to the option conditions given with respect to the Leasehold in the Original Agreement, mutatis mutandis.

B. The rent and the management fee in the Option Period will be to a sum equal in NIS to the rent and the management fee in the Extended Rental Period plus 5% and statutory VAT. The remaining conditions of this appendix including the payment conditions will apply to the Option Period, mutatis mutandis.

7) On April 14, 2010, the Lessee will deposit with the Lessor a sum equal in NIS to $63,036 plus statutory VAT, for three (3) months of rent and management fee. This sum will be used as a deposit for payment of rent and management fee for the three months to the end of the rental period or option. If the option is realized, the Lessee will pay an addition of 5% plus statutory VAT for this deposit.

8) The parties agree to make a number of changes in the Original Agreement, as follows:

(A) In Section 5.5.3 of the Original Agreement, after the words "for the purposes of the rental" the following words will be added: "unless the licenses and/or the permits are not given to the Lessee as a result of an act and/or omission of the Lessor".

(B) At the end of Section 7.1 to the Original Agreement, the words: "subject to the provisions of Section 5.5 above" will be added.

9) The provisions of the Original Agreement will apply mutatis mutandis: in any case of contradiction between the provisions of the Original Agreement and this Appendix A, the provisions of Appendix A will apply.

In witness whereof the parties have put their hands hereunto:

[/S/ PPD Diamonds Ltd.]	[/S/ Gamida Cell Ltd.]
The Lessor	The Lessee

Exhibit 21.1

Gamida Cell Ltd.
Subsidiaries of the Registrant
(as of August 1, 2018)

Gamida Cell Inc., a Delaware corporation.

Gamida Cryo Ltd., a company organized and existing under the laws of Israel.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated September 28, 2018 in the Registration Statement on Form F-1 and related Prospectus of Gamida Cell Ltd. dated September 28, 2018.

/s/ KOST FORER GABBAY & KASIERER
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Tel-Aviv, Israel
September 28, 2018