

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

**Amendment No. 1
to
Form F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

ReWalk Robotics Ltd.

(Exact Name of Registrant as Specified in its Charter)

State of Israel
(State or Other Jurisdiction of
Incorporation or Organization)

3842
(Primary Standard Industrial
Classification Code Number)

Not Applicable
(I.R.S. Employer
Identification No.)

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(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after effectiveness 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.

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.

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.

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.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Ordinary shares, par value NIS 0.01	\$57,500,000	\$7,406

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Includes shares granted pursuant to the underwriters' option to purchase additional shares.

(3) Previously paid.

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 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated July 16, 2014

PROSPECTUS

Shares



ReWalk Robotics Ltd.

Ordinary Shares

This is the initial public offering of ReWalk Robotics Ltd. Prior to this offering, there has been no public market for our ordinary shares. We are selling _____ ordinary shares. The estimated initial public offering price is between \$ _____ and \$ _____ per share.

We have applied to have our ordinary shares listed on the Nasdaq Global Market under the symbol "RWLK."

	<u>Per Share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discounts and commissions(1)	\$	\$
Proceeds to us (before expenses)	\$	\$

(1) See "Underwriting" for a description of compensation payable to the underwriters.

We have granted the underwriters an option to purchase up to _____ additional ordinary shares.

We are an "emerging growth company" as defined under the federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements for future filings.

Investing in our ordinary shares involves a high degree of risk. See "[Risk Factors](#)" beginning on page 13 of this Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares on or about _____, 2014.

Barclays

Jefferies

Canaccord Genuity

Prospectus dated _____, 2014

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Neither we nor the underwriters have authorized anyone to provide information different from that contained in this prospectus, any amendment or supplement to this prospectus or in any free writing prospectus prepared by us or on our behalf. Neither we nor the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any information other than the information in this prospectus and any free writing prospectus prepared by us or on our behalf. Neither the delivery of this prospectus nor the sale of our ordinary shares means that information contained in this prospectus is correct after the date of this prospectus. This prospectus is not an offer to sell or the solicitation of an offer to buy these ordinary shares in any circumstances under which such offer or solicitation is unlawful.

SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before deciding to invest in our ordinary shares. You should read the entire prospectus carefully, including “Risk Factors” and our consolidated financial statements and the related notes, before making an investment decision. In this prospectus, the terms “we,” “us,” “our” and “the Company” refer to ReWalk Robotics Ltd. and its subsidiaries.

Overview

We are an innovative medical device company that is designing, developing and commercializing exoskeletons that allow wheelchair-bound individuals with mobility impairments or other medical conditions the ability to stand and walk once again. We have developed and are continuing to commercialize ReWalk, an exoskeleton that uses our patented tilt-sensor technology and an on-board computer and motion sensors to drive motorized legs that power movement.

Current ReWalk designs are intended for people with paraplegia, a spinal cord injury resulting in complete or incomplete paralysis of the legs, who have the use of their upper bodies and arms. We currently offer two products: ReWalk Personal and ReWalk Rehabilitation. ReWalk Personal is designed for everyday use by individuals at home and in their communities, and is custom-fit for each user. ReWalk Rehabilitation is designed for the clinical rehabilitation environment where it provides valuable exercise and therapy. It also enables individuals to evaluate their capacity for using ReWalk Personal in the future. In 2011, we launched ReWalk Rehabilitation for use in hospitals and rehabilitation centers in the United States and Europe. We began marketing ReWalk Personal in Europe with CE mark clearance at the end of 2012 and received FDA clearance to market it in the United States in June 2014. ReWalk is the first exoskeleton cleared by the FDA for personal use. In the future, we will need to obtain approval from the applicable regulatory agency of any additional jurisdiction in which we seek to market ReWalk.

ReWalk is a breakthrough product that can fundamentally change the health and life experiences of users. ReWalk is currently the only commercialized exoskeleton using a tilt sensor to restore self-initiated walking. Designed for all-day use, ReWalk is battery-powered and consists of a light, wearable exoskeleton with integrated motors at the joints, an array of sensors and a computer-based control system to power knee and hip movement. ReWalk controls movement using subtle changes in the user’s center of gravity. A forward tilt of the upper body is sensed by the system, which initiates the first step. Repeated body shifting generates a sequence of steps which allows for natural gait with functional walking speed. Because the exoskeleton supports its own weight, users do not expend unnecessary energy while walking. While ReWalk does not allow side-to-side actuation, users are able to turn by shifting their weight to the side. ReWalk also allows users to sit, stand and, in some cases, climb and descend stairs. ReWalk users are able to independently operate the devices, and most are able to put on and remove the devices by themselves. However, our safety guidelines and FDA specifications require users to be accompanied by a trained companion.

Published clinical studies demonstrate ReWalk’s ability to deliver a natural gait and functional walking speed, which has not been shown in studies for any competing exoskeleton. In addition, our interim analysis of an ongoing clinical study and our experience working with health care practitioners and ReWalk users suggests that ReWalk has the potential to provide secondary health benefits. These benefits include reducing pain and spasticity and improving bowel and urinary tract function, body and bone composition, metabolism and physical fitness, as well as reducing hospitalizations and dependence on medications. Because of these secondary medical benefits, we believe that ReWalk has the ability to reduce the lifetime healthcare costs of individuals with spinal cord injuries, making it economically attractive for individuals and third-party payors. While we believe that ReWalk offers significant advantages over competing technologies and therapies, disadvantages include the time it takes for a user to put on ReWalk, the slower pace of ReWalk compared to a wheelchair, the weight of ReWalk when carried, which makes it more burdensome for a companion to transport than a wheelchair, and the requirement that users be accompanied by a trained companion.

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We believe that the current design of ReWalk provides a functional technical base that can be easily adapted to address medical indications other than paraplegia that affect the ability to walk. We are currently engaged in research and development efforts to adapt ReWalk to address the mobility needs of quadriplegia and multiple sclerosis patients, and, in the future, we plan to address these needs in stroke and cerebral palsy patients. We are also developing our next generation of ReWalk, with a more efficient drive mechanism, slimmer profile and lighter body, as well as other improvements.

Development of ReWalk took over a decade and was spurred by the experiences of our founder, Dr. Amit Goffer, himself a quadriplegic. As of July 1, 2014, we have placed 60 ReWalk Rehabilitation and 18 ReWalk Personal systems, 88% of which were purchased by our customers and 12% of which were placed with clinics and distributors for training, market development and clinical testing. Through July 1, 2014, we have trained over 400 ReWalk users, representing over 20,000 hours of use.

Our commercialization strategy is to penetrate rehabilitation centers, hospitals and similar facilities that treat patients with spinal cord injuries to become an integral part of their rehabilitation programs and to develop a broad based training network with these facilities to prepare users for home and community use. According to the National Spinal Cord Injury Statistical Center, 87.1% of persons with spinal cord injuries are sent to private, non-institutional residences (in most cases, their homes) after hospital discharge. As a result, while the majority of our sales to date have been ReWalk Rehabilitation units, the primary focus of our commercialization efforts going forward will be marketing ReWalk Personal for routine use at home, work or in the community, and we expect sales of ReWalk Personal to account for the substantial majority of our revenues in the future.

We expect to generate revenues from a combination of self-payors and third-party payors. While no uniform policy of coverage and reimbursement by third-party payors currently exists for electronic exoskeleton technologies such as ReWalk in the United States or elsewhere, we plan to pursue various paths of reimbursement and support fundraising efforts by institutions and clinics. In July 2014, the Bronx VA announced that it would be fully committed to supporting the procurement of ReWalk Personal and providing the staffing support needed for all eligible veterans with spinal cord injury for whom ReWalk is clinically indicated. As the first hospital to research the health-related benefits of an exoskeletal walking device for people with spinal cord injury, the Bronx VA experience supports the clinical use of ReWalk and similar FDA-approved technologies. We believe that additional VAs will adopt similar policies in the future.

Our Competitive Strengths

We believe that the following strengths provide us with sustainable competitive advantages to grow our revenue:

- **Proprietary Technology Enabling a More Natural Walking Experience.** Our patented tilt-sensor technology and proprietary software allow self-initiated movement that we believe delivers a more natural walking experience than competing products. Published clinical studies demonstrate ReWalk's ability to provide a natural gait and functional walking speed, which has not been shown in studies for any competing exoskeleton. In the United States, we have method patent protection covering certain methods of user activation and control of systems such as ReWalk, including by sensing the users' torso lean or weight shifts. In addition, we have apparatus patent protection in the United States and Europe covering the design of ReWalk and similar devices that use several sensors to empower tilt-sensor technology. Our patents on the tilt-sensor technology do not begin to expire until 2021. We also rely on trade secrets law to protect our proprietary software and product candidates/products in development.
- **First Mover Advantage.** ReWalk Personal is the first medical exoskeleton cleared by the FDA for personal use in the United States. We do not believe that our competitors have any products that will be cleared by the FDA for personal use in the United States for at least the next two years. As a result, we believe we will be able to capture significant U.S. market share for exoskeletons for personal use. In addition, we were the first exoskeleton provider to have an established commercial infrastructure and to market products in Europe, with our direct sales force in Germany. We are also the first to achieve reimbursement for a personal unit.

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- **Compelling Clinical Data.** We believe that ReWalk’s clinical data differentiates us from our competitors. Clinical data published in established medical journals has demonstrated ReWalk’s potential as a safe ambulatory device. We are not aware of any comparable clinical data generated in rigorous trials that has been published with respect to competing exoskeleton products. In addition, our interim analysis of an ongoing study demonstrates improvements in secondary physical conditions, such as reduction in pain and spasticity and improvements in bowel and urinary tract function, body and bone composition, metabolism and physical fitness, as well as reduced hospitalizations and dependence on medications. We believe that continued results of this nature will greatly assist our ability to obtain regulatory clearances and third-party reimbursement.
- **Strategic Alliance with Yaskawa Electric Corporation.** We have entered into a strategic alliance with Yaskawa Electric Corporation, a global leader in the fields of industrial robotics and automation. Pursuant to this arrangement, Yaskawa will serve as our distributor in certain Asian markets, where its name and brand recognition provide us with opportunities for growth and market penetration, and can apply its expertise for product and quality improvements to ReWalk. We believe that this arrangement with such a prominent company is unique in this industry. Yaskawa also made an equity investment in our company. In addition, in the future, subject to any necessary regulatory clearance, we may market and sell in the United States and Europe certain healthcare equipment products that Yaskawa is currently developing. See “Certain Relationships and Related Party Transactions—Series D Preferred Share Purchase Agreement” and “—Agreements with Yaskawa.”
- **Established and Scaleable Manufacturing Capability.** We have contracted with Sanmina Corporation, a well-established original equipment manufacturer with expertise in the medical device industry, for the manufacture of all of our products. Pursuant to this arrangement, Sanmina also sources all of the raw materials needed for the production of our products. We believe that this relationship provides us security with respect to quality, price and quantity of our products and offers significant scale-up capacity.
- **Experienced Management Team and Employees with Personal Experience with Paralysis.** Our senior management team has significant experience in the medical device, technology and robotics industries, with an average of over 20 years of experience. The experiences of Dr. Amit Goffer, our founder, President and Chief Technology Officer, and the inventor of ReWalk, who has been paralyzed since 1997, have been one of the greatest drivers in the development and refinement of ReWalk. Additionally, certain of our sales and marketing and research and development employees are paraplegic, which provides us with invaluable perspective to advance the development of our products.

Our Growth Strategies

Our goal is to drive sustainable growth by fundamentally changing the health and life experiences of individuals with mobility impairments. To achieve this goal, we intend to:

- **Increase Our Salesforce and Infrastructure.** We intend to penetrate our target markets and drive sales of ReWalk by increasing our sales force and further strengthening our distribution network and service, training and support functions. We believe that our presence in leading rehabilitation centers, hospitals and similar facilities in the United States and Europe has allowed us to establish a strong training infrastructure, and we plan to use this existing infrastructure as a point of entry to efficiently penetrate the market for ReWalk Personal.
- **Expand Geographic Coverage.** We intend to increase our presence in the United States in response to our receipt of FDA clearance for ReWalk Personal. We also plan to expand into new geographies throughout Europe and, through our arrangements with Yaskawa, in Asia. To date, we have focused our commercialization efforts primarily on the German, French, UK, Italian, Austrian, Canadian and Turkish markets for personal and rehabilitation use and the U.S. market for rehabilitation use.

- **Continue Clinical Studies to Further Demonstrate Health and Economic Benefits to Support Reimbursement.** We intend to continue to work with hospitals, rehabilitation centers, patient advocacy and support groups and individual users to generate additional data regarding functionality and that supports the health and economic benefits of ReWalk. We will continue to engage and fund researchers and organizations to conduct clinical studies to demonstrate the functionality and utilization of ReWalk and to highlight economic benefits of reductions in medical complications associated with spinal cord injury. We believe that this data will position us to pursue additional third-party reimbursement for our products.
- **Leverage Our Core Technology Platform to Expand Treatment Indications.** We designed ReWalk to provide a functional technical base that can be easily adapted to address medical indications other than paraplegia, and we believe that we have the internal and external experience to develop and commercialize products to address new indications. In addition to developing the next generation of ReWalk, we are currently engaged in research and development efforts to adapt ReWalk to address the mobility needs of quadriplegia and multiple sclerosis patients, and, in the future, we plan to address these needs in stroke and cerebral palsy patients.

Market Opportunity

Confinement to a wheelchair can cause severe physical and psychological deterioration, resulting in bad health, poor quality of life, low self-esteem and high medical expenses. In addition, the secondary medical consequences of paralysis can include difficulty with bowel and urinary tract function, osteoporosis, loss of lean mass, gain in fat mass, insulin resistance, diabetes and heart disease. The cost of treating these conditions is substantial. The National Spinal Cord Injury Statistical Center, or the NSCISC, estimates that complications related to paraplegia cost, excluding indirect costs such as losses in wages, fringe benefits and productivity, approximately \$500,000 in the first year post-injury and significant additional amounts over the course of an individual's lifetime. Further, secondary complications related to spinal cord injury can reduce life expectancies for SCI patients.

The NSCISC estimates as of 2013 that there were 273,000 people in the United States living with spinal cord injury, with an annual incidence of approximately 12,000 new cases per year. Approximately 42,000 of such patients are veterans, and are eligible for medical care and other benefits from the Veterans' Administration, or VA. With 24 VA spinal cord injury centers, the VA has the largest single network of spinal cord injury care in the United States.

The University of Alabama-Birmingham Department of Physical Medicine and Rehabilitation operates the NSCISC, which maintains the world's largest database on spinal cord injury research. Since 2010, motor vehicle crashes have been the leading cause of reported spinal cord injury cases (36.5%), followed by falls (28.5%), acts of violence (14.3%) and sports injuries (9.2%). Nearly 80% of spinal cord injuries occur among the male population. According to the NSCISC, upon hospital discharge, 87.1% of persons with spinal cord injuries are sent to private, non-institutional residence (in most cases, their homes prior to injury).

Based on U.S. Census Bureau data, the spinal cord injury population gender and age statistics and data from the Spinal Cord Model Systems report, we estimate almost 80% or 218,000, of spinal cord injury patients in the United States could be candidates for current or future ReWalk products. The young average age of injury and significant remaining life expectancy, the likelihood of living at home and lifetime cost of treatment highlight the need for an out-of-hospital solution with demonstrated health and social benefits.

In addition to developing the next generation of ReWalk, we are currently engaged in research and development efforts to adapt ReWalk to address the mobility needs of quadriplegia and multiple sclerosis patients.

According to the National Multiple Sclerosis Society, as many as 400,000 Americans suffer from multiple sclerosis. Research indicates that approximately 53% of these individuals, or approximately 212,000, would be

classified as either a 6.0 or 7.0 on the Kurtzke Disability Status Scale (DSS), a measure of the need for walking assistance. Individuals with DSS 6.0 require intermittent or unilateral constant assistance (by means of cane, crutch, or brace) to walk approximately 100 meters without resting. Individuals with DSS 7.0 are unable to walk beyond 10 meters without rest while leaning against a wall or holding furniture for support. We believe these individuals could benefit from our technology.

In the future, we plan to address the mobility needs of stroke and cerebral palsy patients. Over five million Americans have suffered a stroke, with 780,000 new incidences expected each year. Physical limitations after stroke vary from case to case, but approximately 20-25% of these individuals are unable to walk without full physical assistance. Cerebral palsy is a disorder of movement, muscle tone or posture that is caused by damage to the developing brain, most often before or during a child's birth, or during the first 3 to 5 years of a child's life. According to United Cerebral Palsy, there are 764,000 cases of cerebral palsy in the United States. Cerebral palsy represents a significant opportunity to address the segment of this market that will meet the physical criteria to use ReWalk.

Our Solutions

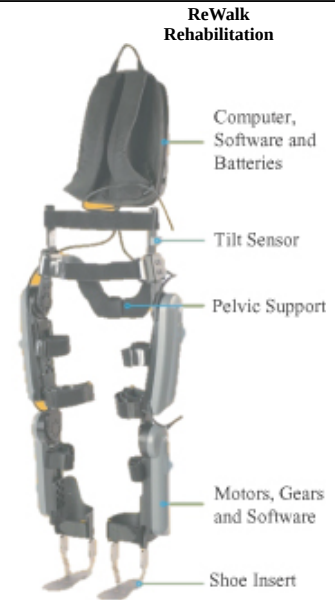
ReWalk is a breakthrough product that can fundamentally change the health and life experiences of users. Published clinical studies demonstrate ReWalk's ability to deliver a natural gait and functional walking speed. ReWalk's patented tilt-sensor technology and an on-board computer and motion sensors drive motorized legs that power knee and hip movement and allow self-initiated walking. ReWalk controls movement using subtle changes in the user's center of gravity. A forward tilt of the upper body is sensed by the system, which initiates the first step. Repeated body shifting generates a sequence of steps, which allows natural ambulation with functional walking speed. While ReWalk does not allow side-to-side actuation, users are able to turn by shifting their weight to the side. ReWalk also allows users to sit, stand, and, in some cases, climb and descend stairs.

Designed for all-day use and worn over the clothes of users, ReWalk consists of a light wearable exoskeleton with integrated motors at the joints, an array of sensors and a backpack that contains the batteries and the computer-based control system. The control system utilizes proprietary algorithms to analyze upper-body motions and trigger and maintain gait patterns and other modes of operation (such as stair-climbing and shifting from sitting to standing), leaving the user's hands free for self-support and other functions. Because the exoskeleton supports its own weight, users do not expend unnecessary energy while walking. Safety measures include crutches, which provide additional stability, fall protection, which lowers users slowly and safely in the event of a malfunction, and the secure "stand" mode, which automatically initiates if the user does not begin walking within two seconds. ReWalk is also equipped with maintenance alarms, warnings and backup batteries. The rechargeable batteries are easily accessible from the system's backpack and can be recharged in any standard power outlet. Upon completion of training, which generally consists of approximately 15 one-hour sessions, most users are able to put on and remove the device by themselves while sitting, typically in less than 15 minutes.

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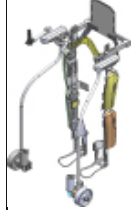
Current ReWalk designs are intended for people with paraplegia who have the use of their upper bodies and arms. We currently offer two ReWalk products: ReWalk Personal and ReWalk Rehabilitation.

- *ReWalk Personal*: intended for everyday use at home, at work or in the community. We began marketing ReWalk Personal in Europe with CE mark clearance at the end of 2012. We received clearance to market ReWalk Personal in the United States in June 2014. ReWalk Personal units are all manufactured according to the same specifications. Each unit is then permanently sized to fit the individual user and the software is configured for the user's specifications by the rehabilitation center, clinic or distributor.
- *ReWalk Rehabilitation*: designed for the clinical rehabilitation environment, ReWalk Rehabilitation has adjustable sizing enabling multiple patient use. ReWalk Rehabilitation provides a valuable means of exercise and therapy. It also enables individuals to evaluate their capacity for using ReWalk Personal in the future. We began marketing ReWalk Rehabilitation for use in hospitals, rehabilitation centers and stand-alone training centers in the United States and Europe in 2011. ReWalk Rehabilitation units are all manufactured according to the same specifications and are equipped with adjustable sizing for multi-patient use.



Our interim analysis of an ongoing clinical study and our experience working with health care practitioners and ReWalk users suggest that ReWalk has the potential to provide secondary health benefits. These benefits include reducing pain and spasticity and improving bowel and urinary tract function, body and bone composition, metabolism and physical fitness, as well as reducing hospitalizations and dependence on medications. Because of these secondary medical benefits, we believe that ReWalk has the ability to reduce the lifetime healthcare costs of individuals with spinal cord injuries, making it economically attractive for individuals, healthcare providers such as hospitals and rehabilitation centers, and third-party payors.

ReWalk-Q



We are currently developing our next generation of ReWalk, with a more efficient drive mechanism, slimmer profile and lighter body, as well as other improvements. We are also developing ReWalk-Q for individuals with quadriplegia who are unable to hold crutches, which will include attached crutches with wheels. We expect to complete the development of ReWalk-Q in the near future, at which time we will begin clinical testing and apply for regulatory clearances. We plan to expand the designs and indications that we address beyond paraplegia and quadriplegia to include other disabilities affecting gait and ability to walk, such as multiple sclerosis, stroke and cerebral palsy.

Risk Factors

Investing in our ordinary shares involves risks. You should carefully consider the risks described in "Risk Factors" before making a decision to invest in our ordinary shares. If any of these risks actually occurs, our business, financial condition or results of operations would likely be materially adversely affected. In such case, the trading price of our ordinary shares would likely decline, and you may lose all or part of your investment. The following is a summary of some of the principal risks we face:

- We currently rely, and in the future will rely, on sales of our ReWalk systems and related service contracts and extended warranties for our revenue, and we may not be able to achieve or maintain market acceptance.

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- The market for medical exoskeletons is new and unproven, and important assumptions about the potential market for our products may be inaccurate.
- We have a limited operating history upon which you can evaluate our business plan and prospects.
- If we are unable to expand our sales, marketing and training infrastructure, we may fail to increase our sales.
- The health benefits of ReWalk have not been substantiated by long-term clinical data, which could limit sales.
- We may fail to secure or retain adequate coverage or reimbursement for ReWalk by third-party payors.
- We depend on a single third-party to manufacture ReWalk and a limited number of third-party suppliers for certain components of ReWalk.
- Our future growth and operating results will depend on our ability to develop and commercialize new products and penetrate new markets.
- We operate in a competitive industry that is subject to rapid technological change, and we expect competition to increase.
- We have incurred net losses since our inception.
- The accountants' report on our financial statements for the year ended December 31, 2013 includes an explanatory paragraph that expresses substantial doubt about our ability to continue as a "going concern."
- We are subject to extensive governmental regulations relating to the manufacturing, labeling and marketing of our products.

Our Principal Shareholders

Upon the closing of this offering, entities affiliated with SCP Vitalife Partners, Yaskawa Electric Corporation, or Yaskawa, Israeli Health Care Ventures II, L.P. and entities affiliated with Pontifax (Cayman) II, L.P. will beneficially own % of our outstanding ordinary shares in the aggregate (or % if the underwriters exercise in full their option to purchase additional shares). Upon the closing of this offering, we will not be a party to and are not otherwise aware of any voting agreement that will exist among our shareholders. For further information about the ownership of our ordinary shares upon the closing of this offering, see "Principal Shareholders."

We have entered into a Strategic Alliance Agreement with Yaskawa pursuant to which, among other arrangements, we and Yaskawa will collaborate with respect to the marketing, distribution and commercialization of our products by Yaskawa, the marketing and distribution of future Yaskawa products by us and the improvement and quality control of our products. In the future, subject to any necessary regulatory clearance, this agreement entitles us to market and sell certain of Yaskawa's products currently under development in the United States and Europe. The term of the agreement is ten years, but it may be terminated by either party after seven years or upon 60 days' notice in the event of an uncured default under the agreement.

We and Yaskawa also entered into an Exclusive Distribution Agreement which provides that Yaskawa will be our exclusive distributor in Japan, China (including Hong Kong and Macau), Taiwan, South Korea, Singapore and Thailand. In addition, Yaskawa has a right of first refusal to serve as distributor in certain other Asian markets, subject to an agreement on minimum purchase requirements. In addition, if we offer better pricing to any other distributor than what we offer Yaskawa, Yaskawa will be entitled to that pricing. The term of the Exclusive Distribution Agreement is ten years, but it may be terminated by either party upon 90 days' written notice after seven years or upon certain other events. See "Certain Relationships and Related Party Transactions—Agreements with Yaskawa."

Corporate Information

We are incorporated under the laws of the State of Israel. Our corporate headquarters are located at Kochav Yokneam Building, Floor 6, Yokneam Ilit 20692, Israel, and our telephone number is +972 (4) 959 0123. We also have offices in Marlborough, Massachusetts and Berlin, Germany. Our website address is <http://rewalk.com/>. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and is not incorporated by reference herein. We have included our website address in this prospectus solely for informational purposes. Our agent for service of process in the United States is ReWalk Robotics, Inc., located at 33 Locke Drive, Marlborough, Massachusetts 01752, and its telephone number is (508) 251-1154.

ReWalk® is our registered trademark in Israel. Other trademarks and service marks appearing in this prospectus are the property of their respective holders.

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The Offering

Ordinary shares offered by us	ordinary shares
Ordinary shares to be outstanding after this offering	ordinary shares
Underwriters' option	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 intend to use the net proceeds from this offering for general corporate purposes, including sales and marketing expenditures aimed at growing our business and research and development expenditures focused on product development. We may also use net proceeds to make acquisitions or investments in complementary companies or technologies, although we do not have any agreement or understanding with respect to any such acquisition or investment at this time. See "Use of Proceeds."
Risk factors	See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our ordinary shares.
Proposed Nasdaq Global Market symbol	RWLK
	The number of ordinary shares to be outstanding after this offering is based on 445,068 ordinary shares outstanding as of July 15, 2014:
	<ul style="list-style-type: none">• assuming the exercise on such date of warrants to purchase 25,568 of our preferred shares that expire prior to or upon the consummation of this offering, and the conversion on such date of all outstanding ordinary A shares, ordinary B shares, preferred shares and preferred shares issuable upon the exercise of such outstanding warrants into ordinary shares;• excluding 69,097 ordinary shares reserved for issuance under our share option plans as of July 15, 2014, of which there were outstanding options to purchase 61,980 shares at a weighted average exercise price of \$23.34 per share;• excluding warrants to purchase 36,306 of our ordinary shares that will remain outstanding after this offering; and• assuming the issuance to our founder, Dr. Amit Goffer, of 17,196 ordinary shares immediately prior to the closing of this offering, such that the value of his ownership interest equals 6% of our valuation, in accordance with our Articles of Association and our Fourth Amended and Restated Shareholders Agreement.
	For more information regarding the securities that Dr. Goffer has the right to receive, see "Certain Relationships and Related Party Transactions—Arrangements with Founder."

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Unless otherwise indicated, this prospectus:

- reflects the exercise immediately prior to the closing of this offering of our outstanding warrants that expire upon the consummation of this offering and the conversion of all outstanding ordinary A shares, ordinary B shares and preferred shares into ordinary shares;
- gives effect to the adoption of our amended articles of association immediately prior to the closing of this offering, which will replace our articles of association currently in effect;
- gives effect to a -for-1 share split of our ordinary shares effected on , 2014 by means of a share dividend of ordinary shares for each ordinary share then outstanding;
- assumes an initial public offering price of \$ per ordinary share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus; and
- assumes no exercise of the underwriters' option to purchase up to additional ordinary shares from us.

Summary Consolidated Financial Data

The summary consolidated financial data set forth below for the years ended December 31, 2012 and 2013 is derived from our audited consolidated financial statements, which have been prepared in accordance with U.S. GAAP and are presented elsewhere in this prospectus. The summary consolidated financial statement data for the three months ended March 31, 2013 and 2014, and as of March 31, 2014, is derived from our unaudited interim consolidated financial statements presented elsewhere in this prospectus. In the opinion of management, these unaudited interim consolidated financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of our financial position and operating results for these periods.

You should read the following summary consolidated financial data in conjunction with, and it is qualified in its entirety by reference to, our consolidated financial statements and the related notes appearing elsewhere in this prospectus and other information provided in this prospectus, including “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The historical results set forth below are not necessarily indicative of the results to be expected in future periods and results for interim periods are not necessarily indicative of the results that may be expected for the entire year.

	Year Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013	2014
	(in thousands, except per share data)			
Statements of Operations Data:				
Revenues	\$ 972	\$ 1,588	\$ 550	\$ 445
Cost of revenues	983	2,017	587	643
Gross loss	(11)	(429)	(37)	(198)
Operating expenses:				
Research and development	1,757	2,463	396	1,082
Sales and marketing, net	2,334	4,091	898	1,215
General and administrative	1,657	1,762	407	540
Total operating expenses	5,748	8,316	1,701	2,837
Operating loss	5,759	8,745	1,738	3,035
Financial expenses, net	878	3,410	547	2,005
Loss before income taxes	6,637	12,155	2,285	5,040
Income taxes	21	22	8	11
Net loss	\$ 6,658	\$ 12,177	\$ 2,293	\$ 5,051
Net loss per ordinary share, basic and diluted	\$ (742.75)	\$ (1,341.58)	\$ (252.08)	\$ (552.34)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	10,316	10,316	10,316	10,388
Pro forma net loss per ordinary share, basic and diluted(1)		\$ (45.79)		\$ (8.42)
Pro forma weighted average number of shares used in computing net loss per ordinary share, basic and diluted(1)		241,648		363,359

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	As of March 31, 2014	
	Actual	As Adjusted(2)
	(in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	\$	5,158
Total assets		8,271
Total long-term liabilities		5,515
Accumulated deficit		(37,957)
Total shareholders' equity		734

- (1) Pro forma net loss per ordinary share and pro forma weighted average number of shares outstanding assume the conversion of our preferred shares, including preferred shares issuable in connection with the exercise of outstanding warrants, into ordinary shares, which will occur immediately prior to the closing of this offering, but does not include the issuance of shares in connection with this offering. For additional information on the conversion of the preferred shares, see Note 9 to our consolidated financial statements included elsewhere in this prospectus.
- (2) As adjusted gives effect to (a) the conversion of our preferred shares, including preferred shares issuable in connection with the exercise of outstanding warrants, into ordinary shares, which will occur immediately prior to the closing of this offering, (b) the receipt of \$ million by us upon the closing of this offering from the exercise of warrants prior to the closing of this offering; and (c) the issuance and sale of ordinary shares by us in this offering at an assumed initial public offering price of \$ per ordinary share, the midpoint of the range on the front cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

RISK FACTORS

An investment in our ordinary shares involves a high degree of risk. You should consider carefully the risks described below and all other information contained in this prospectus before you decide to buy our ordinary shares. If any of the following risks actually occur, our business, financial condition and results of operations could be materially and adversely affected. In that event, the trading price of our ordinary shares would likely decline and you might lose all or part of your investment.

Risks Related to Our Business and Our Industry

We currently rely, and in the future will rely, on sales of our ReWalk systems and related service contracts and extended warranties for our revenue, and we may not be able to achieve or maintain market acceptance.

We currently rely, and in the future will rely, on sales of our ReWalk systems and related service contracts and extended warranties for our revenue. ReWalk is a new product, and market acceptance and adoption depend on educating people with limited upright mobility and health care providers as to the distinct features, ease-of-use, positive lifestyle impact and other benefits of ReWalk compared to alternative technologies and treatments. ReWalk may not be perceived to have sufficient potential benefits compared with these alternatives. Users may also choose other therapies due to disadvantages of ReWalk, including the time it takes for a user to put on ReWalk, the slower pace of ReWalk compared to a wheelchair, the weight of ReWalk when carried, which makes it more burdensome for a companion to transport than a wheelchair, and the requirement that users be accompanied by a trained companion. Also, we believe that healthcare providers tend to be slow to change their medical treatment practices because of perceived liability risks arising from the use of new products and the uncertainty of third-party reimbursement. Accordingly, healthcare providers may not recommend ReWalk until there is sufficient evidence to convince them to alter the treatment methods they typically recommend, such as prominent healthcare providers or other key opinion leaders in the spinal cord injury community recommending ReWalk as effective in providing identifiable immediate and long-term health benefits.

In addition, health insurance companies and other third-party payors may not provide adequate coverage or reimbursement for our products. We may be unable to sell ReWalk systems on a profitable basis if third-party payors deny coverage, limit reimbursement or reduce their levels of payment, or if our costs of production increase faster than increases in reimbursement levels. In addition, we may not obtain coverage and reimbursement approvals in a timely manner. Our failure to receive such approvals would negatively impact market acceptance of ReWalk.

Achieving and maintaining market acceptance of ReWalk could be negatively impacted by many other factors, including, but not limited to:

- lack of sufficient evidence supporting the benefits of ReWalk over competitive products or other available treatment, or lifestyle management, methodologies;
- results of clinical studies relating to ReWalk or similar products;
- claims that ReWalk, or any component thereof, infringes on patent or other intellectual property rights of third-parties;
- perceived risks associated with the use of ReWalk or similar products or technologies;
- the introduction of new competitive products or greater acceptance of competitive products;
- adverse regulatory or legal actions relating to ReWalk or similar products or technologies; and
- problems arising from the outsourcing of our manufacturing capabilities, or our existing manufacturing and supply relationships.

Any factors that negatively impact sales of ReWalk would adversely affect our business, financial condition and operating results.

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The market for medical exoskeletons is new and unproven, and important assumptions about the potential market for our products may be inaccurate.

The market for medical exoskeletons is new and unproven. Accordingly, it is difficult to predict the future size and rate of growth of the market. We cannot be certain whether the market will continue to develop or if medical exoskeletons will achieve and sustain a level of market acceptance and demand sufficient for us to continue to generate revenue and achieve profitability.

Limited sources exist to obtain reliable market data with respect to the number of mobility impaired individuals and the incurrence of spinal cord injuries in our target markets. In addition, there are no third-party reports or studies regarding what percentage of those with limited mobility or spinal cord injuries would be able to use exoskeletons in general, or our current or planned future products in particular. In order to use our current products marketed to those with paraplegia, users must have healthy hands and shoulders, weigh less than 220 pounds/100 kilograms and be between 5 ft. 1 inch and 6 ft. 6 inches/1.55 meters and 2 meters. Users must also not have balance, brain or vestibular disorders that would affect their balance. Future products for those with paraplegia, quadriplegia or other mobility impairments or spinal cord injuries may have the same or other restrictions. Our business strategy is based, in part, on our estimates of the number of mobility impaired individuals and the incurrence of spinal cord injuries in our target markets and the percentage of those groups that would be able to use our current and future products. Our assumptions may be inaccurate and may change.

If the medical exoskeleton market fails to develop or develops more slowly than we expect, or if we have relied on sources or made assumptions that are not accurate, our business could be adversely affected.

In addition, because we operate in a new market, the actions of our competitors could adversely affect our business. Adverse events such as product defects or legal claims with respect to competing or similar products could cause reputational harm to the exoskeleton market on the whole. Further, adverse regulatory findings or reimbursement-related decisions with respect to other exoskeleton products could negatively impact the entire market and, accordingly, our business.

We have a limited operating history upon which you can evaluate our business plan and prospects.

Although we were incorporated in 2001, we did not begin selling ReWalk Rehabilitation until 2011, and we did not begin selling ReWalk Personal in Europe until 2012. We expect to begin selling ReWalk Personal in the United States in the third quarter of 2014 as we received FDA clearance to do so in June 2014. Therefore, we have limited operating history upon which you can evaluate our business plan and prospects. Our business plan and prospects must be considered in the light of the potential problems, delays, uncertainties and complications encountered in connection with a newly established business. The risks include, but are not limited to, that:

- a market will not develop for our products;
- we will not be able to develop scalable products and services, or that although scalable, our products and services will not be economical to market;
- we will not be able to establish brand recognition and competitive advantages for our products;
- we will not receive necessary regulatory clearances or approvals for our products; and
- our competitors market an equivalent or superior product or hold proprietary rights that preclude us from marketing our products.

There are no assurances that we can successfully address these challenges. If we are unsuccessful, our business, financial condition and operating results could be materially and adversely affected.

If we are unable to expand our sales, marketing and training infrastructure, we may fail to increase our sales.

A key element of our business strategy is the continued expansion of our sales and marketing infrastructure, through the hiring, training, retaining and motivating of skilled sales and marketing representatives with industry

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experience and knowledge. In order to grow our business efficiently, we must coordinate the expansion of this infrastructure with the timing of regulatory approvals, decisions regarding reimbursements, and other factors in various geographies. Developing a sales and marketing infrastructure is expensive and time consuming and an inability to develop such an organization in a timely manner, or in coordination with regulatory or other developments, could inhibit potential sales and delay the successful adoption of ReWalk.

We expect to face significant challenges as we manage and grow our sales and marketing infrastructure and work to retain the individuals who make up those networks. Recently hired sales representatives require training and take time to achieve full productivity. If we fail to train recent hires adequately, or if we experience high turnover in our sales force in the future, we cannot be certain that new hires will become as productive as may be necessary to maintain or increase our sales. In addition, if we are not able to recruit and retain a network of internal trainers, we may not be able to successfully train customers on the use of ReWalk, which could inhibit new sales and harm our reputation. If we are unable to expand our sales, marketing and training capabilities, we may not be able to effectively commercialize ReWalk, or enhance the strength of our brand, which could have a material adverse effect on our operating results.

The health benefits of ReWalk have not been substantiated by long-term clinical data, which could limit sales.

Although our interim analysis of an ongoing study demonstrates improvements in secondary physical conditions such as reduction in pain and spasticity and improving bowel and urinary tract function, decreasing pain, emotional and psychosocial benefits, the health benefits of our current ReWalk products have not been substantiated by long-term clinical data. As a result, potential customers and healthcare providers may be slower to adopt or recommend ReWalk and third-party payors may not be willing to provide coverage or reimbursement for our products. In addition, future studies or clinical experience may indicate that treatment with our current or future ReWalk products is not superior to treatment with alternative products or therapies. Such results could slow the adoption of our products and significantly reduce our sales.

We may fail to secure or retain adequate coverage or reimbursement for ReWalk by third-party payors.

We expect that in the future a significant source of payment for ReWalk systems will be private insurance plans and managed care programs, government programs such as the Veterans Administration, Medicare and Medicaid, worker's compensation and other third-party payors. Currently, no uniform policy of coverage and reimbursement for electronic exoskeleton medical technology exists among third-party payors in the United States or elsewhere. To date, payments for our products have been made primarily by self-payers, through case-by-case determinations by third-party payors and by negotiating the cost of a ReWalk into accident settlements. There is limited clinical data related to ReWalk, and third-party payors may consider use of ReWalk to be experimental and therefore refuse to cover it. For example, Aetna recently announced its determination that certain lower-limb prostheses, including ReWalk, are experimental and investigational because there is inadequate evidence of their effectiveness. Private insurance companies do not currently cover or provide reimbursement for any medical exoskeleton products for personal use, including ReWalk, and may never provide such coverage.

Many private third-party payors use coverage decisions and payment amounts determined by the Centers for Medicare and Medicaid Services, or CMS, which administers the Medicare program, as guidelines in setting their coverage and reimbursement policies. In the future, we will pursue economic benefit clinical studies for CMS, which we expect to demonstrate the secondary medical benefits and long-term cost savings potential of ReWalk. While we believe that a positive response from CMS in respect of such studies will broaden coverage by private insurers, we expect that it could take three to five years to receive a decision from CMS. Even with a positive decision from CMS regarding ReWalk Personal, future action by CMS or other government agencies may diminish possible payments to physicians, outpatient centers and/or hospitals that purchase ReWalk Rehabilitation, and possible payments to individuals who purchase ReWalk Personal. Additionally, a decision by CMS to provide reimbursement could influence other payors, including private insurers. If CMS declines to provide for reimbursements of ReWalk or if its reimbursement price is lower than that of other payors, ReWalk

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may not be reimbursed at a cost-effective level or at all. Those private third-party payors that do not follow the Medicare guidelines may adopt different coverage and reimbursement policies for purchase of ReWalk, or use of ReWalk Rehabilitation at a hospital or rehabilitation center. In addition, we expect that the purchase of ReWalk Rehabilitation systems will require the approval of senior management at hospitals or rehabilitation facilities, inclusion in the hospitals' or rehabilitation facilities' budget process for capital expenditures, and in the case of ReWalk Personal, fundraising and financial planning or assistance.

Third-party payors are developing increasingly sophisticated methods of controlling healthcare costs. These cost control methods include prospective payment systems, capitated rates, benefit redesigns and an exploration of other cost-effective methods of delivering healthcare. These cost control methods potentially limit the amount that healthcare providers may be willing to pay for electronic exoskeleton medical technology, if they provide coverage at all. We may be unable to sell ReWalk systems on a profitable basis if third-party payors deny coverage or provide insufficient levels of reimbursement.

We depend on a single third-party to manufacture ReWalk and a limited number of third-party suppliers for certain components of ReWalk.

We have contracted with Sanmina Corporation, a well-established contract manufacturer with expertise in the medical device industry, for the manufacture of all of our products and the sourcing of all of our components and raw materials. Pursuant to this contract, Sanmina manufactures ReWalk, pursuant to our specifications, at its facility in Ma'alot, Israel. We may terminate our relationship with Sanmina at any time upon written notice. In addition, either we or Sanmina may terminate the relationship in the event of a material breach, subject to a 30-day cure period. For our business strategy to be successful, Sanmina must be able to manufacture our products in sufficient quantities, in compliance with regulatory requirements and quality control standards, in accordance with agreed upon specifications, at acceptable costs and on a timely basis. Increases in our product sales, whether forecasted or unanticipated, could strain the ability of Sanmina to manufacture an increasingly large supply of our current or future products in a manner that meets these various requirements. In addition, although we are not restricted from engaging an alternative manufacturer, and have the capabilities to manufacture ReWalk in-house, the process of moving our manufacturing activities would be time consuming and costly, and may limit our ability to meet our sales commitments, which could harm our reputation and could have a material adverse effect on our business.

We also rely on third-party suppliers, which contract directly with Sanmina, to supply certain components of ReWalk. Sanmina does not have long-term supply agreements with most of their suppliers and, in many cases, makes purchases on a purchase order basis. Sanmina's ability to secure adequate quantities of such products may be limited. Suppliers may encounter problems that limit their ability to manufacture components for our products, including financial difficulties or damage to their manufacturing equipment or facilities. If Sanmina fails to obtain sufficient quantities of high quality components to meet demand on a timely basis, we could lose customer orders, our reputation may be harmed and our business could suffer.

Sanmina generally uses a small number of suppliers for ReWalk. Depending on a limited number of suppliers exposes us to risks, including limited control over pricing, availability, quality and delivery schedules. If any one or more of our suppliers ceases to provide sufficient quantities of components in a timely manner or on acceptable terms, Sanmina would have to seek alternative sources of supply. It may be difficult to engage additional or replacement suppliers in a timely manner. Failure of these suppliers to deliver products at the level our business requires would limit our ability to meet our sales commitments, which could harm our reputation and could have a material adverse effect on our business. Sanmina also may have difficulty obtaining similar components from other suppliers that are acceptable to the FDA or other regulatory agencies, and the failure of Sanmina's suppliers to comply with strictly enforced regulatory requirements could expose us to regulatory action including warning letters, product recalls, termination of distribution, product seizures or civil penalties. It could also require Sanmina to cease using the components, seek alternative components or technologies and we could be forced to modify our products to incorporate alternative components or technologies, which could result in a requirement to seek additional regulatory approvals. Any disruption of this nature or increased expenses could harm our commercialization efforts and adversely affect our operating results.

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We also rely on a limited number of suppliers for the batteries used by ReWalk and do not maintain any long-term supply agreement with respect to batteries. If we or our third-party distributors fail to obtain sufficient quantities of batteries in a timely manner, our reputation may be harmed and our business could suffer.

Our future growth and operating results will depend on our ability to develop and commercialize new products and penetrate new markets.

In the next few years, we expect that a significant portion of our revenues will be derived from ReWalk products that we adapt for use by individuals with quadriplegia and other mobility impairments besides paraplegia. As such, our future results will depend on our ability to successfully develop and commercialize such products. We cannot ensure you that we will be able to introduce new products or products currently under development for additional indications in a timely manner, or at all. In addition, we may not be able to clinically demonstrate the medical benefits of our products for new indications, and we do not yet have any clinical data demonstrating the benefits of our products for indications other than paraplegia. We may also be unable to gain necessary regulatory approvals to enable us to market ReWalk for additional indications or the regulatory process may be more costly and time consuming than expected.

Even if we are successful in the design and development of new products, our growth and results of operations will depend on our ability to penetrate new markets and gain acceptance by the quadriplegia community and non-spinal cord injury markets such as the stroke and multiple sclerosis communities. We may not be able to gain such market acceptance in these communities in a timely manner, or at all.

While they will utilize the same core technology platform, our new products and products currently under development will have design features and components that differ from our current products. Accordingly, these products will also be subject to the risks described above under “—We currently rely, and in the future will rely, on sales of our ReWalk systems and related service contracts and extended warranties for our revenue.” To the extent we are unable to successfully develop and commercialize products to address indications other than paraplegia, we will not meet our projected results of operations and future growth.

We operate in a competitive industry that is subject to rapid technological change, and we expect competition to increase.

There are several other companies developing technology and devices that compete with ReWalk. Our principal competitors in the medical exoskeleton market consist of Ekso Bionics, Rex Bionics, Cyberdyne, and Parker Hannifin. These companies have products currently available for institutional use and some are in the early stages of the FDA clearance process for personal use. We expect some of such products to become available for personal use in the next few years. In addition, we compete with alternative devices and alternative therapies, including treadmill-based gait therapies, such as those offered by Hocoma, AlterG, Aretech and Reha Technology. These or other medical device or robotics companies, academic and research institutions, or others, may develop new technologies or therapies that provide a superior walking experience, are more effective in treating the secondary medical conditions that we target or are less expensive than ReWalk or future products. Our technologies and products could be rendered obsolete by such developments. We may also compete with other treatments and technologies that address the secondary medical conditions that ReWalk seeks to mitigate.

Our competitors may respond more quickly to new or emerging technologies, undertake more extensive marketing campaigns, have greater financial, marketing and other resources than we do or may be more successful in attracting potential customers, employees and strategic partners. In addition, potential customers, such as hospitals and rehabilitation centers, could have long-standing or contractual relationships with competitors or other medical device companies. Potential customers may be reluctant to adopt ReWalk, particularly if it competes with or has the potential to compete with or diminish the need/utilization of products or treatments supported through these existing relationships. If we are not able to compete effectively, our business and results of operations will be negatively impacted.

We have incurred net losses since our inception.

We have experienced operating losses since our inception in 2001. We expect that we will continue to incur losses for at least the next two years as we continue to commercialize our ReWalk systems, expand our sales and marketing capabilities, continue our ongoing research and development and continue to develop the corporate infrastructure necessary to market and sell our products. Additionally, following this offering, we expect general and administrative expenses to increase due to the additional operational and reporting costs associated with being a public company. Our ability to achieve profitability and positive cash flow is subject to the risks described in this section. If we are unable to become profitable with positive cash flow, the value of your investment will be adversely affected.

We may not have sufficient funds to meet our future capital requirements.

We believe that the combination of the proceeds of this offering and our other current sources of liquidity will be sufficient to meet our anticipated cash needs for at least the next 24 months. However, if we require additional funds during that period or in later periods, we may need to seek additional sources of funds, including potentially by selling additional equity securities, borrowing or selling or licensing our assets. However, we may be unable to obtain additional funds on reasonable terms, or at all. As a result, we may be required to reduce the scope of, or delay or eliminate, some or all of our current and planned commercialization and research and development activities. We also may have to reduce marketing, customer service or other resources devoted to our business. Any of these actions could materially harm our business and results of operations. Any sale of additional equity may result in dilution to our shareholders and agreements governing any borrowing arrangement may contain covenants that could restrict our operations.

The accountants' report on our financial statements for the year ended December 31, 2013 includes an explanatory paragraph that expresses substantial doubt about our ability to continue as a "going concern."

As of December 31, 2013, we had an accumulated deficit in the amount of \$26,906. We have funded our operations to date principally from grants, the sale of our securities and the issuance of indebtedness. Without additional capital, from this offering or otherwise, we may run out of cash in the second half of 2014, which has raised a substantial doubt about our ability to continue as a going concern. Accordingly, our independent auditors have indicated, in their report on our December 31, 2013 financial statements, that there is substantial doubt about our ability to continue as a going concern. A "going concern" opinion indicates that the financial statements have been prepared assuming we will continue as a going concern and 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 if we do not continue as a going concern. The funding of our operations beyond the second half of 2014 will require additional investments in our company in the form of equity or debt financing or through collaboration, licensing or other similar arrangements, and we may not be able to raise sufficient capital to continue as a going concern.

We utilize independent distributors who are free to market products that compete with ReWalk.

While we expect that the percentage of our sales generated from independent distributors will decrease over time as we increase our direct sales efforts in the United States in response to the receipt of FDA clearance for ReWalk Personal, we believe that a meaningful percentage of our sales will continue to be generated by independent distributors in the future. None of our independent distributors has been required to sell our products exclusively. Our distributor agreements generally have one year initial terms and automatic renewals for an additional year. If any of our key independent distributors were to cease to distribute our products, our sales could be adversely affected. In such a situation, we may need to seek alternative independent distributors or increase our reliance on our other independent distributors or our direct sales representatives, which may not prevent our sales from being adversely affected. Additionally, to the extent that we enter into additional arrangements with independent distributors to perform sales, marketing, or distribution services, the terms of the arrangements could cause our product margins to be lower than if we directly marketed and sold our products.

We are dependent on a single facility for the manufacturing and assembly of our products.

All manufacturing and assembly of our products is conducted at a single facility of our contract manufacturer, Sanmina, located in Ma'alot, Israel. Accordingly, we are highly dependent on the uninterrupted and efficient operation of this facility. If operations at this facility were to be disrupted as a result of equipment failures, earthquakes and other natural disasters, fires, accidents, work stoppages, power outages, acts of war or terrorism or other reasons, our business, financial condition and results of operations could be materially adversely affected. In particular, this facility is located in the north of Israel within range of rockets that have from time to time been fired into the country during armed conflicts with Hezbollah in Lebanon. Although our manufacturing and assembly operations could be transferred elsewhere, either in-house or to an alternative Sanmina facility, the process of relocating these operations would cause delays in production. Lost sales or increased costs that we may experience during the disruption, or a forced relocation, of operations may not be recoverable under our insurance policies, and longer-term business disruptions could result in a loss of customers. If this were to occur, our business, financial condition and operations could be materially negatively impacted.

We may receive a significant number of warranty claims or our ReWalk system may require significant amounts of service after sale.

Sales of ReWalk generally include a two-year warranty for parts and services, other than for normal wear and tear. We also provide customers with the option to purchase an extended warranty for up to an additional three years. If product returns or warranty claims are significant or exceed our expectations, we could incur unanticipated expenditures for parts and services, which could have a material adverse effect on our operating results.

Defects in our products or the software that drives them could adversely affect the results of our operations.

The design, manufacture and marketing of ReWalk involve certain inherent risks. Manufacturing or design defects, unanticipated use of ReWalk, or inadequate disclosure of risks relating to the use of ReWalk can lead to injury or other adverse events. In addition, because the manufacturing of our products is outsourced to Sanmina, our original equipment manufacturer, we may not be aware of manufacturing defects that could occur. Such adverse events could lead to recalls or safety alerts relating to ReWalk (either voluntary or required by the FDA or similar governmental authorities in other countries), and could result, in certain cases, in the removal of ReWalk from the market. A recall could result in significant costs. To the extent any manufacturing defect occurs, our agreement with Sanmina contains a limitation on Sanmina's liability, and therefore we could be required to incur the majority of related costs. Product defects or recalls could also result in negative publicity, damage to our reputation or, in some circumstances, delays in new product approvals.

When a human exoskeleton is used by a paralyzed individual to walk, the individual relies completely on the exoskeleton to hold him or her upright. In addition, ReWalk incorporates sophisticated computer software. Complex software frequently contains errors, especially when first introduced. Our software may experience errors or performance problems in the future. If any part of ReWalk's hardware or software were to fail, the user could experience death or serious injury. Additionally, users may not use ReWalk in accordance with safety protocols and training, which could enhance the risk of death or injury. Any such occurrence could cause delay in market acceptance of ReWalk, damage to our reputation, additional regulatory filings, product recalls, increased service and warranty costs, product liability claims and loss of revenue relating to such hardware or software defects.

The medical device industry has historically been subject to extensive litigation over product liability claims. We have been, and anticipate that as part of our ordinary course of business we may be, subject to product liability claims alleging defects in the design, manufacture or labeling of our products. A product liability claim, regardless of its merit or eventual outcome, could result in significant legal defense costs and high punitive damage payments. Although we maintain product liability insurance, the coverage is subject to deductibles and limitations, and may not be adequate to cover future claims. Additionally, we may be unable to maintain our existing product liability insurance in the future at satisfactory rates or adequate amounts.

We may not be able to enhance our product offerings through our research and development efforts.

In order to increase our sales and our market share in the exoskeleton market, we must enhance and broaden our research and development efforts and product offerings in response to the evolving demands of people with paraplegia or paralysis and healthcare providers, as well as competitive technologies. We may not be successful in developing, obtaining regulatory approval for, or marketing our proposed products. In addition, notwithstanding our market research efforts, our future products may not be accepted by consumers, their caregivers, healthcare providers or third-party payors who reimburse consumers for our products. The success of any proposed product offerings will depend on numerous factors, including our ability to:

- identify the product features that people with paraplegia or paralysis, their caregivers and healthcare providers are seeking in a medical device that restores upright mobility and successfully incorporate those features into our products;
- develop and introduce proposed products in sufficient quantities and in a timely manner;
- adequately protect our intellectual property and avoid infringing upon the intellectual property rights of third-parties;
- demonstrate the safety, efficacy and health benefits of proposed products; and
- obtain the necessary regulatory approvals for proposed products.

If we fail to generate demand by developing products that incorporate features desired by consumers, their caregivers or healthcare providers, or if we do not obtain regulatory clearance or approval for proposed products in time to meet market demand, we may fail to generate sales sufficient to achieve or maintain profitability. We have in the past experienced, and we may in the future experience, delays in various phases of product development, including during research and development, manufacturing, limited release testing, marketing and customer education efforts. Such delays could cause customers to delay or forego purchases of our products, or to purchase our competitors' products. Even if we are able to successfully develop proposed products when anticipated, these products may not produce sales in excess of the costs of development, and they may be quickly rendered obsolete by changing consumer preferences or the introduction by our competitors of products embodying new technologies or features.

There is no long-term clinical data with respect to the effects of ReWalk, and our products could cause unforeseen negative effects.

While short-term clinical studies have established the safety of ReWalk, there is no long-term clinical data with respect to the safety or physical effects of ReWalk. Future results and experience could indicate that our products are not safe for long-term use or cause unexpected complications or other unforeseen negative effects. Because ReWalk users generally do not have feeling in their lower body, users may not immediately notice damaging effects, which could exacerbate their impact. If in the future ReWalk is shown to be unsafe or cause such unforeseen effects, we could be subject to mandatory product recalls, suspension or withdrawal of FDA clearance or approval, significant legal liability or harm to our business reputation.

We may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships with third-parties that may not result in the development of commercially viable products or the generation of significant future revenues.

In the ordinary course of our business, in the future we may enter into collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships to develop ReWalk and to pursue new markets. Proposing, negotiating and implementing collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships may be a lengthy and complex process. We may not identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms or at all. We have limited institutional knowledge and experience with respect to these business development activities, and

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we may also not realize the anticipated benefits of any such transaction or arrangement. In particular, these collaborations may not result in the development of products that achieve commercial success or result in significant revenues and could be terminated prior to developing any products. For example, we have entered into an arrangement with Yaskawa for the distribution of our products in certain Asian markets, which may not be as productive or successful as we hope.

If we pursue collaborations, in-licensing arrangements, joint ventures, strategic alliances or partnerships, we may not be in a position to exercise sole decision making authority regarding the transaction or arrangement, which could create the potential risk of creating impasses on decisions, and our collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. It is possible that conflicts may arise with our collaborators. Our collaborators may act in their self-interest, which may be adverse to our best interest, and they may breach their obligations to us. Any such disputes could result in litigation or arbitration which would increase our expenses and divert the attention of our management. Further, these transactions and arrangements are contractual in nature and may be terminated or dissolved under the terms of the applicable agreements.

Exchange rate fluctuations between the U.S. dollar, the euro and the NIS may negatively affect our earnings.

The U.S. dollar is our functional and reporting currency. In 2013, most of our revenues were denominated in U.S. dollars, approximately half of our expenses were denominated in U.S. dollars, and the remainder of our expenses were denominated in NIS and euros. In 2014, we expect that the denominations of our revenues and expenses will be consistent with what we experienced in 2013. Accordingly, any appreciation of the NIS or euro relative to the U.S. dollar would adversely impact our net loss or net income, if any. We have in the past engaged in limited hedging activities, and any hedging strategies that we may implement in the future to mitigate currency risks, such as forward contracts, options and foreign exchange swaps related to transaction exposures, may not eliminate our exposure to foreign exchange fluctuations. For further information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosure About Market Risk—Foreign Currency Risk.”

We may seek to grow our business through acquisitions of complementary products or technologies, and the failure to manage acquisitions, or the failure to integrate them with our existing business, could have a material adverse effect on our business, financial condition and operating results.

From time to time, we may consider opportunities to acquire other products or technologies that may enhance our product platform or technology, expand the breadth of our markets or customer base, or advance our business strategies. Potential acquisitions involve numerous risks, including:

- problems assimilating the acquired products or technologies;
- issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions;
- diversion of management’s attention from our existing business;
- risks associated with entering new markets in which we have limited or no experience; and
- increased legal and accounting costs relating to the acquisitions or compliance with regulatory matters.

We have no current commitments with respect to any acquisition. We do not know if we will be able to identify acquisitions we deem suitable, whether we will be able to successfully complete any such acquisitions on favorable terms or at all, or whether we will be able to successfully integrate any acquired products or technologies. Our potential inability to integrate any acquired products or technologies effectively may adversely affect our business, operating results and financial condition.

If there are significant disruptions in our information technology systems, our business, financial condition and operating results could be adversely affected.

The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to effectively manage sales and marketing data, accounting and financial functions, inventory management, product development tasks, research and development data, customer service and technical support functions. Our information technology systems are vulnerable to damage or interruption from earthquakes, fires, floods and other natural disasters, terrorist attacks, attacks by computer viruses or hackers, power losses, and computer system or data network failures. In addition, our data management application is hosted by a third-party service provider whose security and information technology systems are subject to similar risks, and ReWalk systems contain software which could be subject to computer virus or hacker attacks or other failures.

The failure of our or our service providers' information technology systems or ReWalk's software to perform as we anticipate or our failure to effectively implement new information technology systems could disrupt our entire operation or adversely affect our software products and could result in decreased sales, increased overhead costs, and product shortages, all of which could have a material adverse effect on our reputation, business, financial condition and operating results.

If we fail to properly manage our anticipated growth, our business could suffer.

Our rapid growth has placed, and we expect that it will continue to place, a significant strain on our management team and on our financial resources. Failure to manage our growth effectively could cause us to misallocate management or financial resources, and result in losses or weaknesses in our infrastructure, which could materially adversely affect our business. Additionally, our anticipated growth will increase the demands placed on our suppliers, resulting in an increased need for us to manage our suppliers and monitor for quality assurance. Any failure by us to manage our growth effectively could have an adverse effect on our ability to achieve our business objectives.

We depend on the knowledge and skills of our senior management.

We have benefited substantially from the leadership and performance of our senior management. For example, we depend on our Chief Executive Officer's experience successfully scaling an early stage medical device company, as well as the experience of other members of management. In addition, we depend on the personal experiences with paralysis of our founder, President and Chief Technology Officer in the development of our products. We carry key man insurance on Dr. Amit Goffer, our founder, President and Chief Technology Officer, but not on any other executive officer, and the amount of such coverage would likely be insufficient to offset the impact to our business of the loss of his services. Our success will depend on our ability to retain our current management. Competition for senior management in our industry is intense and we cannot guarantee that we will be able to retain our personnel. The loss of the services of certain members of our senior management could prevent or delay the implementation and completion of our strategic objectives, or divert management's attention to seeking qualified replacements.

Risks Related to Government Regulation

We are subject to extensive governmental regulations relating to the manufacturing, labeling and marketing of our products.

Our medical products and manufacturing operations are subject to regulation by the FDA, the European Union, the Ministry of Health in Israel, and other governmental authorities both inside and outside of the United States. These agencies enforce laws and regulations that govern the development, testing, manufacturing, labeling, storage, installation, servicing, advertising, promoting, marketing, distribution, import, export and market surveillance of ReWalk.

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Our products are regulated as medical devices in the United States under the Federal Food, Drug, and Cosmetic Act, or FFDC, as implemented and enforced by the FDA. Under the FFDC, medical devices are classified into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with the medical device and the extent of control needed to provide reasonable assurance of safety and effectiveness. Classification of a device is important because the class to which a device is assigned determines, among other things, the necessity and type of FDA review required prior to marketing the device. See “Business—Government Regulation.”

In June 2014, the FDA granted our petition for “*de novo*” classification, which is a route to market for medical devices that are low to moderate risk, but are not substantially equivalent to a predicate device, and classified ReWalk as Class II subject to certain special controls. The special controls established in the *de novo* order include compliance with medical device consensus standards; performance of a postmarket surveillance clinical study demonstrating a reasonable assurance of safety and effectiveness in urban terrain; non-clinical performance testing of the system’s function and durability; a training program; and labeling related to device use and user training. In order for us to market ReWalk, we must comply with both general controls, including controls related to quality, facility registration, reporting of adverse events and labeling, and the special controls established for the device. Failure to comply with the general and special controls could lead to removal of ReWalk from the market, which would have a material adverse effect on our business.

Following the introduction of a product, the governmental agencies will periodically review our manufacturing processes and product performance, and we are under a continuing obligation that all applicable regulatory requirements continue to be met. The process of complying with the applicable good manufacturing practices, adverse event reporting, clinical trial and other requirements can be costly and time consuming, and could delay or prevent the production, manufacturing or sale of ReWalk. In addition, if we fail to comply with applicable regulatory requirements, it could result in fines, delays or suspensions of regulatory clearances, closure of manufacturing sites, seizures or recalls of products and damage to our reputation. Recent changes in enforcement practice by the FDA, European Union and other agencies have resulted in increased enforcement activity, which increases the compliance risk that we and other companies in our industry are facing. In addition, governmental agencies may impose new requirements regarding registration, labeling or prohibited materials that may require us to modify or re-register ReWalk once it is already on the market or otherwise impact our ability to market ReWalk in those countries. The process of complying with these governmental regulations can be costly and time consuming, and could delay or prevent the production, manufacturing or sale of ReWalk.

If we or our third-party manufacturers or suppliers fail to comply with the FDA’s Quality System Regulation, our manufacturing operations could be interrupted.

We, Sanmina and some of our suppliers are required to comply with the FDA’s QSR which covers the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage and shipping of our products. We and Sanmina and our suppliers are also subject to the regulations of foreign jurisdictions regarding the manufacturing process if we or our distributors market our products abroad. We continue to monitor our quality management in order to improve our overall level of compliance. Our facilities are subject to periodic and unannounced inspection by U.S. and foreign regulatory agencies to audit compliance with the QSR and comparable foreign regulations. If our facilities or those of Sanmina or our suppliers are found to be in violation of applicable laws and regulations, or if we or Sanmina or our suppliers fail to take satisfactory corrective action in response to an adverse inspection, the regulatory authority could take enforcement action, including any of the following sanctions:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- customer notifications or repair, replacement, refunds, detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products;

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- withdrawing 510(k) marketing clearances or PMA approvals that have already been granted;
- refusing to provide Certificates for Foreign Government;
- refusing to grant export approval for our products; or
- pursuing criminal prosecution.

Any of these sanctions could impair our ability to produce ReWalk in a cost-effective and timely manner in order to meet our customers' demands, and could have a material adverse effect on our reputation, business, results of operations and financial condition. We may also be required to bear other costs or take other actions that may have a negative impact on our future sales and our ability to generate profits.

We are subject to various laws and regulations, including “fraud and abuse” laws and anti-bribery laws, which, if violated, could subject us to substantial penalties.

Medical device companies such as ours have faced lawsuits and investigations pertaining to alleged violations of numerous statutes and regulations, including anti-corruption laws and health care “fraud and abuse” laws, such as the federal False Claims Act, the federal Anti-Kickback Statute and the U.S. Foreign Corrupt Practices Act, or the FCPA. See “Business—Government Regulation.” U.S. federal and state laws, including the federal Physician Payments Sunshine Act, or the Sunshine Act, and the implementation of Open Payments regulations under the Sunshine Act, require medical device companies to disclose certain payments made to healthcare providers and teaching hospitals or funds spent on marketing and promotion of medical device products. It is widely anticipated that public reporting under the Sunshine Act and implementing Open Payments regulations will result in increased scrutiny of the financial relationships between industry, physicians and teaching hospitals. These anti-kickback, anti-bribery, public reporting and aggregate spend laws affect our sales, marketing and other promotional activities by limiting the kinds of financial arrangements, including sales programs, we may have with hospitals, rehabilitation centers, physicians or other potential purchasers or users of ReWalk. They also impose additional administrative and compliance burdens on us. In particular, these laws influence, among other things, how we structure our sales offerings, including discount practices, customer support, education and training programs and physician consulting and other service arrangements. If we are in violation of any of these requirements or any 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 criminal and civil fines and penalties, exclusion from federal healthcare programs or other sanctions.

The FCPA applies to companies, such as us following this offering, with a class of securities registered under the Exchange Act. The FCPA and other anti-bribery laws to which various aspects of our operations may be subject generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. In various jurisdictions, our operations require that we and third parties acting on our behalf routinely interact with government officials, including medical personnel who may be considered government officials for purposes of these laws because they are employees of state-owned or controlled facilities. Other anti-bribery laws to which various aspects of our operations may be subject, including the United Kingdom Bribery Act, also prohibit improper payments to private parties and prohibit receipt of improper payments. Our policies prohibit our employees from making or receiving corrupt payments, including, among other things, to require compliance by third parties engaged to act on our behalf. Our policies mandate compliance with these anti-bribery laws, however, we operate in many parts of the world that have experienced governmental and/or private corruption to some degree. As a result, the existence and implementation of a robust anti-corruption program cannot eliminate all risk that unauthorized reckless or criminal acts have been or will be committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and harm our financial condition, results of operations, cash flows and reputation.

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If we are found to have violated laws protecting the confidentiality of patient health information, we could be subject to civil or criminal penalties, which could increase our liabilities and harm our reputation or our business.

There are a number of federal and state laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the U.S. Department of Health and Human Services, or HHS, promulgated patient privacy rules under the Health Insurance Portability and Accountability Act of 1996, or HIPAA. These privacy rules protect medical records and other personal health information by limiting their use and disclosure, giving individuals the right to access, amend and seek accounting of their own health information and limiting most use and disclosures of health information to the minimum amount reasonably necessary to accomplish the intended purpose. If we or any of our service providers are found to be in violation of the promulgated patient privacy rules under HIPAA, we could be subject to civil or criminal penalties, which could increase our liabilities, harm our reputation and have a material adverse effect on our business, financial condition and operating results.

Risks Related to Our Intellectual Property

Our success depends in part on our ability to obtain and maintain protection for the intellectual property relating to or incorporated into our products.

Our success depends in part on our ability to obtain and maintain protection for the intellectual property relating to or incorporated into our products. We seek to protect our intellectual property through a combination of patents, trademarks, confidentiality and invention assignment agreements with our employees and certain of our contractors and confidentiality agreements with certain of our consultants, scientific advisors and other vendors and contractors. In addition, we rely on trade secrets law to protect our proprietary software and product candidates/products in development.

The patent position of robotic and exoskeleton inventions can be highly uncertain and involves many new and evolving complex legal, factual and technical issues. Patent laws and interpretations of those laws are subject to change and any such changes may diminish the value of our patents or narrow the scope of protection. In addition, we may fail to apply for or be unable to obtain patents necessary to protect our technology or products or enforce our patents due to lack of information about the exact use of technology or processes by third parties. Also, we cannot be sure that any patents will be granted in a timely manner or at all with respect to any of our patent pending applications or that any patents that are granted will be adequate to protect our intellectual property for any significant period of time or at all.

Litigation to establish or challenge the validity of patents, or to defend against or assert against others infringement, unauthorized use, enforceability or invalidity claims, can be lengthy and expensive and may result in our patents being invalidated or interpreted narrowly and our not being granted new patents related to our pending patent applications. Even if we prevail, litigation may be time-consuming and force us to incur significant costs, and any damages or other remedies awarded to us may not be valuable and management's attention could be diverted from managing our business. In addition, U.S. patents and patent applications may be subject to interference proceedings, and U.S. patents may be subject to re-examination proceedings in the U.S. Patent and Trademark Office. Foreign patents may also be subject to opposition or comparable proceedings in the corresponding foreign patent offices. Any of these proceedings may be expensive and could result in the loss of a patent or denial of a patent application, or the loss or reduction in the scope of one or more of the claims of a patent or patent application.

In addition, we seek to protect our trade secrets, know-how and confidential information that is not patentable by entering into confidentiality and invention assignment agreements with our employees and certain of our contractors and confidentiality agreements with certain of our consultants, scientific advisors and other vendors and contractors. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of

unauthorized disclosure or use of proprietary information. Enforcing a claim that a third party illegally obtained and is using our trade secrets is expensive and time consuming, and the outcome is unpredictable.

We also have taken precautions to initiate reasonable safeguards to protect our information technology systems. However, these measures may not be adequate to safeguard our proprietary intellectual property, which could lead to the loss or impairment of our intellectual property or to expensive litigation to defend our rights against competitors who may be better funded and have superior resources. In addition, unauthorized parties may attempt to copy or reverse engineer certain aspects of our products that we consider proprietary or our proprietary information may otherwise become known or may be independently developed by our competitors or other third parties. If other parties are able to use our proprietary technology or information, our ability to compete in the market could be harmed.

Further, unauthorized use of our intellectual property may have occurred, or may occur in the future, without our knowledge.

If we are unable to obtain or maintain adequate protection for intellectual property, or if any protection is reduced or eliminated, competitors may be able to use our technologies, resulting in harm to our competitive position.

Our patents and proprietary technology and processes may not provide us with a competitive advantage.

Robotics and exoskeleton technologies have been developing rapidly in recent years. We are aware of several other companies developing competing exoskeleton devices for individuals with limited mobility and we expect the level of competition and the pace of development in our industry to increase. See “Business—Competition.” While we believe our tilt-sensor technology provides a more natural and superior method of exoskeleton activation, which creates a better user experience, a variety of other activation and control methods exist for exoskeletons, several of which are being developed by our competitors, or may be developed in the future. As a result, our patent portfolio and proprietary technology and processes may not provide us with a significant advantage over our competitors, and competitors may be able to design and sell alternative products that are equal to or superior to our products without infringing on our patents. In addition, our current patents will expire and we may be unable to adequately develop new technologies and obtain future patent protection to preserve our competitive advantage. If we are unable to maintain a competitive advantage, our business and results of operations may be materially adversely affected.

Even in instances where others are found to infringe on our patents, many countries have laws under which a patent owner may be compelled to grant licenses for the use of the patented technology to other parties. In addition, many countries limit the enforceability of patents against other parties, including government agencies or government contractors. In these countries, a patent owner may have limited remedies, which could diminish the value of a patent. Further, the laws of some countries do not protect intellectual property rights to the same extent as the laws of the United States, particularly in the field of medical products and effective enforcement in those countries may not be available. The ability of others to market comparable products could adversely affect our business.

We may not be able to protect our intellectual property rights in all countries.

Filing, prosecuting, maintaining and defending patents on each of our products in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States are less extensive than those in the United States. In addition, the laws of some foreign countries, especially developing countries, do not protect intellectual property rights to the same extent as federal and state laws in the United States. Also, it may not be possible to effectively enforce intellectual property rights in some countries at all or to the same extent as in the United States and other countries. Consequently, we are unable to prevent third parties from using our inventions in all countries, or from selling or importing products made using our inventions in the jurisdictions in which we do not have (or are unable to effectively enforce) patent protection. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop, market or otherwise commercialize their own products, and we may be unable to prevent those

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competitors from importing those infringing products into territories where we have patent protection, but enforcement is not as strong as in the United States. These products may compete with our products and our patents and other intellectual property rights may not be effective or sufficient to prevent them from competing in those jurisdictions. Moreover, competitors or others in the chain of commerce may raise legal challenges against our intellectual property rights or may infringe upon our intellectual property rights, including through means that may be difficult to prevent or detect.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. Proceedings to enforce our patent rights in the United States or foreign jurisdictions 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, and could provoke third parties to assert patent infringement or other 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 in the United States and around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license from third parties.

We may be subject to patent infringement claims, which could result in substantial costs and liability and prevent us from commercializing our current and future products.

The medical device industry is characterized by competing intellectual property and a substantial amount of litigation over patent rights. In particular, our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in competing technologies, have been issued patents and filed patent applications with respect to their products and processes and may apply for other patents in the future. The large number of patents, the rapid rate of new patent issuances, and the complexities of the technology involved increase the risk of patent litigation.

Determining whether a product infringes a patent involves complex legal and factual issues and the outcome of patent litigation is often uncertain. Even though we have conducted research of issued patents, no assurance can be given that patents containing claims covering our products, technology or methods do not exist, have not been filed or could not be filed or issued. In addition, because patent applications can take years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending of which we are unaware and may result in issued patents which our current or future products infringe. Also, because the claims of published patent applications can change between publication and patent grant, there may be published applications that may issue with claims that we infringe.

Infringement actions and other intellectual property claims brought against us, with or without merit, may cause us to incur substantial costs and could place a significant strain on our financial resources, divert the attention of management and harm our reputation. We cannot be certain that we will successfully defend against any allegations of infringement. If we are found to infringe another party's patents, we could be required to pay damages. We could also be prevented from selling our products that infringe, unless we could obtain a license to use the technology or processes covered by such patents or could redesign our products so that they do not infringe. A license may be available on commercially reasonable terms or at all, and we may not be able to redesign our products to avoid infringement. Further, any modification to our products could require us to conduct clinical trials and revise our filings with the FDA and other regulatory bodies, which would be time consuming and expensive. In these circumstances, we may not be able to sell our products at competitive prices or at all, and our business and operating results could be harmed.

We rely on trademark protection to distinguish our products from the products of our competitors.

We rely on trademark protection to distinguish our products from the products of our competitors. We have registered the trademark "ReWalk" in Israel and are in the process of registering our trademark in the United States. In jurisdictions where we have not registered our trademark and are using it, and as permitted by applicable local law, we rely on common law trademark protection. Third-parties may oppose our trademark

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applications, or otherwise challenge our use of the trademarks, and may be able to use our trademarks in jurisdictions where they are not registered or otherwise protected by law. If our trademarks are successfully challenged or if a third party is using confusingly similar or identical trademarks in particular jurisdictions before we do, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote additional resources to marketing new brands. If others are able to use our trademarks, our ability to distinguish our products may be impaired, which could adversely affect our business. Further, we cannot assure you that competitors will not infringe upon our trademarks, or that we will have adequate resources to enforce our trademarks.

We may be subject to damages resulting from claims that our employees or we have wrongfully used or disclosed alleged trade secrets of their former employers.

Many of our employees were previously employed at other medical device companies, including our competitors or potential competitors, and we may hire employees in the future that are so employed. We could in the future be subject to claims that these employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. If we fail in defending against such claims, a court could order us to pay substantial damages and prohibit us from using technologies or features that are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. If any of these technologies or features that are important to our products, this could prevent us from selling those products and could have a material adverse effect on our business. Even if we are successful in defending against these claims, such litigation could result in substantial costs and divert the attention of management.

Risks Related to Our Ordinary Shares and the Offering

Our share price may be volatile, and you may lose all or part of your investment.

The initial public offering price for the ordinary shares sold in this offering will be determined by negotiation between us and representatives of the underwriters. This price may not reflect the market price of our ordinary shares following this offering and the price of our ordinary shares may decline. In addition, the market price of our ordinary shares could be highly volatile and may fluctuate substantially as a result of many factors, including:

- actual or anticipated fluctuations in our growth rate or results of operations or those of our competitors;
- customer acceptance of our products;
- announcements by us or our competitors of new products or services, commercial relationships, acquisitions or expansion plans;
- announcements by us or our competitors of other material developments;
- our involvement in litigation;
- changes in government regulation applicable to us and our products;
- sales, or the anticipation of sales, of our ordinary shares by us, our insiders or other shareholders, including upon expiration of contractual lock-up agreements;
- developments with respect to intellectual property rights;
- competition from existing or new technologies and products;
- changes in key personnel;
- the trading volume of our ordinary shares;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions.

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In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs and our management's attention and resources could be diverted.

There has been no prior public market for our ordinary shares, and an active trading market may not develop.

Prior to this offering, there has been no public market for our ordinary shares. An active trading market may not develop following completion of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your ordinary shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your ordinary shares. An inactive market may also impair our ability to raise capital by selling our ordinary shares and may impair our ability to acquire other companies by using our ordinary shares as consideration.

If we do not meet the expectations of equity research analysts, if they do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our ordinary shares, the price of our ordinary shares could decline.

The trading market for our ordinary shares will rely in part on the research and reports that equity research analysts publish about us and our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If our results of operations are below the estimates or expectations of public market analysts and investors, our share price could decline. Moreover, the price of our ordinary shares could decline if one or more securities analysts downgrade our ordinary shares or if those analysts issue other unfavorable commentary or do not publish research or reports about us or our business.

Following the closing of this offering, a small number of our shareholders will have a controlling influence over matters requiring shareholder approval, which could delay or prevent a change of control.

Following the closing of this offering, the largest beneficial owners of our shares, entities affiliated with SCP Vitalife Partners, Yaskawa Electric Corporation, Israeli Health Care Ventures II, L.P. and entities affiliated with Pontifax (Cayman) II, L.P., will beneficially own in the aggregate % of our ordinary shares, or % if the underwriters exercise in full their option to purchase additional ordinary shares. As a result, these shareholders, should they chose to act together or and even if they act individually, will exert significant influence over our operations and business strategy and would together have sufficient voting power to control the outcome of matters requiring shareholder approval. These matters may include:

- the composition of our board of directors, which has the authority to direct our business and to appoint and remove our officers;
- approving or rejecting a merger, consolidation or other business combination;
- raising future capital; and
- amending our articles of association, which govern the rights attached to our ordinary shares.

This concentration of ownership of our ordinary shares could delay or prevent proxy contests, mergers, tender offers, open-market purchase programs or other purchases of our ordinary shares that might otherwise give you the opportunity to realize a premium over the then-prevailing market price of our ordinary shares. This concentration of ownership may also adversely affect our share price.

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As a foreign private issuer, we are permitted, and intend, to follow certain home country corporate governance practices instead of otherwise applicable SEC and Nasdaq Global Market requirements, which may result in less protection than is accorded to investors under rules applicable to domestic U.S. issuers.

As a foreign private issuer, we will be permitted, and intend, to follow certain home country corporate governance practices instead of those otherwise required under the applicable rules of the Nasdaq Global Market for domestic U.S. issuers. For instance, we intend to follow home country practice in Israel with regard to the quorum requirement for shareholder meetings. As permitted under the Israeli Companies Law, our articles of association will provide that the quorum for any meeting of shareholders shall be the presence of at least two shareholders present in person, by proxy or by a voting instrument, who hold at least 25% of the voting power of our shares, instead of 33 1/3% of the issued share capital as required under the applicable rules of the Nasdaq Global Market. We may in the future elect to follow home country practices in Israel with regard to other matters, including the formation and composition of compensation and nominating and corporate governance committees, separate executive sessions of independent directors and non-management directors and the requirement to obtain shareholder approval for certain dilutive events (such as for the establishment or amendment of certain equity-based compensation plans, issuances that will result in a change of control of the company, certain transactions other than a public offering involving issuances of a 20% or more interest in the company and certain acquisitions of the shares or assets of another company). 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 applicable rules of the Nasdaq Global Market applicable to domestic U.S. issuers.

As a foreign private issuer, we will not be subject to U.S. proxy rules and will be exempt from filing certain Exchange Act reports.

As a foreign private issuer, we will be exempt from a number of requirements under U.S. securities laws that apply to public companies that are not foreign private issuers. In particular, we will be exempt from the rules and regulations under the United States Securities Exchange Act of 1934, as amended, or 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 annual and current 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 generally be exempt from filing quarterly reports with the SEC under the Exchange Act. Also, although a recent amendment to the Israeli Companies Law will require us to disclose the annual compensation of our five most highly compensated senior officers on an individual basis (rather than on an aggregate basis, as was permitted under the Israeli Companies Law for Israeli public companies listed overseas, such as in the United States, prior to such amendment), this disclosure will not be as extensive as that required of a U.S. domestic issuer. For example, it currently appears as if the disclosure required under Israeli law would be limited to compensation paid in the immediately preceding year without any requirement to disclose option exercises and vested stock options, pension benefits or potential payments upon termination or a change of control.

We will also be exempt from the provisions of Regulation FD, which prohibits the selective disclosure of material nonpublic information to, among others, broker-dealers and holders of a company's securities under circumstances in which it is reasonably foreseeable that the holder will trade in the company's securities on the basis of the information. Even though we intend to comply voluntarily with Regulation FD, these exemptions and leniencies will reduce the protections and the frequency and scope of information which you would be entitled if we were not a foreign private issuer.

We would lose our foreign private issuer status if a majority of our directors or executive officers are U.S. citizens or residents and we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. Although we have elected to comply with certain U.S. regulatory provisions, our loss of foreign private issuer status would make such provisions mandatory. We would also be required to follow U.S. proxy disclosure requirements in regard to the extent of disclosure of annual compensation of our five most highly compensated

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senior officers required. 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 good governance practices associated with U.S. domestic issuers. Such conversion and modifications will involve additional costs. In addition, we may 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 we cannot be certain whether the reduced requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As a result, we may take advantage of certain exemptions from various requirements that are applicable to other public companies that are not “emerging growth companies.” Most of such requirements relate to disclosures that we would only be required to make if we cease to be a foreign private issuer in the future. Nevertheless, as a foreign private issuer that is an emerging growth company, we will not be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, for up to five fiscal years after the date of this offering. We will remain an emerging growth company until the earliest of: (a) the last day of our fiscal year during which we have total annual gross revenues of at least \$1.0 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a “large accelerated filer” under the Exchange Act. 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.

The market price of our ordinary shares could be negatively affected by future sales of our ordinary shares.

After this offering, there will be _____ of our ordinary shares outstanding. Sales by us or our shareholders of a substantial number of ordinary shares in the public market following this offering, or the perception that these sales might occur, could cause the market price of our ordinary shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities. Of our issued and outstanding shares, all the ordinary shares sold in this offering will be freely transferable, except for any shares acquired by our “affiliates,” as that term is defined in Rule 144 under the U.S. Securities Act of 1933, as amended, or the Securities Act. Following completion of this offering, _____ % of our outstanding ordinary shares (or _____ % if the underwriters exercise in full their option to purchase additional ordinary shares) will be considered restricted shares and will be held by our affiliates. Such securities can be resold into the public markets in the future in accordance with the requirements of Rule 144, including volume limitations, manner of sale requirements and notice requirements. See “Shares Eligible for Future Sale.”

We, our executive officers and directors, and the current holders of substantially all of our outstanding ordinary shares, have agreed with the underwriters that, subject to limited exceptions, for a period of 180 days after the date of this prospectus, we and they will not directly or indirectly offer, pledge, sell, contract to sell, grant any option to purchase or otherwise dispose of any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares, or in any manner transfer all or a portion of the economic consequences associated with the ownership of ordinary shares, or cause a registration statement covering any ordinary shares to be filed except for the ordinary shares offered in this offering, without the prior written consent of the designated representatives of the underwriters, who may, in their sole discretion and at any time without notice, release all or any portion of the shares subject to these lock-up agreements.

At any time following the closing of this offering, subject, however, to the 180-day lock-up agreement entered into with the underwriters, the holders of _____ of our ordinary shares are entitled to require that we _____

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register their shares under the Securities Act for resale into the public markets. All shares sold pursuant to an offering covered by such registration statement will be freely transferable. See “Certain Relationships and Related Party Transactions—Amended and Restated Shareholders’ Rights Agreement.”

As of July 1, 2014, we had outstanding options to purchase 61,980 shares under our share option plans and had an additional 7,117 available for future grant. Following this offering, we intend to file a registration statement on Form S-8 under the Securities Act registering the shares under our share option plans. Shares included in such registration statement will be available for sale in the public market immediately after such filing, subject to vesting provisions, except for shares held by affiliates who will have certain restrictions on their ability to sell. Shares registered on the Form S-8 will not be subject to the lock-up agreements described above.

Our U.S. shareholders may suffer adverse tax consequences if we are characterized as a passive foreign investment company.

Generally, if for any taxable year 75% or more of our gross income is passive income, or at least 50% of the average quarterly value of our assets (which may be determined in part by the market value of our ordinary shares, which is subject to change) are held for the production of, or produce, passive income, we would be characterized as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. Passive income for this purpose generally includes, among other things, certain dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. Passive income also includes amounts derived by reason of the temporary investment of funds, including those raised in a public offering. 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 may also depend on how quickly we use the cash proceeds from this offering in our business. Based on certain estimates of our gross income and assets, our intended use of proceeds of this offering, and the nature of our business, we do not expect that we will be classified as a PFIC for the taxable year ending December 31, 2014. However, because PFIC status is based on our income, assets and activities for the entire taxable year, it is not possible to determine whether we will be characterized as a PFIC for the 2014 taxable year until after the end of the year. There can be no assurance that we will not be considered a PFIC for any taxable year. 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 a capital gain, the loss of the preferential rate applicable to dividends received on our ordinary shares by individuals who are U.S. Holders (as defined in “Material U.S. and Israeli Tax Consequences for our Shareholders—Material U.S. Federal Income Tax Consequences”), and having interest charges apply to distributions by us and the proceeds of share sales. Certain elections exist that may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment (such as mark-to-market treatment) of our ordinary shares; however, we do not intend to provide the information necessary for U.S. holders to make qualified electing fund elections if we are classified as a PFIC. See “Material U.S. and Israeli Tax Consequences for our Shareholders—Material U.S. Federal Income Tax Consequences—Passive Foreign Investment Company Considerations.”

You will experience immediate and substantial dilution in the net tangible book value of the ordinary shares you purchase in this offering.

The initial public offering price of our ordinary shares substantially exceeds the net tangible book value per share of our ordinary shares immediately after this offering. Therefore, if you purchase our ordinary shares in this offering, you will suffer, as of _____, 2014, immediate dilution of \$ _____ per ordinary share or \$ _____ per ordinary share if the underwriters exercise in full their option to purchase additional ordinary shares, in net tangible book value after giving effect to this offering at an assumed public offering price of \$ _____ per ordinary share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, less underwriting discounts and commissions and the estimated expenses payable by us. If outstanding warrants or options to purchase our ordinary shares are exercised in the future, you will experience additional dilution. See “Dilution.”

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We have broad discretion over the use of proceeds we receive in this offering and may not apply the proceeds in ways that increase the value of your investment.

Our management will have broad discretion in the application of the net proceeds from this offering and, as a result, you will have to rely upon the judgment of our management with respect to the use of these proceeds. Our management may spend a portion or all of the net proceeds in ways that not all shareholders approve of or that may not yield a favorable return. The failure by our management to apply these funds effectively could harm our business.

We have not yet determined whether our existing internal controls over financial reporting systems are compliant with Section 404 of the Sarbanes-Oxley Act, and we cannot provide any assurance that there are no material weaknesses or significant deficiencies in our existing internal controls.

Pursuant to Section 404 of the Sarbanes-Oxley Act 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 after the consummation of this 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. 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 us incurring additional costs that we did not anticipate. Irrespective 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 management and independent auditors.

Risks Relating to Our Incorporation and Location in Israel

Our technology development and quality headquarters are located in Israel and, therefore, our results may be adversely affected by economic restrictions imposed on, and political and military instability in, Israel.

Our technology development and quality headquarters, which houses substantially all of our research and development and our core research and development team, including engineers, machinists, researchers, and clinical and regulatory personnel, as well as our contract manufacturer, Sanmina, are located in Israel. Many of our employees, directors and officers are residents of Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect our business. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors, Hamas (an Islamist militia and political group in the Gaza Strip) and Hezbollah (an Islamist militia and political group in Lebanon). Any hostilities involving Israel or the interruption or curtailment of trade within Israel or between Israel and its trading partners could materially and adversely affect our business, financial condition and results of operations and could make it more difficult for us to raise capital. Recent political uprisings, social unrest and violence in various countries in the Middle East and North Africa, including Israel’s neighbors Egypt and Syria, are affecting the political stability of those countries. This instability may lead to deterioration of the political relationships that exist between Israel and these countries and have raised concerns regarding security in the region and the potential for armed conflict. Our commercial insurance does not cover losses that may occur as a result of an event associated with the security situation in the Middle East. Any losses or damages incurred

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by us could have a material adverse effect on our business. In addition, Iran has threatened to attack Israel and is widely believed to be developing nuclear weapons. Iran is also believed to have a strong influence among parties hostile to Israel in areas that neighbor Israel, such as the Syrian government, Hamas in Gaza and Hezbollah in Lebanon. Any armed conflicts, terrorist activities or political instability in the region could materially and adversely affect our business, financial condition and results of operations.

Our operations and the operations of our contract manufacturer, Sanmina, may be disrupted as a result of the obligation of Israeli citizens to perform military service.

Many Israeli citizens are obligated to perform one month, and in some cases more, of annual military reserve duty until they reach the age of 45 (or older, for reservists with certain occupations) and, in the event of a military conflict, may be called to active duty. In response to 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 and the operations of our contract manufacturer, Sanmina, could be disrupted by such call-ups.

Our sales may be adversely affected by boycotts of Israel.

Several countries, principally in the Middle East, restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies whether as a result of hostilities in the region or otherwise. In addition, there have been increased efforts by activists to cause companies and consumers to boycott Israeli goods based on Israeli government policies. Such actions, particularly if they become more widespread, may adversely impact our ability to sell our products.

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, referred to as “Beneficiary Enterprises,” carry certain tax benefits under the Israeli Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law. Substantially all of our future income before taxes can be attributed to these programs. If we do not meet the requirements for maintaining these benefits or if our assumptions regarding the key elements affecting our tax rates are rejected by the tax authorities, they may be reduced or cancelled and the relevant operations would be subject to Israeli corporate tax at the standard rate, which is currently set at 26.5% for 2014 and thereafter. In addition to being subject to the standard corporate tax rate, we could be required to refund any tax benefits that we may receive in the future, plus interest and penalties thereon. Even if we continue to meet the relevant requirements, the tax benefits that our current “Beneficiary Enterprises” receive 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 pay would likely increase, as all of our Israeli 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 benefit programs. See “Taxation and Israeli Government Programs Applicable to our Company—Law for the Encouragement of Capital Investments, 5719-1959” for additional information concerning these tax benefits and Note 13 to our consolidated financial statements for a discussion of our current tax obligations.

We have received Israeli government grants for certain of our research and development activities and we may receive additional grants in the future. The terms of those grants restrict our ability to manufacture products or transfer technologies outside of Israel, and we may be required to pay penalties in such cases or upon the sale of our company.

From our inception through December 31, 2013, we received a total of \$0.45 million from the Office of the Chief Scientist in the Israel Ministry of Economy, or OCS. We have applied to receive additional grants to support our research and development activities in 2014. With respect to such grants we are committed to pay royalties at a rate of 3% to 3.5% on sales proceeds up to the total amount of grants received, linked to the dollar

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and bearing interest at an annual rate of LIBOR applicable to dollar deposits. Even after payment in full of these amounts, we will still be required to comply with the requirements of the Israeli Encouragement of Industrial Research and Development Law, 1984, or the R&D Law, and related regulations, with respect to those past grants. When a company develops know-how, technology or products using OCS grants, the terms of these grants and the R&D Law restrict the transfer outside of Israel of such know-how, and the manufacturing or manufacturing rights of such products, technologies or know-how, without the prior approval of the OCS. Therefore, if aspects of our technologies are deemed to have been developed with OCS funding, the discretionary approval of an OCS committee would be required for any transfer to third parties outside of Israel of know how or manufacturing or manufacturing rights related to those aspects of such technologies. Furthermore, the OCS may impose certain conditions on any arrangement under which it permits us to transfer technology or development out of Israel or may not grant such approvals at all.

The transfer of OCS-supported technology or know-how outside of Israel may involve the payment of significant amounts to the OCS, depending upon the value of the transferred technology or know-how, the amount of OCS support, the time of completion of the OCS-supported research project and other factors. These restrictions and requirements for payment may impair our ability to sell our technology assets outside of Israel or to outsource or transfer development or manufacturing activities with respect to any product or technology outside of Israel. Furthermore, the consideration available to our shareholders in a transaction involving the transfer outside of Israel of technology or know-how developed with OCS funding (such as a merger or similar transaction) may be reduced by any amounts that we are required to pay to the OCS.

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, and recent decisions by the Israeli Supreme Court and the Israeli Compensation and Royalties Committee, a body constituted under the Patent Law, employees may be entitled to remuneration for intellectual property that they develop for us unless they explicitly waive any such rights. Although we enter into agreements with our employees pursuant to which they agree that any inventions created in the scope of their employment or engagement are owned exclusively by us, we may face claims demanding remuneration. As a consequence of such claims, we could be required to pay additional remuneration or royalties to our current and former employees, or be forced to litigate such claims, which could negatively affect our business.

Provisions of Israeli law and our articles of association may delay, prevent or otherwise impede a merger with, or an acquisition of, us, even when the terms of such a transaction are favorable to us and our shareholders.

Israeli corporate law regulates mergers, requires tender offers for acquisitions of shares above specified thresholds, requires special approvals for transactions involving directors, officers or significant shareholders and regulates other matters that may be relevant to such types of transactions. For example, a tender offer for all of a company's issued and outstanding shares can only be completed if the acquirer receives positive responses from the holders of at least 95% of the issued share capital. Completion of the tender offer also requires approval of a majority of the offerees that do not have a personal interest in the tender offer, unless at least 98% of the company's outstanding shares are tendered. Furthermore, the shareholders, including those who indicated their acceptance of the tender offer (unless the acquirer stipulated in its tender offer that a shareholder that accepts the offer may not seek appraisal rights), may, at any time within six months following the completion of the tender offer, petition an Israeli court to alter the consideration for the acquisition. See "Description of Share Capital—Acquisitions under Israeli Law" for additional information.

Our articles of association provide that our directors (other than external 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. This could prevent a potential acquirer from receiving board approval for an acquisition proposal that our board of directors opposes.

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Furthermore, Israeli tax considerations may make potential transactions unappealing to us or to our shareholders whose country of residence does not have a tax treaty with Israel exempting such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. With respect to mergers involving an exchange of shares, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of a number of conditions, including, in some cases, a holding period of two years from the date of the transaction during which sales and dispositions of shares of the participating companies are subject to certain restrictions. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred. These and other similar provisions could delay, prevent or impede an acquisition of us or our merger with another company, even if such an acquisition or merger would be beneficial to us or to our shareholders.

It may be difficult to enforce a judgment of a U.S. court against us, our officers and directors or the Israeli experts named in this prospectus in Israel or the United States, to assert U.S. securities laws claims in Israel or to serve process on our officers and directors and these experts.

We are incorporated in Israel. The majority of our directors and executive officers, and the Israeli experts listed in this prospectus reside outside of the United States, and most of our assets and most of the assets of these persons are located outside of the United States. Therefore, a judgment obtained against us, or any of these persons, including a judgment based on the civil liability provisions of the U.S. federal securities laws, may not be collectible in the United States and may not be enforced by an Israeli court. It also may be difficult for you to effect service of process on these persons in the United States or to assert U.S. securities law claims in original actions instituted 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 in which 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 proven as a fact by expert witnesses, 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 that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against us in Israel, you may not be able to collect any damages awarded by either a U.S. or foreign court. See “Enforceability of Civil Liabilities” for additional information on your ability to enforce a civil claim against us and our executive officers or directors named in this prospectus.

Your rights and responsibilities as a shareholder will be governed by Israeli law which differs in some material respects from the rights and responsibilities of shareholders of U.S. companies.

The rights and responsibilities of the holders of our ordinary shares are governed by our articles of association and by Israeli law. These rights and responsibilities differ in some material respects from the rights and responsibilities of shareholders in U.S.-based corporations. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders, and to refrain from abusing its power in the company, including, among other things, in voting at a general meeting of shareholders on matters such as amendments to a company’s articles of association, increases in a company’s authorized share capital, mergers and acquisitions and related party transactions requiring shareholder approval. In addition, a shareholder who is aware that it possesses the power to determine the outcome of a shareholder vote or to appoint or prevent the appointment of a director or executive officer in the company has a duty of fairness toward the company. There is limited case law available to assist us in understanding the nature of this duty or the implications of these provisions. These provisions may be interpreted to impose additional obligations and liabilities on holders of our ordinary shares that are not typically imposed on shareholders of U.S. corporations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this prospectus that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, results of operations, liquidity, plans and objectives. In some cases, you can identify forward-looking statements by terminology such as “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “potential,” or the negative of these terms or other similar expressions. The statements we make regarding the following matters are forward-looking by their nature:

- our expectations regarding future growth, including our ability to increase sales in our existing geographic markets and to expand to new markets;
- our ability to maintain and grow our reputation and the market acceptance of our products;
- our ability to achieve reimbursement from third-party payors for our products;
- our expectations as to our clinical research program and clinical results;
- our ability to improve our products and develop new products;
- our ability to maintain adequate protection of our intellectual property and to avoid violation of the intellectual property rights of others;
- our ability to gain and maintain regulatory approvals;
- our ability to maintain relationships with existing customers and develop relationships with new customers; and
- our intended use of proceeds of this offering.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks provided under “Risk Factors” in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. 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 undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus, to conform these statements to actual results or to changes in our expectations.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase additional ordinary shares in full), assuming the shares are offered at \$ per ordinary share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

A \$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 by approximately \$ million, assuming the number of shares offered by us as set forth on the cover page of this prospectus remains the same and after deducting the underwriting discounts and commissions. Similarly, each increase (decrease) of 100,000 shares in the number of ordinary shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately \$ million, assuming that the assumed initial public offering price remains the same, and after deducting the underwriting discounts and commissions.

We intend to use the net proceeds from this offering for general corporate purposes, including sales and marketing expenditures aimed at growing our business and research and development expenditures focused on product development. We expect that the net proceeds from this offering will be sufficient for us to expand our sales, marketing and training infrastructure and for our other current development activities, including adapting ReWalk for other indications and the development of our next generation of ReWalk. We may also use net proceeds from this offering to make acquisitions or investments in complementary companies or technologies, although we do not have any agreement or understanding with respect to any such acquisition or investment at this time. We do not currently have specific plans or commitments with respect to the net proceeds from this offering and, accordingly, are unable to quantify the allocation of such proceeds among the various potential uses. We will have broad discretion in the way that we use the net proceeds of this offering.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our ordinary shares. We do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain future earnings, if any, to finance operations and expand our business. Our board of directors has sole discretion whether to pay dividends. If our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our directors may deem relevant. The distribution of dividends may also be limited by Israeli law, which permits the distribution of dividends only out of retained earnings or otherwise upon the permission of an Israeli court.

CAPITALIZATION

The following table sets forth our total capitalization as of March 31, 2014, as follows:

- on an actual basis;
- on a pro forma basis to give effect to (i) the conversion of all of our outstanding ordinary A shares, ordinary B shares and preferred shares into ordinary shares, which will occur immediately prior to the closing of this offering and (ii) the issuance of 25,568 ordinary shares in connection with the exercise immediately prior to the closing of this offering of warrants held by certain shareholders and the receipt by us of \$ million from such exercise; and
- on a pro forma as adjusted basis to give further effect to the issuance and sale of ordinary shares by us in this offering at an assumed initial public offering price of \$ per ordinary share after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this information in conjunction with our consolidated financial statements and the related notes appearing at the end of this prospectus and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other financial information contained in this prospectus.

	As of March 31, 2014		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share and per share amounts)		
Ordinary shares, par value NIS 0.01 per share; 9,467,392 shares authorized, actual and pro forma, shares authorized, pro forma as adjusted; 10,432 shares issued and outstanding, actual; 363,403 shares issued and outstanding, pro forma; shares issued and outstanding, pro forma as adjusted(1)	*		
Preferred shares, par value NIS 0.01 per share; 532,677 shares authorized, actual; zero shares authorized, pro forma and pro forma as adjusted; 327,403 shares issued and outstanding, actual; zero shares issued and outstanding, pro forma and pro forma as adjusted	*		
Additional paid-in capital	32,691	40,739	
Accumulated deficit	(31,957)	(31,957)	
Total shareholders’ equity	734	8,782	
Total capitalization	\$ 8,271	\$ 10,986	\$

* Less than \$1

(1) On , 2014, we effected a -for-1 share split by means of a share dividend of ordinary shares for each ordinary share then outstanding.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$ per ordinary share, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total shareholders’ equity and total capitalization by approximately \$ 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 underwriting discounts and commissions and estimated offering expenses payable by us.

DILUTION

If you invest in our ordinary shares in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per ordinary share after this offering. As of March 31, 2014, our net tangible book value per ordinary share was \$. Net tangible book value per ordinary share represents our total tangible assets less our total liabilities, divided by the number of ordinary shares outstanding.

After giving effect to (i) the sale of ordinary shares that we are offering at an assumed initial public offering price of \$ per ordinary share and the deduction of underwriting discounts and commissions and estimated offering expenses payable by us, (ii) the exercise of warrants held by certain of our shareholders and the related issuance of 25,568 ordinary shares and the receipt by us of \$ million from such exercise and (iii) the conversion of all of our outstanding ordinary A shares, ordinary B shares and preferred shares, including the preferred shares issued upon the exercise of warrants, into ordinary shares, our pro forma as adjusted net tangible book value as of March 31, 2014 would have been \$ per ordinary share. This amount represents an immediate increase in net tangible book value of \$ per ordinary share to our existing shareholders and immediate dilution in net tangible book value of \$ per ordinary share to new investors purchasing ordinary shares in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per ordinary share after this offering from the assumed price per ordinary share paid by an investor in this offering.

The following table illustrates this dilution:

Assumed initial public offering price per ordinary share	\$
Net tangible book value per ordinary share as of March 31, 2014	\$
Increase in net tangible book value per ordinary share attributable to this offering	_____
Pro forma as adjusted net tangible book value per ordinary share after this offering	_____
Dilution per ordinary share to new investors in this offering	\$

The following table summarizes, as of March 31, 2014, the differences between the number of ordinary shares purchased from us, the total consideration paid to us in cash and the average price per ordinary share paid by existing shareholders and by new investors in this offering. The calculation below is based on an assumed initial public offering price of \$ per ordinary share before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	\$
Existing shareholders	_____	%	\$	%	\$
New investors	_____	%	_____	%	_____
Total	_____	100%	_____	100%	_____

The above discussion and the tables are based on 363,403 ordinary shares issued and outstanding as of March 31, 2014 and exclude the ordinary shares reserved for issuance under our share option plans and the warrants to purchase our ordinary shares that will remain outstanding after this offering. As of July 15, 2014, there were 69,097 ordinary shares reserved for issuance under our share option plans, in respect of which we had outstanding options to purchase 61,980 ordinary shares at a weighted average exercise price of \$23.34 per share, and outstanding warrants to purchase 36,306 ordinary shares that will remain outstanding after this offering.

To the extent any of these outstanding options or warrants are exercised, there will be further dilution to new investors. To the extent all of such outstanding options and warrants had been exercised as of March 31, 2014, the as adjusted net tangible book value per ordinary share after this offering would be \$, and total dilution per ordinary share to new investors would be \$.

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This discussion assumes no exercise of the underwriters' option to purchase additional ordinary shares. If the underwriters exercise their option to purchase additional ordinary shares in full:

- the pro forma as adjusted net tangible book value per ordinary share after this offering would be \$ per share, and the dilution per ordinary share to new investors in this offering would be \$ per share;
- the percentage of ordinary shares held by existing shareholders will decrease to approximately % of the total number of our ordinary shares outstanding after this offering; and
- the number of shares held by new investors will increase to , or approximately % of the total number of our ordinary shares outstanding after this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data set forth below as of and for the years ended December 31, 2012 and 2013 is derived from our audited consolidated financial statements, which have been prepared in accordance with U.S. GAAP and are presented elsewhere in this prospectus. The selected consolidated financial data for the three months ended March 31, 2013 and 2014, and as of March 31, 2014, has been derived from our unaudited interim consolidated financial statements presented elsewhere in this prospectus. In the opinion of management, these unaudited interim consolidated financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of our financial position and operating results for these periods. Results for interim periods are not necessarily indicative of the results that may be expected for the entire year.

You should read the following selected consolidated financial data in conjunction with, and it is qualified in its entirety by reference to our consolidated financial statements and the related notes appearing elsewhere in this prospectus and other information provided in this prospectus, including “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The historical results set forth below are not necessarily indicative of the results to be expected in future periods.

	Year Ended December 31,		Three Months Ended March 31,	
	2012	2013	2013	2014
(in thousands, except per share data)				
Statements of Operations Data:				
Revenues	\$ 972	\$ 1,588	\$ 550	\$ 445
Cost of revenues	983	2,017	587	643
Gross loss	(11)	(429)	(37)	(198)
Operating expenses:				
Research and development	1,757	2,463	396	1,082
Sales and marketing, net	2,334	4,091	898	1,215
General and administrative	1,657	1,762	407	540
Total operating expenses	5,748	8,316	1,701	2,837
Operating loss	5,759	8,745	1,738	3,035
Financial expenses, net	878	3,410	547	2,005
Loss before income taxes	6,637	12,155	2,285	5,040
Income taxes	21	22	8	11
Net loss	\$ 6,658	\$ 12,177	\$ 2,293	\$ 5,051
Net loss per ordinary share, basic and diluted	\$ (742.75)	\$ (1,341.58)	\$ (252.08)	\$ (552.34)
Weighted average number of shares used in computing net loss per ordinary share, basic and diluted	10,316	10,316	10,316	10,388
Pro forma net loss per ordinary share, basic and diluted(1)		\$ (45.79)		\$ (8.42)
Pro forma weighted average number of shares used in computing net loss per ordinary share, basic and diluted(1)		241,648		363,359
(in thousands)				
Balance Sheet Data:				
Cash and cash equivalents	\$ 769	\$ 8,860		\$ 5,158
Total assets	2,094	11,059		8,271
Total long-term liabilities	2,252	3,525		5,515
Accumulated deficit	(14,729)	(26,906)		(31,957)
Total shareholders’ equity (deficiency)	(2,264)	5,631		734

- (1) Pro forma net loss per ordinary share and pro forma weighted average number of shares outstanding assume the conversion of our preferred shares, including preferred shares issuable in connection with the exercise of warrants, into ordinary shares, which will occur immediately prior to the closing of this offering, but does not include the issuance of shares in connection with this offering. For additional information on the conversion of the preferred shares see Note 9 to our consolidated financial statements included elsewhere in this prospectus.

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 the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that are based on our management's current expectations, estimates and projections for our business, which are subject to a number of risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Special Note Regarding Forward-Looking Statements" and "Risk Factors."

Overview

We have developed and are continuing to commercialize ReWalk, an exoskeleton that uses our patented tilt-sensor technology, and an on-board computer and motion sensors to drive motorized legs that power movement. We currently offer two products: ReWalk Personal and ReWalk Rehabilitation. ReWalk Personal is designed for everyday use by individuals at home and in their communities, and is custom-fit for each user. ReWalk Rehabilitation is designed for the clinical rehabilitation environment where it provides valuable exercise and therapy. It also enables individuals to evaluate their capacity for using ReWalk Personal in the future.

We believe that the current design of ReWalk provides a functional technical base that can be easily adapted to address medical indications other than paraplegia that affect the ability to walk. We are currently engaged in research and development efforts to adapt ReWalk to address the mobility needs of quadriplegia and multiple sclerosis patients, and, in the future, we plan to address these needs in stroke and cerebral palsy patients. We are also developing our next generation of ReWalk, with a more efficient drive mechanism, slimmer profile and lighter body, as well as other improvements.

In 2011, we launched ReWalk Rehabilitation for use in hospitals and rehabilitation centers in the United States and Europe. We began marketing ReWalk Personal in Europe with CE mark approval at the end of 2012 and received FDA clearance to market it in the United States in June 2014. As of July 1, 2014, we have placed 60 ReWalk Rehabilitation and 18 ReWalk Personal systems, 88% of which were purchased by our customers, and 12% of which were placed with clinics and distributors for training, market development and clinical testing.

Our commercialization strategy is to penetrate rehabilitation centers, hospitals and similar facilities that treat patients with spinal cord injuries to become an integral part of their rehabilitation programs and to develop a broad based training network with these facilities to prepare users for home and community use. While the majority of our sales to date have been ReWalk Rehabilitation, the primary focus of our commercialization efforts going forward will be providing ReWalk Personal for routine use at home, work or in the community, and we expect sales of ReWalk Personal to account for the substantial majority of our revenues in the future.

Reimbursement is an important factor in our ability to expand sales. We plan to pursue various pathways of reimbursement and funding, focusing our efforts on our two primary markets: the United States and Western Europe. We intend to continue to work with ReWalk users, health care practitioners, researchers, and the spinal cord injury community to support efforts to demonstrate to insurance companies and other payors the health benefits and the economic case for reimbursement of ReWalk Personal. For more information regarding reimbursement of our products, see "Business—Reimbursements and Other Funding Sources."

The growth of our business and our future success depend on our ability to increase our sales, which depends on many factors, including our ability to achieve reimbursement from third-party payors, demonstrate the medical benefits and cost savings of ReWalk through clinical data, introduce new products and address new indications and expand our sales force. While each of these areas presents significant opportunities for us, they also pose important challenges and risks that we must successfully address in order to sustain the growth of our business and improve our results of operations.

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We have incurred net losses and negative cash flows from operations since inception. We anticipate that we will continue to incur net losses and negative cash flows from operations for at least the next two years as we expand our production and sales and marketing capabilities, engage in additional clinical studies and continue to develop the infrastructure required to sell and market our products globally.

Components of Our Statements of Operations

Revenue

We currently rely, and in the future will rely, on sales of our ReWalk systems and related service contracts and extended warranties for our revenue. Our revenue is generated from a combination of self-payors and third-party payors. To date, payments for our products have been made primarily by self-payors, through case-by-case determinations by third-party payors and by negotiating the cost of a ReWalk into accident settlements. Third-party payors include, without limitation, private insurance plans and managed care programs, government programs such as the Veterans' Administration, Medicare and Medicaid and worker's compensation. We expect that third-party payors will be an increasingly important source of revenue in the future. No uniform policy of coverage and reimbursement for exoskeleton medical technology currently exists among third-party payors in the United States or elsewhere.

All of our ReWalk systems are covered by a two-year warranty from the date of purchase, which is included in the purchase price. We offer customers the ability to purchase, any time during the initial warranty period, an extended warranty for up to three additional years. Both warranties cover all elements of the ReWalk system, including the batteries, other than normal wear and tear.

The following table sets forth the number of ReWalk systems sold for the periods presented:

	Year Ended December 31,		Three Months Ended	
	2012	2013	March 31, 2013	2014
ReWalk Rehabilitation	14	17	5	4
ReWalk Personal	4	8	4	2

Cost of Revenues

Prior to the first quarter of 2014, we manufactured our products in-house at our facility in Yokneam, Israel. For the years ended December 31, 2012 and 2013, our cost of revenues consisted primarily of raw materials, as well as salaries, personnel costs and share-based compensation associated with manufacturing, training and inspection personnel, utility and maintenance costs associated with the operation of our manufacturing facility, warranty obligations and shipping and handling. In July 2013, we entered into an agreement with Sanmina Corporation for the manufacture of all of our products. Beginning in the first quarter of 2014, Sanmina assumed production of all ReWalk systems. Beginning in July 2013, our cost of revenues also consisted of costs relating to the transfer of manufacturing to Sanmina and amounts paid to Sanmina pursuant to our contractual arrangement. For the three months ended March 31, 2014, our cost of revenues consisted primarily of the cost of systems manufactured by us in 2013 and sold in the first quarter of 2014, as well as salaries, personnel costs and share-based compensation associated with manufacturing, expenses relating to the transition of our manufacturing activities to Sanmina, training and inspection personnel, warranty obligations and shipping and handling. Cost of revenues also includes royalties we must pay on royalty-bearing research and development grants.

In the future, while our cost of revenues will increase as our sales volume increases, we expect our unit cost to decrease as our sales increase due to economies of scale realized in connection with larger quantities and increased efficiency.

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Operating Expenses

Research and Development Expenses, Net

Research and development expenses, net, consist primarily of salaries, related personnel costs and share-based compensation, costs of clinical trials and obtaining regulatory approvals and patent costs, sponsored research costs and other expenses related to our product development and research programs. We expense all research and development expenses as they are incurred. We believe that continued investment in research and development is crucial to attaining our strategic product objectives. We plan to continue increasing these expenditures, resulting in greater research and development expenses in future periods as we enhance our ReWalk system and pursue the development of new products.

Research and development expenses are presented net of the amount of any grants we receive for research and development in the period in which we receive the grant. We previously received grants and other funding from the BIRD Foundation and the OCS. Certain of those grants require us to pay royalties on sales of ReWalk systems, which are recorded as cost of revenues. See “—Grants and Other Funding.” We may receive additional funding from these entities or others in the future.

Sales and Marketing Expenses, Net

Our sales and marketing expenses, net, consist primarily of salaries, related personnel costs and share-based compensation for our internal sales staff and costs related to marketing activities. Sales and marketing expenses are presented net of the amount of any grants we receive for sales and marketing in the period in which we receive the grant. We intend to continue to expand our sales and marketing activities and, therefore, expect sales and marketing expenses to increase significantly in the future. In general, we expect that the number of our sales representatives will increase as our revenues increase. See “—Grants and Other Funding.”

General and Administrative Expenses

Our general and administrative expenses consist primarily of salaries, related personnel costs and share-based compensation for our administrative, finance, and general management personnel, as well as our legal and accounting consultants. We expect to incur increased general and administrative expenses as a result of becoming a public company in the United States.

Financial Income (Expenses), Net

Financial income (expenses), net, consists of the revaluation of the fair value of warrants to purchase our preferred shares and expenses related to our convertible loans, as well as interest income and expense, foreign currency exchange gains or losses.

Warrants to purchase our convertible preferred shares are classified as a liability on our consolidated balance sheet at fair value. The warrants are subject to revaluation at each balance sheet date and any change in fair value is recognized as a component of financial income (expense), net, on our consolidated statements of operations. We will continue to adjust for changes in fair value until such warrants are exercised or expire. Immediately prior to the completion of this offering, all of such warrants will be exercised or will expire, and we will no longer record any liability in respect of them on our balance sheet or financial expenses in respect of them on our statement of operations.

Interest income and expenses consist of interest earned on our cash and cash equivalent balances and interest accrued on and certain other costs with respect to any indebtedness. We expect interest income to vary depending on our average investment balances and market interest rates during each reporting period. Foreign currency exchange changes reflect gains or losses related to transactions denominated in currencies other than the U.S. dollar. As of the most recent reporting period, we did not have any indebtedness for borrowed amounts although we have had outstanding convertible loans in prior periods.

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Taxes on Income

As of March 31, 2014, we had not yet generated taxable income in Israel. At the end of our last fiscal year, our net operating loss carry forwards for Israeli tax purposes amounted to approximately \$22 million. After we utilize our net operating loss carry forwards, we are eligible for certain tax benefits in Israel under the Law for the Encouragement of Capital Investments, 1959. Our benefit period currently ends ten years after the year in which we first have taxable income in Israel provided that the benefit period will not extend beyond 2024. For more information about the tax benefits available to us as a Beneficiary Enterprise, see “Taxation and Israeli Government Programs Applicable.”

Our taxable income generated outside of Israel will be subject to the regular corporate tax rate in the applicable jurisdictions. As a result, our effective tax rate will be a function of the relative proportion of our taxable income that is generated in those locations compared to our overall net income.

Grants and Other Funding

BIRD Foundation and AO&P

In July 2009, we entered into a grant agreement with the BIRD Foundation and Allied Orthotics & Prosthetics Inc. (“AO&P”). AO&P was the distributor of our products at the time. We received \$0.5 million and AO&P received \$0.06 million. The agreement with the BIRD Foundation requires us to pay a royalty at a rate of 5% on sales of ReWalk systems and related services. The amount of repayment is equal to the amount of the grant being repaid multiplied by an increasing contractual percentage in an amount up to 150%.

AO&P is responsible for repayment of its grant. However, pursuant to the agreement, we are required to make any payments on which AO&P defaults. As of December 31, 2013, the aggregate contingent liability to the BIRD Foundation amounted to \$0.8 million.

Office of the Chief Scientist

We have also received a total of \$0.45 million in funding from the OCS, \$0.05 million of which are royalty-bearing grants, while \$0.4 million were received in consideration for an investment in our preferred shares. We have applied to receive additional grants to support our research and development activities in 2014. The agreements with OCS require us to pay royalties at a rate of 3% to 3.5% on sales of ReWalk systems and related services up to the total amount of funding received, linked to the dollar and bearing interest at an annual rate of LIBOR applicable to dollar deposits. If we transfer of OCS-supported technology or know-how outside of Israel, we will be liable for additional payments to OCS depending upon the value of the transferred technology or know-how, the amount of OCS support, the time of completion of the OCS-supported research project and other factors. As of December 31, 2013, the aggregate contingent liability to the OCS was nominal.

Fund for Promoting Overseas Marketing

We also received a total of \$0.1 million in funding from the Fund for Promoting Overseas Marketing under the Israeli Ministry of Economy, which are non-royalty-bearing grants, to support our marketing activities. We have applied to receive additional grants to support our marketing activities in 2014.

Compensation Expenses to be Recognized Upon Closing of this Offering

In accordance with our articles of association in effect prior to this offering and the Fourth Amended and Restated Shareholders Agreement to become effective prior to the consummation of this offering, immediately prior to the closing of this offering, our founder, Dr. Amit Goffer, has the right to receive for no consideration, shares or immediately exercisable options with cashless exercise in an amount such that the value of his interests equals 6% of our valuation. In respect of this right, Dr. Goffer will be granted 17,196 ordinary shares immediately prior to the closing of this offering. Assuming an initial public offering price of \$ _____ per share, the mid-point of the initial public offering price range on the cover of this prospectus, as a result of this issuance, we expect to record estimated share-based compensation expense of \$ _____ million in the quarter in which this offering closes.

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In addition, if at any time after this offering, our valuation reaches an amount that is greater than \$200 million, but less than \$400 million, options to purchase 2,298 of our ordinary shares held by our chief executive officer will vest immediately. If at any time after this offering our valuation reaches an amount that is greater than \$400 million, options to purchase 2,298 additional ordinary shares held by our chief executive officer will vest immediately. As a result, assuming an initial public offering price of \$ per share, the mid-point of the initial public offering price range on the cover of this prospectus, our valuation would be within the \$200 million to \$400 million range, 2,298 options would vest and we would record estimated share-based compensation expense of \$ million in the quarter in which this offering closes.

Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2014

Revenue

Revenue was \$0.6 million for the three months ended March 31, 2013, compared to \$0.4 million for the three months ended March 31, 2014, a decrease of 19%. This decrease is attributable to a reduction in production as we continued to transition our manufacturing to Sanmina, as well as certain customers delaying placing orders until our receipt of FDA clearance for ReWalk Personal. The decrease was partially offset by an increase in the average sales price.

Cost of Revenues

Cost of revenues were \$0.6 million for the three months ended March 31, 2013 and the three months ended March 31, 2014. Despite the reduction in units sold, cost of revenues was unchanged primarily because of \$0.1 million in expenses related to transitioning manufacturing to Sanmina and an increase of \$0.1 million in salary expenses.

Research and Development Expenses

Research and development expenses were \$0.4 million for the three months ended March 31, 2013, compared to \$1.1 million for the three months ended March 31, 2014, an increase of 173%. The increase in expenses is attributable primarily to \$0.2 million of expenses related to the FDA clearance process and an increase of \$0.3 million in salaries and related expenses due to the addition of research and development personnel and the reallocation of certain employees' salaries and related expenses as research and development expenses.

Sales and Marketing Expenses, Net

Sales and marketing expenses, net, were \$0.9 million for the three months ended March 31, 2013, compared to \$1.2 million for the three months ended March 31, 2014, an increase of 35%. This increase is attributable to an increase in salaries and related expenses due to the addition of sales and marketing personnel, which was partially offset by the allocation of fewer demonstration ReWalk systems for sales and marketing activities in 2014 compared to 2013 due to the fact that many of the demonstration units allocated in 2013 are still in use, and the reduced frequency of trade shows during the first quarter of 2014.

General and Administrative Expenses

General and administrative expenses were \$0.4 million for the three months ended March 31, 2013, compared to \$0.5 million for the three months ended March 31, 2014, an increase of 33%. The increase in expenses is primarily attributable to increases in travel expenses and an increase in non-cash employee related expenses.

Financial Expenses, Net

Financial expenses, net, were \$0.5 million for the three months ended March 31, 2013, compared to \$2.0 million for the three months ended March 31, 2014, an increase of 267%, primarily as a result of a revaluation of the fair value of our outstanding warrants.

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Income Tax

Income taxes were \$8,000 for the three months ended March 31, 2013 with respect to our income in the United States, compared to \$11,000 for the three months ended March 31, 2014.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2013

Revenue

Revenue was \$1.0 million for the year ended December 31, 2012, compared to \$1.6 million for the year ended December 31, 2013, an increase of 63%. This increase is attributable to increased sales of ReWalk Personal due to the commencement of sales of ReWalk Personal in Europe in December 2012 and increased sales of ReWalk Rehabilitation in both the United States and Europe in 2013.

Cost of Revenues

Cost of revenues was \$1.0 million for the year ended December 31, 2012, compared to \$2.0 million for the year ended December 31, 2013, an increase of 105%. This increase is due to increases in the number of ReWalk systems sold, higher payroll and related expenses due to our increase in headcount and expenses relating to the transition of our manufacturing activities to Sanmina.

Research and Development Expenses

Research and development expenses were \$1.8 million for the year ended December 31, 2012 compared to \$2.5 million for the year ended December 31, 2013, an increase of 40%. The increase in expenses is attributable to increased payroll and related expenses due to our increase in headcount engaged in our research and development activities, as well as increased regulatory expenses.

Sales and Marketing Expenses, Net

Sales and marketing expenses, net, were \$2.3 million for the year ended December 31, 2012, compared to \$4.1 million for the year ended December 31, 2013, an increase of 75%. This increase is attributable to an increase in headcount engaged in sales and marketing activities, an increase in the number of demonstration ReWalk systems used for sales activities and increased attendance at trade shows, offset by a grant that we received for sales and marketing in the amount of \$0.1 million.

General and Administrative Expenses

General and administrative expenses were \$1.7 million for the year ended December 31, 2012, compared to \$1.8 million for the year ended December 31, 2013, an increase of 6%. The increase in expenses is primarily attributable to increased professional services and office expenses.

Financial Expenses, Net

Financial expenses, net, were \$0.9 million for the year ended December 31, 2012, compared to \$3.4 million for the year ended December 31, 2013, an increase of 288% primarily as a result of the revaluation of the fair value of warrants to purchase preferred shares and financial expenses related to convertible loans.

Income Tax

Income taxes were \$21,000 for the year ended December 31, 2012 with respect to our income in the United States, compared to \$22,000 for the year ended December 31, 2013.

Liquidity and Capital Resources

Since inception, we have funded our operations primarily through the sale of equity securities and convertible notes to investors in private placements. Through March 31, 2014, we also received funding of \$0.5 million from the BIRD Foundation and \$0.45 million from the OCS. On June 19, 2014, we entered into a loan agreement with Kreos Capital IV (Expert Fund) Limited, or Kreos, pursuant to which Kreos agreed to extend a line of credit to us of \$5.0 million. The line of credit is available for drawdown until September 30, 2014, with a minimum required drawdown of \$1.0 million. Amounts drawn will be repaid in an amount of 3.3% per month for 36 months. Pursuant to the loan agreement, we must pay a transaction fee of 1.0% of the total amount of the line of credit upon both the execution and the expiration of the loan agreement. Pursuant to the loan agreement, we will grant to Kreos a security interest with respect to amounts drawn over all of our assets, including intellectual property and equity interests in our subsidiaries. In connection with this agreement, we granted Kreos warrants to purchase 5,372 preferred shares, or to the extent exercised after the closing of this offering, the same number of ordinary shares.

As of March 31, 2014, we had cash, cash equivalents and marketable securities of \$5.3 million. Based upon our current business plan, we believe that the combination of the proceeds of this offering and our other current sources of liquidity will be sufficient to meet our anticipated cash needs for at least the next 24 months. However, if we do not generate sufficient cash through this offering or otherwise, our cash on hand will not be sufficient to meet our anticipated cash needs. For this reason, our independent registered public accountants' report for the year ended December 31, 2013 includes an explanatory paragraph that expresses substantial doubt about our ability to continue as a "going concern".

Our primary current uses of cash are for sales and marketing and research and development activities. Our future cash requirements will depend on many factors, including our rate of revenue growth, the expansion of our sales and marketing activities, the timing and extent of our spending on research and development efforts and international expansion. If our current estimates of revenue, expenses or capital or liquidity requirements change or are inaccurate, we may seek to sell additional equity or debt securities, or arrange debt financing. We cannot be certain that additional funds will be available to us on favorable terms when required, or at all.

Cash Flows

Net Cash Used in Operating Activities

Net cash used in operating activities grew from \$5.4 million in 2012 to \$8.8 million in 2013 primarily as a result of an increase of \$5.5 million in our net loss from 2012 to 2013. Our net losses in each of the periods were offset primarily by non-cash expenses and also by net changes in our working capital. Net cash used in operating activities was \$1.4 million in the three months ended March 31, 2013 compared to \$3.5 million in the three months ended March 31, 2014, as a result of an increase of \$2.8 million in our net losses from the first quarter of 2013 to the first quarter of 2014. Our net losses in each of the periods were offset primarily by non-cash expenses and net changes in our working capital.

Net Cash Used in Investing Activities

Net cash used in investing activities was \$0.2 million in each of the years ended December 31, 2012 and 2013. Net cash used in investing activities was \$15,000 and \$0.2 million in the three months ended March 31, 2013 and March 31, 2014, respectively. Investing activities in these periods consisted of purchases of property and equipment and, to a lesser extent, increases and decreases in long-term deposits, and also included purchases of marketable securities during the three months ended March 31, 2014.

Net Cash Provided by Financing Activities

Our financing activities have consisted of the issuance of convertible notes and the sale of preferred shares. In 2012 and 2013, we issued convertible notes in anticipation of new issuances of preferred shares. Upon our

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subsequent issuance of preferred shares to holders of the convertible notes and others, the convertible notes were converted into preferred shares. As of December 31, 2013, no convertible loans remain outstanding. Net cash provided by financing activities was \$5.8 million and \$17.1 million for the years ended December 31, 2012 and 2013, respectively. Net cash provided by financing activities was \$0.8 million and \$2,000 in the three months ended March 31, 2013 and March 31, 2014, respectively, and consisted primarily of the issuance of convertible loans in the first quarter of 2013.

Contractual Obligations

The following summarizes our contractual obligations as of December 31, 2013:

	Payment Due by Period		
	2014	2015	Total
Operating lease obligations(1)	\$132	\$50	\$182

(1) Consists of future lease payments for our rented office facilities located in Yokneam Ilit, Israel, Marlborough, Massachusetts, and Berlin, Germany.

Off-Balance Sheet Arrangements

We had no off-balance sheet arrangements or guarantees of third-party obligations during the periods presented.

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with United States generally accepted accounting principles. The preparation of our financial statements requires us to make estimates, judgments and assumptions that can affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates, judgments and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. Materially different results can occur as circumstances change and additional information becomes known. Besides the estimates identified above that are considered critical, we make many other accounting estimates in preparing our financial statements and related disclosures. See Note 2 to our audited consolidated financial statements presented elsewhere in this prospectus for a description of the significant accounting policies that we used to prepare our consolidated financial statements. The critical accounting policies that were impacted by the estimates, judgments and assumptions used in the preparation of our consolidated financial statements are discussed below.

Revenue Recognition

We recognize revenues in accordance with ASC 605, "Revenue Recognition," when delivery has occurred, persuasive evidence of an agreement exists, the fee is fixed and determinable, collectability is reasonably assured and no further obligations exist. Provisions are made at the time of revenue recognition for any applicable warranty cost expected to be incurred. The timing for revenue recognition among the various products and customers is dependent upon satisfaction of such criteria and generally varies from shipment to delivery to the customer depending on the specific shipping terms of a given transaction, as stipulated in the agreement with each customer. Other than pricing terms which may differ due to the different volumes of purchases between distributors and end-users, there are no material differences in the terms and arrangements involving direct and indirect customers. Our products sold through agreements with distributors are non-exchangeable, non-refundable, non-returnable and without any rights of price protection or stock rotation. Accordingly, we consider all the distributors as end-users. We do not grant a right of return for our products.

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In respect of sale of systems with training, we consider the elements in the arrangement to be a single unit of accounting. In accordance with ASC 605, we have concluded that the training is essential to the functionality of our systems. Therefore, we recognize revenue for the system and training only after delivery, in accordance with the agreement delivery terms, to the customer and after the training has been completed, once all other revenue recognition criteria have been met. In certain cases, when product arrangements are bundled with an extended warranty, the separation of the extended warranty falls under the scope of ASC 605- 20-25-1 through 25-6, and the separate price of the extended warranty stated in the agreement is deferred and recognized ratably over the extended warranty period. Deferred revenue includes primarily unearned amounts received in respect of service contracts but not yet recognized as revenues.

Share-Based Compensation

Option Valuations

We account for share-based compensation in accordance with ASC No. 718, "Compensation-Stock Compensation." ASC No. 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an Option-Pricing Model, or OPM. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in our consolidated statements of operations.

We selected the Black-Scholes-Merton option pricing model as the most appropriate method for determining the estimated fair value of options. 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 straight-line method and classify these amounts in the consolidated financial statements based on the department to which the related employee reports.

The determination of the grant date fair value of options using the Black-Scholes-Merton option pricing model is affected by estimates and assumptions regarding a number of complex and subjective variables. These variables include the expected volatility of our share price over the expected term of the options, share option exercise and cancellation behaviors, risk-free interest rates and expected dividends, which are estimated as follows:

- *Fair Value of our Ordinary Shares.* Because our shares are not publicly traded, we have estimated the fair value of ordinary shares, as discussed in "— Ordinary Share Valuations" below.
- *Risk-free Interest Rate.* The risk-free interest rate is based on the yield from U.S. Treasury zero-coupon bonds with a term equivalent to the contractual life of the options.
- *Dividend Yield.* We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, we used an expected dividend yield of zero.
- *Expected Volatility.* Since we do not have a trading history for our ordinary shares, we estimated the expected share price volatility for our ordinary shares by considering the historic price volatility for industry peers based on price observations over a period equivalent to the expected term of the share option grants. Industry peers consist of public companies in the medical device and healthcare industries. We intend to continue to consistently apply this process using the same or similar industry peers until a sufficient amount of historical information regarding the volatility of our ordinary share price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.
- *Expected Term.* The expected term of options granted represents the period of time that options granted are expected to be outstanding, and is determined based on the simplified method in accordance with ASC No. 718-10-S99-1 (SAB No. 110), as adequate historical experience is not available to provide a reasonable estimate. ASC No. 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

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The following table presents the weighted-average assumptions used to estimate the fair value of options granted to employees during the periods presented. The number of options granted to non-employees was immaterial:

	Year Ended December 31, 2013
Risk-free interest rate	0.95% – 2.08%
Expected dividend yield	0%
Expected volatility	70% – 75%
Weighted average expected life (in years)	6.02 – 6.08

Ordinary Share Valuations

The following table presents the share option grants made between January 1, 2013 and the date of this prospectus and the related exercise price and estimated fair value per ordinary share at the grant date:

<u>Date of Grant</u>	<u>Number of Shares Subject to Awards Granted</u>	<u>Exercise Price Per Share</u>	<u>Estimated Fair Value Per Share at Grant Date</u>
January 2013	1,600	\$ 23.71	\$ 65.14
July 2013	1,215	23.71	82.08
December 2013	24,116	26.74	104.52
April 2014	5,159	26.74	143.46

Based on the assumed initial public offering price of \$ per share, the midpoint of the estimated initial public offering price range, set forth on the cover page of this prospectus, the intrinsic value of the awards outstanding as of March 31, 2014 was \$ million, of which \$ million related to vested options and \$ million related to unvested options.

Due to the absence of a trading market for our ordinary shares, the fair value of our ordinary shares for purposes of determining the exercise price for award grants was determined in good faith by our management and approved by our board of directors. In connection with preparing our financial statements for this offering, our management considered the fair value of our ordinary shares based on a number of objective and subjective factors consistent with the methodologies outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, referred to as the AICPA Practice Aid. We also considered independent third-party valuations. The fair value of the underlying ordinary share will be determined by the board of directors until such time as our ordinary shares are listed on an established stock exchange or national market system.

For our valuations associated with option grants in January and July 2013, we determined our enterprise value and allocated the aggregate equity value to each element of our equity capital structure (preferred shares, ordinary shares and options), using the following methodology:

- First, we used the discounted cash flow, or DCF, method, to determine our enterprise value. Then, for valuations where our aggregate equity value was such that our preferred shares would not automatically convert to ordinary shares, we used the option pricing method, or OPM, to allocate the equity value to each element of our equity capital structure.
 - Under the DCF method, our projected after-tax cash flows available to return to holders of invested capital were discounted back to present value, using a discount rate. Since it is not possible to project our after-tax cash flows beyond a limited number of years, the DCF method relies on determining a “terminal value” representing the aggregate value of either the future after-tax cash flows or estimated sale value of the Company after the end of the period for which annual projections are possible. The discount rate, known as the weighted cost of capital, or WACC, accounts for the time value of money and the appropriate degree of risk inherent in the business. The DCF method requires significant assumptions, in particular, regarding our projected cash flows, terminal value and the discount rate applicable to our business.

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- Under the OPM, ordinary and preferred shares are treated as call options, with the preferred shares having an exercise price based on the liquidation preference of the preferred shares. Ordinary shares will only have value if funds available for distribution to the shareholders exceed the value of the liquidation preference at the time of a liquidity event such as a merger, sale or initial public offering. The ordinary shares are modeled as call options with an exercise price equal to the liquidation preference of the preferred shares. The value of the call options is determined using the Black-Scholes Merton option-pricing model. The OPM method requires significant assumptions, in particular, the time until investors on our company would experience an exit event and the volatility of our ordinary shares (which we determined based on the volatilities of public companies with business and financial risks comparable to our own).
- We also used the guideline company method and the guideline transaction method, initially as reasonableness tests, in order to evaluate whether the DCF / OPM method provided a reliable estimate of our enterprise value.
 - Under the guideline company method, we identified public companies with business and financial risks comparable to our own. We considered forward enterprise value to revenue multiples of those comparable companies to derive a reasonable estimate for our company's enterprise value. The most significant assumptions in the guideline company method are the selection of comparable companies and the selection of appropriate multiples. We used the same comparable companies for the guideline company method as we used to determine volatility in connection with the OPM method (two additional companies were added for the 2014 valuations, which were not public before those dates).
 - Under the guideline transaction method, we identified companies with business and financial risks comparable to our own that were recently acquired or that conducted IPOs. We considered the enterprise value to revenue multiples of those comparable companies to derive a reasonable range for our company's enterprise value.
- Subsequently, in connection with our grants in December 2013 and thereafter, as we had started to contemplate an IPO, we considered a range of possible valuations in the case of an IPO in tandem with the aforementioned forward guideline company multiples in connection with a possible IPO. Conversely, the DCF / OPM method more closely reflected our value as a private company. Accordingly, starting with the valuation of our ordinary shares in December 2013, when we were first seriously contemplating an IPO, we assigned a probability weighting to the likelihood of an IPO compared to the likelihood of remaining private based on management's discussions with our board of directors and our assessment of market conditions.

We applied a discount to the valuations due to the lack of marketability of the ordinary shares. We calculated this using a put option model based on the Black-Sholes-Merton option-pricing model. The significant assumptions involved were the same as described above.

Income Taxes

As part of the process of preparing our consolidated financial statements, we are required to estimate our taxes in each of the jurisdictions in which we operate. We account for income taxes in accordance with ASC Topic 740, "Income Taxes," or ASC Topic 740. ASC Topic 740 prescribes the use of an asset and liability method whereby deferred tax asset and liability account balances are determined based on the difference between book value and the tax bases of assets and liabilities and carryforward tax losses. Deferred taxes are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. We exercise judgment and provide a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value if it is more likely than not that some portion or all of the deferred tax asset will not be realized. We have established a full valuation allowance with respect to our deferred tax assets.

Deferred tax assets are classified as short or long-term based on the classification of the related asset or liability for financial reporting, or according to the expected reversal dates of the specific temporary differences, if not

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related to an asset or liability for financial reporting. We account for uncertain tax positions in accordance with ASC 740 and recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Accordingly, we report a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. We recognize interest and penalties, if any, related to unrecognized tax benefits in tax expense.

Quantitative and Qualitative Disclosure About Market Risk

Foreign Currency Risk

Our results of operations and cash flows are affected by fluctuations due to changes in foreign currency exchange rates. In 2012, our revenues were denominated primarily in euro and our expenses were denominated primarily in NIS. In 2013, most of our revenues were denominated in U.S. dollars, approximately half of our expenses were denominated in U.S. dollars, and the remainder of our expenses were denominated in NIS and euros. Accordingly, changes in the value of the NIS relative to the U.S. dollar in 2012 and changes in the value of the NIS and euro relative to the U.S. dollar in 2013 impacted amounts recorded on our consolidated statements of operations for those periods. We expect that the denominations of our revenue and expenses in 2014 will be consistent with what we experienced in 2013.

The following table presents information about the changes in the exchange rates of the NIS and euro against the U.S. dollar in 2012 and 2013:

<u>Period</u>	<u>Change in Average Exchange Rate</u>	
	<u>NIS against the U.S. Dollar (%)</u>	<u>Euro against the U.S. Dollar (%)</u>
2012	7.8	8.3
2013	(6.4)	(3.4)

The figures above represent the change in the average exchange rate in the given period compared to the average exchange rate in the immediately preceding period. Negative figures represent depreciation of the U.S. dollar compared to the NIS or euro. A 10% increase or decrease in the value of the NIS against the U.S. dollar would have decreased or increased our net loss by approximately \$0.4 million in 2013. A 10% increase or decrease in the value of the euro against the U.S. dollar would have decreased or increased our net loss by approximately \$0.1 million in 2013.

From time to time, we enter into limited hedging arrangements with financial institutions. We do not use derivative financial instruments for speculative or trading purposes.

Other Market Risks

We do not believe that we have material exposure to interest rate risk due to the fact that we have no long-term borrowings.

We do not believe that we have any material exposure to inflationary risks.

New and Revised Financial Accounting Standards

The JOBS Act permits emerging growth companies such as us to delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this and, therefore, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Recently Issued and Adopted Accounting Pronouncements

There are no recently adopted accounting pronouncements that have a material effect on our company.

BUSINESS

Overview

We are an innovative medical device company that is designing, developing and commercializing exoskeletons that allow wheelchair-bound individuals with mobility impairments or other medical conditions the ability to stand and walk once again. We have developed and are continuing to commercialize ReWalk, an exoskeleton that uses our patented tilt-sensor technology, and an on-board computer and motion sensors to drive motorized legs that power movement.

Current ReWalk designs are intended for people with paraplegia, a spinal cord injury resulting in complete or incomplete paralysis of the legs, who have the use of their upper bodies and arms. We currently offer two products: ReWalk Personal and ReWalk Rehabilitation. ReWalk Personal is designed for everyday use by individuals at home and in their communities, and is custom-fit for each user. ReWalk Rehabilitation is designed for the clinical rehabilitation environment where it provides valuable exercise and therapy. It also enables individuals to evaluate their capacity for using ReWalk Personal in the future. In 2011, we launched ReWalk Rehabilitation for use in hospitals and rehabilitation centers in the United States and Europe. We began marketing ReWalk Personal in Europe with CE mark clearance at the end of 2012 and received FDA clearance to market it in the United States in June 2014. ReWalk is the first exoskeleton cleared by the FDA for personal use. In the future, we will need to obtain approval from the applicable regulatory agency of any additional jurisdiction in which we seek to market ReWalk.

ReWalk is a breakthrough product that can fundamentally change the health and life experiences of users. ReWalk is currently the only commercialized exoskeleton using a tilt sensor to restore self-initiated walking. Designed for all-day use, ReWalk is battery-powered and consists of a light, wearable exoskeleton with integrated motors at the joints, an array of sensors and a computer-based control system to power knee and hip movement. ReWalk controls movement using subtle changes in the user's center of gravity. A forward tilt of the upper body is sensed by the system, which initiates the first step. Repeated body shifting generates a sequence of steps which allows for natural gait with functional walking speed. Because the exoskeleton supports its own weight, users do not expend unnecessary energy while walking. While ReWalk does not allow side-to-side actuation, users are able to turn by shifting their weight to the side. ReWalk also allows users to sit, stand and, in some cases, climb and descend stairs. ReWalk users are able to independently operate the devices, and most are able to put on and remove the devices by themselves. However, our safety guidelines and FDA specifications require users to be accompanied by a trained companion.

Published clinical studies demonstrate ReWalk's ability to deliver a natural gait and functional walking speed, which has not been shown in studies for any competing exoskeleton. In addition, our interim analysis of an ongoing clinical study and our experience working with health care practitioners and ReWalk users suggests that ReWalk has the potential to provide secondary health benefits. These benefits include reducing pain and spasticity and improving bowel and urinary tract function, body and bone composition, metabolism and physical fitness, as well as reducing hospitalizations and dependence on medications. Because of these secondary medical benefits, we believe that ReWalk has the ability to reduce the lifetime healthcare costs of individuals with spinal cord injuries, making it economically attractive for individuals and third-party payors. While we believe that ReWalk offers significant advantages over competing technologies and therapies, disadvantages include the time it takes for a user to put on ReWalk, the slower pace of ReWalk compared to a wheelchair, the weight of ReWalk when carried, which makes it more burdensome for a companion to transport than a wheelchair, and the requirement that users be accompanied by a trained companion.

We believe that the current design of ReWalk provides a functional technical base that can be easily adapted to address medical indications other than paraplegia that affect the ability to walk. We are currently engaged in research and development efforts to adapt ReWalk to address the mobility needs of quadriplegia and multiple sclerosis patients, and, in the future, we plan to address these needs in stroke and cerebral palsy patients. We are also developing our next generation of ReWalk, with a more efficient drive mechanism, slimmer profile and lighter body, as well as other improvements.

Development of ReWalk took over a decade and was spurred by the experiences of our founder, Dr. Amit Goffer, himself a quadriplegic. As of July 1, 2014, we have placed 60 ReWalk Rehabilitation and 18 ReWalk

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Personal systems, 88% of which were purchased by our customers, and 12% of which were placed with clinics and distributors for training, market development and clinical testing. Through July 1, 2014 we have trained over 400 ReWalk users, representing over 20,000 hours of use.

Our commercialization strategy is to penetrate rehabilitation centers, hospitals and similar facilities that treat patients with spinal cord injuries to become an integral part of their rehabilitation programs and to develop a broad based training network with these facilities to prepare users for home and community use. According to the National Spinal Cord Injury Statistical Center, 87.1% of persons with spinal cord injuries are sent to private, non-institutional residences (in most cases, their homes) after hospital discharge. As a result, while the majority of our sales to date have been ReWalk Rehabilitation units, the primary focus of our commercialization efforts going forward will be marketing ReWalk Personal for routine use at home, work or in the community, and we expect sales of ReWalk Personal to account for the substantial majority of our revenues in the future.

We expect to generate revenues from a combination of self-payors and third-party payors. While no uniform policy of coverage and reimbursement by third-party payors currently exists for electronic exoskeleton technologies such as ReWalk, we plan to pursue various paths of reimbursement and support fundraising efforts by institutions and clinics. In July 2014, the Bronx VA announced that it would be fully committed to supporting the procurement of ReWalk Personal and providing the staffing support needed for all eligible veterans with spinal cord injury for whom ReWalk is clinically indicated. As the first hospital to research the health-related benefits of an exoskeletal walking device for people with spinal cord injury, the Bronx VA experience supports the clinical use of ReWalk and similar FDA-approved technologies. We believe that additional VAs will adopt similar policies in the future.

We have offices in Yokneam, Israel, Marlborough, Massachusetts and Berlin, Germany.

Our Competitive Strengths

We believe that the following strengths provide us with sustainable competitive advantages to grow our revenue:

- **Proprietary Technology Enabling a More Natural Walking Experience.** Our patented tilt-sensor technology and proprietary software allow self-initiated movement that we believe delivers a more natural walking experience than competing products. Published clinical studies demonstrate ReWalk's ability to provide a natural gait and functional walking speed, which has not been shown in studies for any competing exoskeleton. In the United States, we have method patent protection covering certain methods of user activation and control of systems such as ReWalk, including by sensing the users' torso lean or weight shifts. In addition, we have apparatus patent protection in the United States and Europe covering the design of ReWalk and similar devices that use several sensors to empower tilt-sensor technology. Our patents on the tilt-sensor technology do not begin to expire until 2021. We also rely on trade secrets law to protect our proprietary software and product candidates/products in development.
- **First Mover Advantage.** ReWalk Personal is the first medical exoskeleton cleared by the FDA for personal use in the United States. We do not believe that our competitors have any products that will be cleared by the FDA for personal use in the United States for at least the next two years. As a result, we believe we will be able to capture significant U.S. market share for exoskeletons for personal use. In addition, we were the first medical exoskeleton provider to have an established commercial infrastructure, and to market products in Europe, with our direct sales force in Germany. We are also the first to achieve reimbursement for a personal unit.
- **Compelling Clinical Data.** We believe that ReWalk's clinical data differentiates us from our competitors. Clinical data published in established medical journals has demonstrated ReWalk's potential as a safe ambulatory device. We are not aware of any comparable clinical data generated in rigorous trials that has been published with respect to competing exoskeleton products. In addition, our interim analysis of an ongoing study demonstrates improvements in secondary physical conditions, such as reduction in pain and spasticity and improving bowel and urinary tract function, body and bone composition, metabolism and physical fitness, as well as reduced hospitalizations and dependence on

medications. We believe that continued results of this nature will greatly assist our ability to obtain regulatory clearances and third-party reimbursement.

- **Strategic Alliance with Yaskawa Electric Corporation.** We have entered into a strategic alliance with Yaskawa Electric Corporation, a global leader in the fields of industrial robotics and automation. Pursuant to this arrangement, Yaskawa will serve as our distributor in certain Asian markets, where its name and brand recognition provide us with opportunities for growth and market penetration and can apply its expertise for product and quality improvements to ReWalk. We believe that this arrangement with such a prominent company is unique in this industry. Yaskawa also made an equity investment in our company. In addition, in the future, subject to any necessary regulatory clearance, we may market and sell in the United States and Europe certain healthcare equipment products that Yaskawa is currently developing. See “Certain Relationships and Related Party Transactions—Series D Preferred Share Purchase Agreement” and “—Agreements with Yaskawa.”
- **Established and Scaleable Manufacturing Capability.** We have contracted with Sanmina Corporation, a well-established original equipment manufacturer with expertise in the medical device industry, for the manufacture of all of our products. Pursuant to this arrangement, Sanmina also sources all of the raw materials needed for the production of our products. We believe that this relationship provides us security with respect to quality, price and quantity of our products and offers significant scale-up capacity.
- **Experienced Management Team and Employees with Personal Experience with Paralysis.** Our senior management team has significant experience in the medical device, technology and robotics industries, with an average of over 20 years of experience. The experiences of Dr. Amit Goffer, our founder, President and Chief Technology Officer, and the inventor of ReWalk, who has been paralyzed since 1997, have been one of the greatest drivers in the development and refinement of ReWalk. Additionally, certain of our sales and marketing and research and development employees are paraplegic, which provides us with invaluable perspective to advance the development of our products.

Our Growth Strategies

Our goal is to drive sustainable growth by fundamentally changing the health and life experiences of individuals with mobility impairments. To achieve this goal, we intend to:

- **Increase Our Salesforce and Infrastructure.** We intend to penetrate our target markets and drive sales of ReWalk by increasing our sales force and further strengthening our distribution network and service, training and support functions. We believe that our presence in leading rehabilitation centers, hospitals and similar facilities in the United States and Europe has allowed us to establish a strong training infrastructure, and we plan to use this existing infrastructure as a point of entry to efficiently penetrate the market for ReWalk Personal.
- **Expand Geographic Coverage.** We intend to increase our presence in the United States in response to receipt of FDA clearance for ReWalk Personal. We also plan to expand into new geographies throughout Europe and, through our arrangements with Yaskawa, in Asia. To date, we have focused our commercialization efforts primarily on the German, French, UK, Italian, Austrian, Canadian and Turkish markets for personal and rehabilitation use and the U.S. market for rehabilitation use.
- **Continue Clinical Studies to Further Demonstrate Health and Economic Benefits to Support Reimbursement.** We intend to continue to work with hospitals, rehabilitation centers, patient advocacy and support groups and individual users to generate additional data regarding functionality and that supports the health and economic benefits of ReWalk. We will continue to engage and fund researchers and organizations to conduct clinical studies to demonstrate the functionality and utilization of ReWalk and to highlight economic benefits of reductions in medical complications associated with spinal cord injury. We believe that this data will position us to pursue additional third-party reimbursement for our products.
- **Leverage Our Core Technology Platform to Expand Treatment Indications.** We designed ReWalk to provide a functional technical base that can be easily adapted to address medical indications other than

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paraplegia, and we believe that we have the internal and external experience to develop and commercialize products to address new indications. In addition to developing the next generation of ReWalk we are currently engaged in research and development efforts to adapt ReWalk to address the mobility needs of quadriplegia and multiple sclerosis patients, and, in the future, we plan to address these needs in stroke and cerebral palsy patients.

Overview of Spinal Anatomy and Spinal Cord Injury

Spinal Anatomy

The spine is the central core of the human skeleton and provides structural support, alignment and flexibility to the body. It consists of 24 interlocking bones, called vertebrae, which are stacked on top of one another. The spine is comprised of five regions, of which there are three primary regions: cervical, thoracic and lumbar. In addition, there is also the sacral region, or sacrum, a triangular-shaped bone and the coccyx, or “tailbone,” the bottom portion of the spine.

The spinal cord, housed inside the bony spinal column, is a complex bundle of nerves serving as the main pathway for information connecting the brain and nervous system. The spinal cord is divided into 31 segments that feed sensory impulses into the spinal cord, which in turn relays them to the brain. Conversely, motor impulses generated in the brain are relayed by the spinal cord to the spinal nerves, which pass the impulses to muscles and glands. The spinal cord mediates the reflex responses to some sensory impulses directly, without recourse to the brain, for example, when a person’s leg is tapped, producing the knee jerk reflex.

Spinal Cord Injury

Spinal cord injury is the result of a direct trauma to the nerves themselves or damage to the surrounding bones and soft tissues which ultimately impacts the spinal cord. Spinal cord damage results in a loss of function, such as mobility or feeling. In most people who have spinal cord injury, the spinal cord is intact. Spinal cord injury is not the same as back injury, which may result from pinched nerves or ruptured disks. Even when a person sustains a break in a vertebra or vertebrae, there may not be any spinal cord injury if the spinal cord itself is not affected. There are two types of spinal cord injury – complete and incomplete. In a complete injury, a person loses all ability to feel and voluntarily move below the level of the injury. In an incomplete injury, there is some functioning below the level of the injury.

Upon examination, a patient is assigned a level of injury depending on the location of the spinal cord injury. Cervical level injuries cause paralysis or weakness in both arms and legs and is referred to as quadriplegia. Sometimes this type of injury is accompanied by loss of physical sensation, respiratory issues, bowel, bladder, and sexual dysfunction. Thoracic level injuries can cause paralysis or weakness of the legs (paraplegia) along with loss of physical sensation, bowel, bladder, and sexual dysfunction. In most cases, arms and hands are not affected. Lumbar level injuries result in paralysis or weakness of the legs (paraplegia). Loss of physical sensation, bowel, bladder, and sexual dysfunction can occur. The shoulder, arm, and hand functions are usually unaffected. Sacral level injuries primarily cause loss of bowel and bladder function as well as sexual dysfunction.



Image of Separated Spinal Cord of an Adult

The history of exoskeleton development began in the 19th century, with the first patent for a mechanical suit appearing in 1890. The use of motors and gears to power these suits is not new, with General Electric developing an early exoskeleton device in the 1960s. Called the Hardiman, it was a hydraulic and electric body suit, but its weight and bulk made practical use prohibitive. Innovation of an advanced exoskeleton that restores a natural walking experience has been a key technological goal of the industry, and the lack of such a system has hindered sector growth. Advances in computer hardware and software and proprietary technological breakthroughs pioneered by us have resulted in the development of an advanced exoskeleton, ReWalk, that restores walking with a natural gait and functional speed.

Market Opportunity

Confinement to a wheelchair can cause severe physical and psychological deterioration, resulting in bad health, poor quality of life, low self-esteem and high medical expenses. In addition, the secondary medical consequences of paralysis can include difficulty with bowel and urinary tract function, osteoporosis, loss of lean mass, gain in fat mass, insulin resistance, diabetes and heart disease. The cost of treating these conditions is substantial. The National Spinal Cord Injury Statistical Center, or the NSCISC, estimates that complications related to paraplegia cost, excluding indirect costs such as losses in wages, fringe benefits and productivity, approximately \$500,000 in the first year post-injury and significant additional amounts over the course of an individual's lifetime. Further, secondary complications related to spinal cord injury can reduce life expectancies for SCI patients.

The NSCISC estimates as of 2013 that there were 273,000 people in the United States living with spinal cord injury, with an annual incidence of approximately 12,000 new cases per year. Approximately 42,000 of such patients are veterans, and are eligible for medical care and other benefits from the VA. With 24 VA spinal cord injury centers, the VA has the largest single network of spinal cord injury care in the United States.

The University of Alabama-Birmingham Department of Physical Medicine and Rehabilitation operates the NSCISC, which maintains the world's largest database on spinal cord injury research. Since 2010, motor vehicle crashes have been the leading cause of reported spinal cord injury cases (36.5%), followed by falls (28.5%), acts of violence (14.3%) and sports injuries (9.2%). Nearly 80% of spinal cord injuries occur among the male population. According to the NSCISC, upon hospital discharge, 87.1% of persons with spinal cord injuries are sent to private, non-institutional residence (in most cases, their homes prior to injury).

Based on U.S. Census Bureau data, the spinal cord injury population gender and age statistics and data from the Spinal Cord Model Systems report, we estimate almost 80%, or 218,000, of spinal cord injury patients in the United States could be candidates for current or future ReWalk products. The young average age of injury and significant remaining life expectancy, the likelihood of living at home and lifetime cost of treatment highlight the need for an out-of-hospital solution with demonstrated health and social benefits.

In addition to developing the next generation of ReWalk, we are currently engaged in research and development efforts to adapt ReWalk to address the mobility needs of quadriplegia and multiple sclerosis patients.

According to the National Multiple Sclerosis Society, as many as 400,000 Americans suffer from multiple sclerosis. Research indicates that approximately 53% of these individuals, or approximately 212,000, would be classified as either a 6.0 or 7.0 on the Kurtzke Disability Status Scale (DSS), a measure of the need for walking assistance. Individuals with DSS 6.0 require intermittent or unilateral constant assistance (by means of cane, crutch, or brace) to walk approximately 100 meters without resting. Individuals with DSS 7.0 are unable to walk beyond 10 meters without rest while leaning against a wall or holding furniture for support. We believe these individuals could benefit from our technology.

In the future, we plan to address the mobility needs of stroke and cerebral palsy patients. Over five million Americans have suffered a stroke, with 780,000 new incidences expected each year. Physical limitations after stroke vary from case to case, but approximately 20-25% of these individuals are unable to walk without full physical assistance. Cerebral palsy is a disorder of movement, muscle tone or posture that is caused by damage to the developing brain, most often before or during a child's birth, or during the first 3 to 5 years of a child's life. According to United Cerebral Palsy, there are 764,000 cases of cerebral palsy in the United States. Cerebral palsy represents a significant opportunity to address the segment of this market that will meet the physical criteria to use ReWalk.

Our Solutions

ReWalk is a breakthrough product that can fundamentally change the health and life experiences of users. Published clinical studies demonstrate ReWalk's ability to deliver a natural gait and functional walking speed. ReWalk's patented tilt-sensor technology and an on-board computer and motion sensors drive motorized legs that power knee and hip movement and allow self-initiated walking. ReWalk controls movement using subtle changes in the user's center of gravity. A forward tilt of the upper body is sensed by the system, which initiates the first step. Repeated body shifting generates a sequence of steps, which allows natural ambulation with

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functional walking speed. While ReWalk does not allow side-to-side actuation, users are able to turn by shifting their weight to the side. ReWalk also allows users to sit, stand and, in some cases, climb and descend stairs.

Designed for all-day use and worn over the clothes of users, ReWalk consists of a light wearable exoskeleton with integrated motors at the joints, an array of sensors and a backpack that contains the batteries and the computer-based control system. The control system utilizes proprietary algorithms to analyze, upper-body motions and trigger and maintain gait patterns and other modes of operation (such as stair-climbing and shifting from sitting to standing), leaving the user's hands free for self-support and other functions. Because the exoskeleton supports its own weight, users do not expend unnecessary energy while walking. Safety measures include crutches, which provide additional stability, fall protection, which lowers users slowly and safely in the event of a malfunction, and the secure "stand" mode, which automatically initiates if the user does not begin walking within two seconds. ReWalk is also equipped with maintenance alarms, warnings and backup batteries. The rechargeable batteries are easily accessible from the system's backpack and can be recharged in any standard power outlet. Upon completion of training, which generally consists of approximately 15 one-hour sessions, most users are able to put on and remove the device by themselves while sitting, typically in less than 15 minutes.

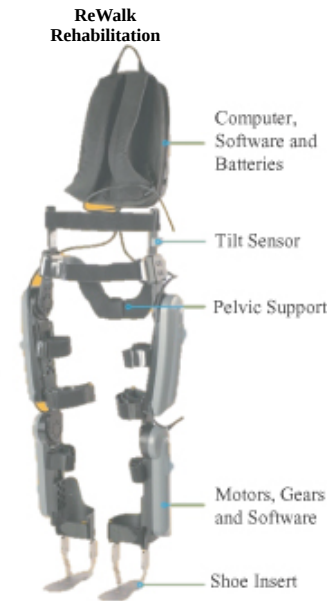
Current ReWalk designs are intended for people with paraplegia who have the use of their upper bodies and arms. We currently offer two ReWalk products: ReWalk Personal and ReWalk Rehabilitation.

- *ReWalk Personal*: intended for everyday use at home, at work or in the community. We began marketing ReWalk Personal in Europe with CE mark clearance at the end of 2012. We received clearance to market ReWalk Personal in the United States in June 2014. ReWalk Personal units are all manufactured according to the same specifications. Each unit is then permanently sized to fit the individual user and the software is configured for the user's specifications by the rehabilitation center, clinic or distributor.
- *ReWalk Rehabilitation*: designed for the clinical rehabilitation environment, ReWalk Rehabilitation has adjustable sizing enabling multiple patient use. ReWalk Rehabilitation provides a valuable means of exercise and therapy. It also enables individuals to evaluate their capacity for using ReWalk Personal in the future. We began marketing ReWalk Rehabilitation for use in hospitals, rehabilitation centers and stand-alone training centers in the United States and Europe in 2011. ReWalk Rehabilitation units are all manufactured according to the same specifications and are equipped with adjustable sizing for multi-patient use.

Our interim analysis of an ongoing clinical study and our experience working with health care practitioners and ReWalk users suggest that ReWalk has the potential to provide secondary health benefits. These benefits include reducing pain and spasticity and improving bowel and urinary tract function, body and bone composition, metabolism and physical fitness, as well as reducing hospitalizations and dependence on medications.

Because of these secondary medical benefits, we believe that ReWalk has the ability to reduce the lifetime healthcare costs of individuals with spinal cord injuries, making it economically attractive for individuals, healthcare providers such as hospitals and rehabilitation centers, and third-party payors.

ReWalk users must have healthy hands and shoulders, weigh less than 220 pounds (100 kilograms) and be between 5 feet 1 inch and 6 feet 3 inches (1.55 meters and 1.87 meters). Based on U.S. Census Bureau data, the spinal cord injury population gender and age statistics and data from the Spinal Cord Model Systems report, we estimate that approximately 80% of persons with spinal cord injury in the United States comply with these restrictions and other requirements for current and future ReWalk products. ReWalk systems have an estimated useful life of five years and come with a two year warranty covering all elements beyond normal wear and tear.



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As part of the warranty, users receive software upgrades and an annual inspection. We offer extended warranties for purchase and, outside of the warranty program, provide repairs and service on a fee-for-service basis. ReWalk batteries, which are covered by our warranties, have an estimated life of approximately 600 charges, which for a typical user lasts two to three years.



We are currently developing our next generation of ReWalk, with a more efficient drive mechanism, slimmer profile and lighter body, as well as other improvements. We are also developing ReWalk-Q for individuals with quadriplegia who are unable to hold crutches, which will include attached crutches with wheels. We expect to complete the development of ReWalk-Q in the near future, at which time we will begin clinical testing and apply for regulatory clearances. We plan to expand the designs and indications that we address beyond paraplegia and quadriplegia to include other disabilities affecting gait and ability to walk, such as multiple sclerosis, stroke and cerebral palsy.

Reimbursements and Other Funding Sources

We rely on self-payers, third-party reimbursements and various other funding sources for the payment of our products. ReWalk is currently primarily funded by self-payers. We plan to pursue additional pathways of reimbursement and funding, focusing our efforts on our two primary markets: the United States and Western Europe.

Third-Party Reimbursements

United States

In the United States, purchasers of ReWalk Rehabilitation have received reimbursement in certain cases. Private rehabilitation centers generally purchase ReWalk Rehabilitation out-of-pocket and then charge patients for ReWalk therapy on a per-session basis. Patients can then seek reimbursement from their insurance companies. Academic facilities such as teaching hospitals generally purchase ReWalk Rehabilitation out-of-pocket and provide patients the opportunity to use the ReWalk without charging for each session. These institutions may then seek reimbursement from insurance companies and may be willing to accept lower reimbursement rates than private facilities due to fewer pricing pressures.

While in some cases insurance companies have provided reimbursement for ReWalk Rehabilitation upon request, certain insurance companies view ReWalk as an experimental therapy and therefore will not provide coverage at this time. Medicaid and Medicare have provided reimbursement for ReWalk Rehabilitation sessions, although this coverage may have limits in terms of number or frequency of sessions. Worker's compensation has also provided reimbursement.

Private insurance companies do not currently cover or provide reimbursement for any personal medical exoskeleton products, including ReWalk Personal.

As part of our plan for growth, we intend to work with ReWalk users, health care practitioners, researchers, and the spinal cord injury community to support efforts to demonstrate to insurance companies the health benefits and the economic case for reimbursement of ReWalk Personal. Initially, coverage from private payers will be made on a case-by-case basis. Once a sufficient number of these cases have been approved, applications for local coverage decisions from the private payers will be made. We currently sponsor clinical studies and academic publications that demonstrate the medical benefits of ReWalk. In the future, we will pursue economic benefit clinical studies for the Centers for Medicare/Medicaid Services, or CMS, which would demonstrate the secondary medical benefits and long-term cost savings potential of ReWalk. We believe that a positive response from CMS in respect of such studies will broaden coverage by private insurers. We expect that it could take three to five years to receive a decision from CMS, but we believe that other sources of payment will be sufficient to support our business.

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Western Europe

Reimbursement for ReWalk in Europe varies by country. While we are not aware of any public or private payor that regularly covers ReWalk for rehabilitation or personal use, third-party payors have provided reimbursement for our products in certain cases in Germany, France and Italy.

We are initially focusing our efforts in Europe in Germany, which has a single-payer system and where we believe we have made significant progress toward achieving ReWalk coverage from the government. Because ReWalk is not currently covered in Germany, a patient who wishes to use ReWalk must apply for coverage and receive an official denial. He or she must then appeal the decision in court, relying on supporting documentation from a health care provider and other medical evidence. There are approximately 30 such cases pending in Germany, and we believe that these will result in eventual coverage. We plan to continue to pursue this case-by-case strategy and expect that once the precedent for coverage is established, seeking coverage will become easier and more routine. We continue to support clinical research and academic publications, which we believe will further support the case for coverage.

We are also pursuing reimbursement by private insurers and worker's compensation in various European countries.

Other Funding Sources

ReWalk is currently primarily funded by self-payers. Self-payers also include individuals who purchase ReWalk with funds from legal settlements with insurance companies or third parties. We also sell ReWalk Rehabilitation to VA hospitals, in which case the VA pays for the product. In July 2014, the Bronx VA announced that it would be fully committed to supporting the procurement of ReWalk Personal and providing the staffing support needed for all eligible veterans with spinal cord injury for whom ReWalk is clinically indicated. As the first hospital to research the health-related benefits of an exoskeletal walking device for people with spinal cord injury, the Bronx VA experience supports the clinical use of ReWalk and similar FDA-approved technologies. We believe that additional VAs will adopt similar policies in the future. We support financing and fund raising activities of foundations and prospective users. Funding may also be achieved from a number of other sources on a case-by-case basis, including foundations and philanthropic organizations, labor unions, and, in Europe, BG worker's compensation clinics.

Research and Development

We are committed to investing in a robust research and development program to enhance our current ReWalk products and to develop our pipeline of new and complementary products, and we believe that ongoing research and development efforts are essential to our success. Our research and development team includes engineers, machinists, researchers, marketing, quality, manufacturing, regulatory and clinical personnel, who work closely together to design, enhance and validate our technologies. This research and development team conceptualizes technologies and then builds and tests prototypes before refining and/or redesigning as necessary. Our regulatory and clinical personnel work in parallel with engineers and researchers, allowing us to anticipate and resolve potential issues at early stages in the development cycle.

We plan to increase our investment in research and development in the future by continually improving our functional technological platform, developing our next generation of ReWalk with design improvements and building upon our technological platform to address new medical indications that affect the ability to walk such as quadriplegia, multiple sclerosis, stroke and cerebral palsy.

We conduct our research and development efforts at our facility in Yokneam, Israel. We believe that the close interaction among our research and development, marketing and manufacturing groups allows for timely and effective realization of our new product concepts. Certain of our sales and marketing and research and development employees are paralyzed, including Dr. Amit Goffer, our founder, President and Chief Technology Officer, and the inventor of ReWalk, which provides us with invaluable prospective to advance the development of our products.

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Our research and development efforts are financed, in part, through funding from the OCS and from the BIRD Foundation. From our inception through March 31, 2014, we received funding totaling \$0.45 million from the OCS and \$0.5 million from the BIRD Foundation. For more information regarding these arrangements, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” and “—Grants and Other Funding.”

In September 2013, we entered into a strategic alliance with Yaskawa Electric Corporation, pursuant to which, among other arrangements, Yaskawa can apply its expertise product and quality improvements to ReWalk. Yaskawa is a global leader in the fields of industrial robotics and automation, and we believe that this relationship provides us with opportunities for product improvement and increased product offerings in the future. For more information regarding our relationship with Yaskawa, see “—Sales and Marketing” and “Certain Relationships and Related Party Transactions.”

Clinical Studies

We coordinate and fund clinical studies intended to establish the effectiveness and benefits of ReWalk for individuals with spinal cord injuries. To date, there have been three studies of ReWalk published in peer-reviewed journals:

- The first study, published in *The Journal of Spinal Cord Medicine* in 2012, included six participants and was designed to assess the safety and tolerance of use of ReWalk by patients with a spinal cord injury. The participants were all able to walk 100 meters with ReWalk. The study found no adverse safety events (which included falls, status of the skin, status of the spine and joints, blood pressure, pulse and electrocardiography) and concluded that use of ReWalk was well-tolerated by participants with no increase in pain and a moderate level of fatigue after use. The participants generally had positive feedback regarding ReWalk. No adverse effects were noted.
- The second study included 24 participants and was designed to assess the safety and performance of ReWalk in enabling individuals with paraplegia to carry out routine ambulatory functions. Results with respect to a 12-participant subset were published in the *American Journal of Physical Medicine & Rehabilitation* in 2012. The results from this subset demonstrated that all participants were able to independently walk, without assistance from another person, for at least 50 meters and at least five minutes. Some participants reported improvements in pain, bowel function, bladder function and spasticity. All participants had strong positive feedback regarding the emotional and psychosocial benefits of using ReWalk. ReWalk was found to hold significant potential as a safe ambulatory powered orthotic for spinal cord injury patients. Significant performance variability was noted between participants. There were no serious adverse events reported. Five participants reported mild to moderate adverse effects, consisting of skin abrasions, lightheadedness and edema of the lower limbs. These adverse effects were managed by the appropriate use of padding, caffeine intake and adjustment of blood pressure medication, elastic stockings and rest.
- The third study, published in *The Journal of Spinal Cord Medicine* in 2013, included six participants and found that participants with spinal cord injury, walking independently with ReWalk, demonstrated a stance and gait similar to that of an able-bodied individual. No adverse effects were noted.
- The fourth study, which is ongoing and includes 30 participants, was designed to assess the mobility skills and levels of training and assistance needed to use and benefit from ReWalk. Results with respect to a seven-participant subset have been finalized and were presented at the *STO Human Factors and Medicine Panel Symposium*, Milan, Italy, in 2013. The results from this subset demonstrated that over the course of the training, all of the participants learned to move from sitting to standing and standing to sitting and to walk 50 to 166 meters in six minutes. Some assistance was needed for participants with the most limiting spinal cord injuries. Four of the participants were able to climb and descend stairs. The study concluded that ReWalk assisted walking can be performed independently by individuals with certain cases of spinal cord injury and that future technological advances and ongoing training could

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improve mobility and independence. Certain participants reported adverse effects in the form of mild to moderate skin abrasions, which were resolved with equipment adjustments, additional padding, and, in certain cases, allowing the skin to heal.

Although study participants and other ReWalk users have reported secondary physical and mental health benefits such as reduced pain and spasticity and improved bowel function and urinary tract function, fewer hospitalizations, reduced dependence on medications and improvements in mood, currently there is no formal clinical data establishing any secondary health benefits of ReWalk.

Community Engagement and Education

We devote significant resources to engagement with and education of the spinal cord injury community with respect to the benefits of ReWalk. We actively seek opportunities to partner with hospitals, rehabilitation centers and key opinion leaders to engage in research and development and clinical activities. We also seek to support educational and charitable organizations with fundraising and outreach programs. We believe that our success has been, and will continue to be driven in part by, our reputation and acceptance within the spinal cord injury community.

Sales and Marketing

We market and sell our products directly to institutions and individuals and through third-party distributors. We sell our products directly in Germany and the United States and primarily through distributors in our other markets. In our direct markets, we have established relationships with rehabilitation centers and the spinal cord injury community, and in our indirect markets, our distributors maintain these relationships. Sales of ReWalk Personal are generated primarily from the patient base at our rehabilitation centers, referrals through the spinal cord injury community and direct inquiries from potential users.

In the United States, we have a commercial infrastructure in place, which, until receipt of FDA clearance to market ReWalk Personal in the United States, focused on selling ReWalk Rehabilitation. We now plan to redirect our U.S. sales and marketing efforts toward ReWalk Personal by expanding our sales organization with dedicated business development managers for the United States. In Germany, we have successfully sold the ReWalk Rehabilitation and ReWalk Personal. We have begun to expand our German sales and marketing team and will continue to do so in the future to drive sales. We believe that our established commercial infrastructure in Germany has provided us with the knowledge and experience necessary to do so efficiently in the United States. We also believe that this experience will allow us to swiftly establish a direct sales force in other geographies in the future.

We also maintain arrangements with third-party distributors in Austria, China, France, Italy, Japan, Korea, Russia, Singapore, Taiwan, Thailand, Turkey, and the United Kingdom. We have achieved sales pursuant to these arrangements in the European markets and we expect to begin generating revenues pursuant to these arrangements in the Asian markets in 2014.

We have established centers of operations in Marlborough, Massachusetts, Berlin, Germany and Yokneam, Israel, to manage sales in North America, Europe, and the rest of world, respectively. We maintain training centers at our German and U.S. locations, where our personnel offers training for our sales representatives and distributors.

In September 2013, we entered into a strategic alliance with Yaskawa Electric Corporation, in connection with which Yaskawa has agreed to be our exclusive distributor in certain Asian markets. We believe that this relationship provides us with a significant opportunity for growth in Asia. Our arrangement with Yaskawa also provides that in the future, subject to any necessary regulatory clearance, we may market and sell certain of Yaskawa's healthcare equipment products currently under development in the United States and Europe. For more information regarding our relationship with Yaskawa, see "Certain Relationships and Related Party Transactions."

Services and Customer Support

Our centers of operations in Marlborough, Massachusetts and Berlin, Germany coordinate all service functions for North America and Europe, respectively, through dedicated technical service personnel and

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customer service call centers. We aim to provide high-level support to our customers to build long-standing relationships. The following are the main categories of service and customer support functions that we provide:

- *Training.* We provide on-site, hands-on, basic and advanced technical training for health care providers. These providers, who then train individual users, are subject to rigorous training and certification requirements. We have also implemented a rigorous, multi-level training and licensure program for users and their companions. We believe that these training programs serve an important safety and support function.
- *Communications Centers.* We operate communications centers in our U.S. and Germany locations, which provide support hotlines, installation, maintenance, and periodic, preventive servicing. Outside of our direct markets, service functions are generally coordinated through our third-party distributors.
- *Spare Parts and Logistics Channels.* We operate warehouses in the U.S., Germany and Israel, which house our inventory, parts and accessories.

Competition

The market in which we operate is characterized by active competition and rapid technological change, and we expect competition to increase. Competition arises from providers of other mobility systems and prosthetic devices.

We are aware of a number of other companies developing competing technology and devices, and some of these competitors may have greater resources, greater name recognition, broader product lines, or larger customer bases than we do. Our principal competitors in the medical exoskeleton market consist of Ekso Bionics (OTC: EKSO), Rex Bionics (London Stock Exchange: RXB), Cyberdyne (Tokyo Stock Exchange: 7779), and Parker Hannifin (NYSE: PH). We believe we have key competitive advantages over these companies, such as our tilt-sensor technology that provides a self-initiated walking experience, more natural gait and functional walking speed, slimmer and lighter design, ReWalk's ability to support its own weight and broad user specifications. Additionally, we are not aware of any medical exoskeleton product that is cleared or in the process of seeking clearance from the FDA for personal use. ReWalk Personal is the first medical exoskeleton cleared by the FDA for personal use in the United States.

In addition, we compete with alternative devices and alternative therapies, including treadmill-based gait therapies, such as those offered by Hocoma, AlterG, Aretech and Reha Technology. Other medical device or robotics companies, academic and research institutions, or others may develop new technologies or therapies that provide a superior walking experience, are more effective in treating the secondary medical conditions that we target or are less expensive than our current or future products. Our technologies and products could be rendered obsolete by such developments.

We may also compete with other treatments and technologies that address the secondary medical conditions that ReWalk seeks to mitigate.

Intellectual Property

Protection of our intellectual property is important to our business. We seek to protect our intellectual property through a combination of patents, trademarks, confidentiality and invention assignment agreements with our employees and certain of our contractors and confidentiality agreements with certain of our consultants, scientific advisors and other vendors and contractors. In addition, we rely on trade secrets law to protect our proprietary software and product candidates/products in development.

As of July 1, 2014, we have three issued method and device patents in the United States and Europe on our tilt sensor technology. We have apparatus patent claims in the United States and Europe covering the design of ReWalk and similar devices which use a plurality of sensors to empower tilt-sensor technology. In addition, in the United States, we have method patent claims covering certain methods of user activation and control of systems such as ReWalk, including by sensing the users' torso lean or weight shifts. While our apparatus claims focus on protecting ReWalk in terms of its physical and structural characteristics, we believe that our method

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claims, which protect the process behind how ReWalk is controlled by the user, provide additional protection for our tilt sensor technology. We also have six pending patent applications in various countries around the world covering supporting technology with respect to our existing ReWalk systems and planned future products, including one pending international application filed under the Patent Cooperation Treaty, which provides an applicant one filing date for patent applications that may be filed in 148 countries. We do not currently license any of the technology contained in our products other than with respect to technology that is generally publicly available, but we may do so in the future.

Patents filed both in the United States and Europe generally have a life of 20 years from the filing date. As the oldest of our issued patents relating to our tilt-sensor technology was filed in May 2001, our patents on that technology do not begin to expire until May 2021.

We currently hold a registered trademark in Israel for the mark “ReWalk” and are in the process of registering this trademark in the United States.

The employment agreement of our founder, Dr. Amit Goffer, provides that a patent pending relating to a standing wheelchair is his individual property and that he may independently engage in the development of a standing wheelchair. The agreement also provides that we and any of our affiliates or successors have the royalty-free right to the exclusive use in the field of exoskeletons of any intellectual property developed by Dr. Goffer, alone or jointly with others (whether or not as part of the development of a standing wheelchair and whether or not developed through a company), while he is our employee, consultant or board member and for three years thereafter. See “Certain Relationships and Related Party Transactions—Arrangements with Founder.”

We cannot be sure that our intellectual property will provide us with a competitive advantage or that we will not infringe on the intellectual property rights of others. In addition, we cannot be sure that any patents will be granted in a timely manner or at all with respect to any of our patent pending applications. For a more comprehensive discussion of the risks related to our intellectual property, see “Risk Factors—Risks Related to Our Intellectual Property.”

Government Regulation

U.S. Regulation

Our medical products and manufacturing operations are subject to regulation by the FDA and other federal and state agencies. Our products are regulated as medical devices in the United States under the Federal Food, Drug, and Cosmetic Act, or FFDCa, as implemented and enforced by the FDA. The FDA regulates the development, testing, manufacturing, labeling, storage, installation, servicing, advertising, promotion, marketing, distribution, import, export, and market surveillance of our medical devices.

Premarket Regulation

Unless an exemption applies, each medical device commercially distributed in the United States requires either a substantial equivalence determination under a 510(k) premarket notification submission, or an approval of a premarket approval application (PMA). Under the FFDCa, medical devices are classified into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with each medical device and the extent of control needed to provide reasonable assurance of safety and effectiveness. Classification of a device is important because the class to which a device is assigned determines, among other things, the necessity and type of FDA review required prior to marketing the device. Class I devices are those for which reasonable assurance of safety and effectiveness can be assured by adherence to general controls that include compliance with the applicable portions of the FDA’s Quality System Regulation, or QSR, facility registration and product listing, reporting of adverse medical events, and appropriate, truthful and non-misleading labeling, advertising, and promotional materials. Class I also includes devices for which there is insufficient information to determine that general controls are sufficient to provide reasonable assurance of the safety and effectiveness of the device or to establish special controls to provide such assurance, but that are not life-supporting or life-sustaining or for a use which is of substantial importance in preventing impairment of human health, and that do not present a potential unreasonable risk of illness or injury.

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Class II devices are those for which general controls alone are insufficient to provide reasonable assurance of safety and effectiveness and there is sufficient information to establish “special controls.” These special controls can include performance standards, postmarket surveillance, patient registries and FDA guidance documents. While most Class I devices are exempt from the 510(k) premarket notification requirement, only about 60 types of Class II devices are exempt from premarket notification. As a result, manufacturers of most Class II devices are required to submit to the FDA premarket notifications under Section 510(k) of the FDCA requesting classification of their devices in order to market or commercially distribute those devices. To obtain a 510(k), a substantial equivalence determination for their devices, manufacturers must submit to the FDA premarket notifications demonstrating that the proposed device is “substantially equivalent” to a predicate device already on the market. A predicate device is a legally marketed device that is not subject to premarket approval, *i.e.*, a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I, or a device that was found substantially equivalent through the 510(k) process. If the FDA agrees that the device is substantially equivalent to a predicate device currently on the market, it will grant 510(k) clearance to commercially market the device. If the device is not “substantially equivalent” to a previously cleared device, the device is automatically a Class III device. The device sponsor must then fulfill more rigorous premarket approval requirements, or can request a risk-based classification determination for the device in accordance with the “*de novo*” process, which is a route to market for medical devices that are low to moderate risk, but are not substantially equivalent to a predicate device.

Devices that are intended to be life sustaining or life supporting, devices that are implantable, devices that present a potential unreasonable risk of harm or are of substantial importance in preventing impairment of health, and devices that are not substantially equivalent to a predicate device are placed in Class III and generally require approval of a PMA, unless the device is a pre-amendment device not subject to a regulation requiring premarket approval. The PMA process is more demanding than the 510(k) premarket notification process. In a PMA, the manufacturer must demonstrate that the device is safe and effective, and the PMA must be supported by extensive data, including data from preclinical studies and clinical trials. The PMA must also contain a full description of the device and its components, a full description of the methods, facilities and controls used for manufacturing, and proposed labeling. Following receipt of a PMA, the FDA determines whether the application is sufficiently complete to permit a substantive review. If the FDA accepts the application for review, it has 180 days under the FDCA to complete its review of a PMA, although in practice, the FDA’s review often takes significantly longer, and can take up to several years.

Clinical trials are almost always required to support PMAs and are sometimes required to support 510(k) submissions. All clinical investigations of devices to determine safety and effectiveness must be conducted in accordance with the FDA’s investigational device exemption, or IDE, regulations that govern investigational device labeling, prohibit promotion of the investigational device, and specify recordkeeping, reporting and monitoring responsibilities of study sponsors and study investigators. If the device presents a “significant risk,” as defined by the FDA, the agency requires the device sponsor to submit an IDE application to the FDA, which must become effective prior to commencing human clinical trials. The IDE will automatically become effective 30 days after receipt by the FDA, unless the FDA denies the application or notifies the company that the investigation is on hold and may not begin. If the FDA determines that there are deficiencies or other concerns with an IDE that requires modification, the FDA may permit a clinical trial to proceed under a conditional approval. In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board, or IRB, for each clinical site. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements.

We currently distribute ReWalk product to medical/rehabilitation institutions and take the position that the ReWalk for this use qualifies as powered exercise equipment, which is a Class I device and does not require a 510(k). Although the FDA disagrees with this position, the agency is exercising enforcement discretion, *i.e.*, it is permitting us to continue to distribute the ReWalk to institutions for therapeutic use. This exercise of enforcement discretion is in the context of our working with the FDA through the *de novo* classification process to obtain a

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classification determination for the ReWalk for uses that go beyond the institutional/rehabilitation setting, potentially leading to a limited community ambulation use. We submitted a *de novo* petition to the FDA in June 2013 and have had ongoing communications with the agency, including an in-person meeting in October 2013.

In June 2014, the FDA granted our petition for “*de novo*” classification, which is a route to market for medical devices that are low to moderate risk, but are not substantially equivalent to a predicate device, and classified ReWalk as Class II subject to special controls. The special controls established in the *de novo* order include compliance with medical device consensus standards; performance of a postmarket surveillance clinical study demonstrating a reasonable assurance of safety and effectiveness in urban terrain; non-clinical performance testing of the system’s function and durability; a training program; and labeling related to device use and user training. The special controls of this *de novo* order will also apply to competing products seeking FDA clearance.

Postmarket Regulation

After a device is cleared for marketing, and prior to marketing, numerous regulatory requirements apply. These include:

- establishment registration and device listing;
- development of a quality assurance system, including establishing and implementing procedures to design and manufacture devices;
- labeling regulations that prohibit the promotion of products for unapproved or “off-label” uses and impose other restrictions on labeling; and
- medical device reporting regulations that require manufacturers to report to the FDA if a device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur; and corrections and removal reporting regulations that require manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the U.S. Food, Drug and Cosmetic Act that may present a risk to health.

Our manufacturing processes are required to comply with the applicable portions of the Quality System Regulation that covers the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. We actively maintain compliance with the FDA’s Quality System Regulation, 21 CFR Part 820, and the European Union’s Quality Management Systems requirements, ISO 13485:2003.

As a manufacturer, we are subject to periodic scheduled or unscheduled inspections by the FDA. If the FDA believes we or any of our contract manufacturers are not in compliance with the quality system requirements, or other postmarket requirements, it has significant enforcement authority. Specifically, if the FDA determines that we failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, which may result in any of the following sanctions:

- warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;
- recalls, withdrawals, or administrative detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) marketing clearance or PMA approvals of new products or modified products;
- refusal to grant export approvals for our products; or
- criminal prosecution.

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Any such action by the FDA would have a material adverse effect on our business. In addition, these regulatory controls, as well as any changes in FDA policies, can affect the time and cost associated with the development, introduction and continued availability of new products. Where possible, we anticipate these factors in our product development processes.

Foreign Regulation

In addition to regulations in the United States, we are subject to a variety of foreign regulations governing clinical trials and commercial sales and distribution of our products. In particular, we are subject to regulation by in the E.U. which has directives and standards regulating the design, manufacture, clinical trials, labeling and adverse event reporting for medical devices. Devices that comply with the requirements of a relevant directive are entitled to bear the CE conformity marking, indicating that the device conforms to the essential requirements of the applicable directive and, accordingly, can be commercially distributed throughout Europe. The method of assessing conformity varies depending on the class of the product, but normally involves a combination of self-assessment by the manufacturer and a third party assessment by a “Notified Body.” This third party assessment may consist of an audit of the manufacturer’s quality system or specific testing of the manufacturer’s product. We comply with the E.U. requirements and have received the CE mark for all of our ReWalk systems distributed in the E.U.

We are also subject to regulation in certain Asian markets in connection with our distribution agreement with Yaskawa. Pursuant to such agreement, Yaskawa has the rights to distribute ReWalk in Japan, China, Taiwan, Korea, Singapore and Thailand. The Japanese Ministry of Health, Labour and Welfare, or the MHLW, approved ReWalk in February 2014 as a welfare device due to its ability to restore mobility to users. Yaskawa has begun evaluating ReWalk at several hospitals and, with such approval of MHLW, Yaskawa may begin selling ReWalk in Japan. In each other country listed above, we will need to obtain approval from the relevant governmental agency prior to marketing ReWalk. We have begun to evaluate the approval process in China and Taiwan, but have not yet begun to do so in Korea, Singapore or Thailand. We expect that obtaining the necessary approvals in these countries could take between one and a half and two years after we submit the initial application.

Foreign sales outside of the E.U. and the Asian markets described above are subject to the foreign government regulations of the relevant jurisdiction, and we must obtain approval by the appropriate regulatory authorities before we can commence clinical trials or marketing activities in those countries. The approval process varies from country to country, and the time may be longer or shorter than that required to obtain a marketing authorization in the U.S., the E.U. or the Asian markets described above. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country.

The policies of the FDA and foreign regulatory authorities may change and additional government regulations may be enacted that could prevent or delay regulatory approval of our products and could also increase the cost of regulatory compliance. We cannot predict the likelihood, nature or extent of adverse governmental regulation that might arise from future legislative or administrative action, either in the United States or abroad.

U.S. Anti-kickback, False Claims and Other Healthcare Fraud and Abuse Laws

In the United States, there are federal and state anti-kickback laws that prohibit the payment or receipt of kickbacks, bribes or other remuneration intended to induce the purchase or recommendation of healthcare products and services. Violations of these laws can lead to civil and criminal penalties, including exclusion from participation in federal healthcare programs. These laws apply to manufacturers of products, such as us, with respect to our financial relationship with hospitals, physicians and other potential purchasers or acquirers of our products. The U.S. government has published regulations that identify “safe harbors” or exemptions for certain practices from enforcement actions under the federal anti-kickback statute, and we will seek to comply with the safe harbors where possible. To qualify for a safe harbor, the activity must fit squarely within the safe harbor. Arrangements that do not meet a safe harbor are not necessarily illegal, but must be evaluated on a case by case basis. Other provisions of state and federal law provide civil and criminal penalties for presenting, or causing to be presented, to third-party payers for reimbursement claims that are false or fraudulent, or for items or services that were not provided as claimed. False claims allegations under federal and some state laws may be brought on behalf of the government by private persons, “whistleblowers,” who then receive a share of any recovery.

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In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively, the PPACA. The PPACA, among other things, amends the intent requirement of the federal anti-kickback and criminal healthcare fraud statutes. A person or entity no longer needs to have actual knowledge of these statutes or specific intent to violate them. In addition, the PPACA provides that the government may assert that a claim that includes items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the False Claims Act. The PPACA also imposes new reporting and disclosure requirements on device manufacturers for any “transfer of value” made or distributed to physicians and teaching hospitals. Device manufacturers will also be required to report and disclose any investment interests held by physicians and their immediate family members during the preceding calendar year. A number of provisions of PPACA also reflect increased focus on and funding of healthcare fraud enforcement.

Environmental Matters

We are subject to various environmental, health and safety laws and regulations, including those governing air emissions, water and wastewater discharges, noise emissions, the use, transport, management and disposal of chemicals and hazardous materials, the import, export and registration of chemicals, and the cleanup of contaminated sites. Based on information currently available to us, we do not expect environmental costs and contingencies to have a material adverse effect on us. The operation of our business and facilities, however, entails risks in these areas. Significant expenditures could be required in the future to comply with environmental or health and safety laws, regulations or requirements.

In Israel, where our contract manufacturer produces all of our products, businesses storing or using certain hazardous materials (including materials necessary for our manufacturing process) are required, pursuant to the Israeli Dangerous Substances Law 5753-1993, to obtain a toxin permit from the Ministry of Environmental Protection.

In the European marketplace, electrical and electronic equipment is required to comply with the Directive on Waste Electrical and Electronic Equipment, which aims to prevent waste by encouraging reuse and recycling, and the Directive on Restriction of Use of Certain Hazardous Substances, which restricts the use of six hazardous substances in electrical and electronic products. Our products and certain components of such products “put on the market” in the EU (whether or not manufactured in the EU) are subject to these directives. Additionally, we are required to comply with certain laws, regulations and directives, including the Toxic Substances Control Act in the United States and REACH in the EU, governing chemicals. These and similar laws and regulations require the testing, reporting and registration of certain chemicals we use and ship. We believe we are in compliance in all material respects with applicable environmental laws and regulations.

Facilities, Manufacturing and Suppliers

Facilities

Our corporate headquarters are located in Yokneam, Israel, our U.S. headquarters are located in Marlborough, Massachusetts, and our European headquarters are located in Berlin, Germany.

All of our facilities are leased and we do not own any real property. The table below sets forth details of the square footage of our current leased properties, all of which are fully utilized. We have no material tangible fixed assets apart from the properties described below.

	Square feet (approximate)
Marlborough, Massachusetts	3,300
Yokneam, Israel	6,500
Berlin, Germany	370
Total	<u>10,170</u>

We believe our facilities are adequate and suitable for our current needs.

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Manufacturing

ReWalk includes off-the-shelf and custom-made components produced to our specifications by various third parties, for technical and cost effectiveness. We have contracted with Sanmina Corporation, a well-established contract manufacturer with expertise in the medical device industry, for the manufacture of all of our products. Pursuant to this contract, Sanmina manufactures ReWalk at its facility in Ma'alot, Israel. All ReWalk Personal units are manufactured pursuant to the same set of specifications, and all ReWalk Rehabilitation units are manufactured pursuant to another set. We place our manufacturing orders with Sanmina pursuant to purchase orders or by providing forecasts for future requirements. Sanmina requires us to send an advance payment for components with respect to each purchase order. We may terminate our relationship with Sanmina at any time upon written notice. Either we or Sanmina may terminate the relationship in the event of a material breach, subject to a 30-day cure period. Our agreement with Sanmina contains a limitation on liability that applies equally to both us and Sanmina.

We believe that this relationship allows us to operate our business efficiently by focusing our internal efforts on the development of our technology and our products and provides us with substantial scale-up capacity. We regularly test quality on-site at Sanmina's facility and we obtain full quality inspection reports. We maintain a non-disclosure agreement with Sanmina.

We develop certain of the software components internally and license other software components that are generally available for commercial use as open source software.

We manufacture products based upon internal sales forecasts. We deliver products to customers and distributors based upon purchase orders received, and our goal is to fulfill each customer's order for products in regular production within two weeks of receipt of the order.

Suppliers

We have contracted with Sanmina for the sourcing of all components and raw materials necessary for the manufacture of our products. Components of our products and raw materials come from suppliers in Europe, China and Israel, and we depend on certain of these components and raw materials, including certain electronic parts, for the manufacture of our products. To date, we have not experienced significant volatility in the prices of these components and raw materials. However, such prices are subject to a number of factors, including purchase volumes, general economic conditions, currency exchange rates, industry cycles, production levels and scarcity of supply.

We believe that our and Sanmina's facilities, our contracted manufacturing arrangement, and our supply arrangements are sufficient to support our potential capacity needs for the foreseeable future.

Employees

As of July 1, 2014, we had 61 employees, of whom 17 are located in the United States, 32 are located in Israel and 12 are located in Germany. The majority of our employees are engaged in sales and marketing and research and development activities. We do not employ a significant number of temporary or part time employees.

We are subject to Israeli labor laws and regulations with respect to our employees located in Israel. These laws and regulations principally concern matters such as pensions, paid annual vacation, paid sick days, length of the workday and work week, minimum wages, overtime pay, insurance for work-related accidents, severance pay and other conditions of employment. Our employees are not represented by a labor union. We consider our relationship with our employees to be good. To date, we have not experienced any work stoppages.

The employees of our U.S. and German subsidiaries are subject to local labor laws and regulations.

Legal Proceedings

From time to time, we are involved in various routine legal proceedings incidental to the ordinary course of our business. We do not believe that the outcomes of these legal proceedings have had in the recent past, or will have (with respect to any pending proceedings), significant effects on our financial position or profitability.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the name, age and position of each of our executive officers and directors as of the date of this prospectus:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Larry Jasinski	56	Chief Executive Officer and Director
Dr. Amit Goffer	61	Founder, President, Chief Technical Officer and Director
Ami Kraft	71	Chief Financial Officer
Ofir Koren	44	Vice President, Research & Development
Jodi Gricci	46	Vice President, Global Marketing
Ori Schellas	38	Director of Operations
John Hamilton	60	Vice President, Regulatory and Clinical
Miri Pariente	37	Global Director of Quality
Jeff Dykan(3)(4)	55	Chairman of the Board
Dr. Hadar Ron(4)	55	Director
Asaf Shinar(1)(4)	42	Director
Wayne B. Weisman(2)(4)	58	Director
Aryeh (Arik) Dan	55	Director
Yasushi Ichiki	46	Director
Glenn Muir(1)(2)(3)(4)(5)	55	Director
Dr. John William Poduska(1)(2)(4)(5)	76	Director Nominee

- (1) Member of our audit committee.
- (2) Member of our compensation committee.
- (3) Member of our nominating and governance committee.
- (4) Independent director under the rules of the Nasdaq Stock Market.
- (5) Proposed to serve as an external director under the Israeli Companies Law subject to approval by our shareholders.

Larry Jasinski has served as our Chief Executive Officer and as a member of our board since February 2012. From 2005 until 2012, Mr. Jasinski served as the President and Chief Executive Officer of Soteira, Inc., a company engaged in development and commercialization of products used to treat individuals with vertebral compression fractures, which was acquired by Globus Medical in 2012. From 2001 to 2005, Mr. Jasinski was President and Chief Executive Officer of Cortek, Inc., a company that developed next-generation treatments for degenerative disc disease, which was acquired by Alphatec in 2005. From 1985 until 2001, Mr. Jasinski served in multiple sales, research and development, and general management roles at Boston Scientific Corporation. Mr. Jasinski holds a B.Sc. in marketing from Providence College and an MBA from the University of Bridgeport.

Dr. Amit Goffer is the inventor of ReWalk and has served as our President and Chief Technical Officer since February 2012 and as a member of our board since 2001. Dr. Goffer founded us in 2001 and served as our Chief Executive Officer and Chief Technical Officer until 2012. Prior to founding us, Dr. Goffer founded Odin Medical Technologies Ltd. and served as its President and Chief Executive Officer. Odin was acquired by Medtronic Inc. in 2006. Dr. Goffer holds a B.Sc. in electrical and computer engineering from Technion—Israel Institute of Technology, an M.Sc. in electrical and computer engineering from Tel Aviv University and a Ph.D. in electrical and computer engineering from Drexel University.

Ami Kraft has served as our Chief Financial Officer since January 2009. Before joining us, Mr. Kraft served as the Chief Financial Officer of various international technology companies, including PicScout, which was bought by Getty Images while he was serving as CFO, IC4IC, Zoran Corporation, where he was actively involved in their IPO, and Kulicke & Soffa Inc., where he served for over 20 years. Mr. Kraft holds a B.A. in public accounting from Haifa University and an MBA from Stanford University.

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Ofir Koren has served as our Vice President, Research and Development since joining us in February 2013. From 2009 to 2013, Mr. Koren served as General Manager of RuggedCOM Israel, a developer of communications equipment. From 2007 to 2009, he served as the Vice President of Research and Development of Alvarion Technologies Ltd., an Israeli provider of wireless services. Mr. Koren holds a B.Sc. in electrical engineering from Tel Aviv University and an MBA from the University of Herriot Watt, Scotland.

Jodi Gricci has served as our Vice President, Global Marketing since June 2012. Prior to joining us, Ms. Gricci was the Managing Director of Soteria GmbH, a medical device company based in Berlin, Germany, from November 2008 to June 2012.

Ori Schellas has served as our Director of Operations since March 2014. Prior to joining us, he was the Vice President of Operations for HighSecLabs Ltd. from 2013 to 2014 and the Director of Operations at LabStyle Innovations from May 2013 to October 2013. From 2008 to 2013, he was a supply chain manager at Medingo Ltd. Mr. Schellas holds a B.Sc. in industrial engineering from the Technion—Israel Institute of Technology.

John Hamilton has served as our Vice President, Regulatory and Clinical since he joined us in June 2012. From 2006 to 2012, he was Director, Regulatory at Soteira, Inc. Prior to that, he held a variety of management and engineering positions at Smith & Nephew, Tensegra and Johnson & Johnson. Mr. Hamilton holds a B.Sc. in chemistry from Canisius College and a M.Sc. in mechanical engineering from Northeastern University.

Miri Pariente joined ReWalk in April 2013 as our Global Director of Quality. From 2012 to 2013, Ms. Pariente was the Manager of Quality Assurance at NLT Spine Ltd., a developer of minimally invasive spine procedures, and, from 2011 to 2012, was the Manager of Quality Assurance at ProAccess Medical Ltd. From 2002 to 2010, Ms. Pariente served in multiple roles within American Medical Systems including Production Supervisor and Lean Leader. Ms. Pariente holds a B.A. in business management from Derby University, England.

Jeff Dykan has served on our board since 2006 and has been the Chairman of our board since 2009. He was appointed by our shareholder SCP Vitalife. Mr. Dykan has been a director of the corporate general partner of the common general partner of Vitalife and its successor fund, SCP Vitalife, an Israeli venture capital fund, since 2002 and 2007, respectively. Prior to joining Vitalife, from 2001 to 2002, Mr. Dykan was the Chairman and Chief Executive Officer of BitBand Inc. Mr. Dykan is a member of the American Institute of CPAs and holds a B.Sc. in accounting and management and an MBA in computer applications, both from New York University.

Dr. Hadar Ron has served on our board since 2011. She was appointed by our shareholder Israel HealthCare Ventures. Dr. Ron has been the Managing Partner of Israel HealthCare Ventures, an Israeli venture capital fund, since March 2001. Dr. Ron currently serves as the Chairman of the Board of NiTi Surgical Solutions Ltd., novoGI Inc. and GI View Ltd. and as a Director of NanoPass Technologies Ltd., CorAssist CardioVascular Ltd., Gamida Cell Ltd., Home Skinovations Ltd., Yissum Research Development Company Ltd. and OrSense Ltd. Dr. Ron holds a M.D. and an LL.B from Tel Aviv University.

Asaf Shinar has served on our board since 2011. He was appointed by our shareholder Pontifax. Since 2007, Mr. Shinar has been the Chief Financial Officer of the Pontifax Group, an Israeli venture capital fund. Mr. Shinar also currently serves on the board of Hairstetics Ltd., Ocon Medical Ltd. and Se-cure Pharmaceuticals Ltd. Mr. Shinar holds a B.A. in accounting and business management from the College of Management Academic Studies, Israel.

Wayne B. Weisman has served on our board since 2009. He was appointed by our shareholder SCP Vitalife. Since 2007, Mr. Weisman has been a director of the corporate general partner of the common general partner of SCP Vitalife. He has also served as a managing member of SCP Vitalife Management Company, LLC, which by contract provides certain management services to the common general partner of SCP Vitalife. Mr. Weisman is Chairman of Recro Pharma, Inc. (Nasdaq: REPH), a clinical stage specialty pharmaceutical company developing non-opioid therapeutics for the treatment of pain. He also serves on the board of a number of private companies, including DIR Technologies, EndoSpan Ltd., Ivenix, Inc., and Echo360 Inc. He is the chairman of the boards of trustees of Young Scholars School and Young Scholars Frederick Douglass and Young Scholars Kenderton. He is also a board member of the Philadelphia-Israel Chamber of Commerce and Mid-Atlantic Diamond

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Ventures, the venture forum of Temple University. Mr. Weisman holds a B.A. from the University of Pennsylvania and a J.D. from the University of Michigan Law School.

Aryeh (Arik) Dan has served on our board since 2013. He was appointed by our shareholder Yaskawa. He has served as the President and Chief Executive Officer of Yaskawa Europe Technology since 2005. Mr. Dan holds a B.Sc. in aeronautical engineering from the Technion—Israel Institute of Technology and an MBA from Keio University, Japan.

Yasushi Ichiki has served on our board since 2014. He was appointed by our shareholder Yaskawa. Mr. Ichiki has been the Manager of the Corporate Planning Group, Corporate Planning Division, of Yaskawa Electric Corporation since May 2014. Previously, from February 2010 to April 2014, he served as the General Manager of Corporate Planning, Robotics Division of Yaskawa Europe GmbH. Mr. Ichiki holds a B.A. from Yamaguchi University, Japan.

Glenn Muir has served on our board since July 2014 and is intended to serve as an external director under the Israeli Companies Law subject to the ratification of his appointment at a meeting of our shareholders to be held no later than three months following the completion of this offering. Until May 2014, Mr. Muir served as Executive Vice President, Finance and Administration of Hologic, Inc. (NASDAQ: HOLX) since September 2000 and as Chief Financial Officer since 1992. Hologic is a manufacturer and supplier of premium diagnostics products, medical imaging systems and surgical products with an emphasis on serving the healthcare needs of women. Prior to that, Mr. Muir served as the Controller of Hologic from the time he joined in October 1988 through 1992 including during its initial public offering in 1990. Mr. Muir served as a director of Hologic from 2001 through 2013. Mr. Muir holds a B.B.A. with a major in accounting from the University of Massachusetts in Amherst, an M.B.A. from the Harvard Graduate School of Business Administration and an M. Sc. in taxation from Bentley College Graduate School of Business. Mr. Muir is also a certified public accountant.

Dr. John William Poduska is expected to be appointed to our board before the pricing of this offering and is intended to serve as an external director under the Israeli Companies Law subject to the ratification of his appointment at a meeting of our shareholders to be held no later than three months following the completion of this offering. Dr. Poduska currently serves as a director of EXA Corporation (NASDAQ: EXA) where he serves as chairman of the compensation committee and a member of the nominating and governance committee. He also serves as a director on the boards of a number of privately-held companies. Dr. Poduska also served as a director of Novell, Inc. until 2011 and of Anadarko Petroleum Corporation and Safeguard Scientifics, Inc. until 2009. Dr. Poduska was the Chairman of Advanced Visual Systems Inc., a provider of visualization software, from January 1992 to December 2001. From December 1989 until December 1991, Dr. Poduska was President and Chief Executive Officer of Stardent Computer Inc., a computer manufacturer. From December 1985 until December 1989, Dr. Poduska served as Chairman and Chief Executive Officer of Stellar Computer Inc., a computer manufacturer he founded which is the predecessor of Stardent Computer Inc. Prior to founding Stellar Computer, Inc., Dr. Poduska founded Apollo Computer Inc. and Prime Computer, Inc. Dr. Poduska holds a Sc.D. from MIT and an Honorary Doctorate of Humane Letters from Lowell University.

Corporate Governance Practices

Under the Israeli Companies Law, companies incorporated under the laws of the State of Israel whose shares are publicly traded, including companies with shares listed only on the Nasdaq Global Market, 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. These requirements are in addition to the corporate governance requirements imposed by the listing requirements of the Nasdaq Global Market and other applicable provisions of U.S. securities laws to which we will become subject (as a foreign private issuer) upon the closing of this offering and the listing of our ordinary shares on the Nasdaq Global Market. Under the listing requirements of the Nasdaq Global Market, as a foreign private issuer we may generally follow our home country rules of corporate governance in lieu of the comparable requirements of the listing requirements of the Nasdaq Global Market, except for certain matters including the composition and responsibilities of the audit committee and the independence of its members within the meaning of the rules and regulations of the SEC.

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We currently intend to rely on this “home country practice exemption” solely with respect to the quorum requirement for shareholder meetings. As permitted under the Israeli Companies Law, pursuant to our articles of association to be effective upon the closing of this offering, the quorum required for an ordinary meeting of shareholders will consist of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Israeli Companies Law, who hold in the aggregate at least 25% of the voting power of our shares (and in an adjourned meeting, with some exceptions, any number of shareholders), instead of 33 1/3% of the issued share capital required under the Nasdaq Global Market corporate governance rules. We otherwise 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 Global Market corporate governance rules.

Board of Directors

Under the Israeli Companies Law, the management of our business is vested in our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to management. Our executive officers are responsible for our day-to-day management and have individual responsibilities established by our board of directors. Our Chief Executive Officer is appointed by, and serves at the discretion of our board of directors, subject to the employment agreement that we have entered into with him. All other executive officers are also appointed by our board of directors, and are subject to the terms of any applicable employment agreements that we may enter into with them.

We comply with the rule of the Nasdaq Global Market that a majority of our directors be independent. Our board of directors has determined that all of our directors, other than our Chief Executive Officer and Chief Technical Officer, are independent under such rules. As described below, under the Israeli Companies Law we are required to have at least two “external directors.” The definition of independent director under Nasdaq Global Market rules and external director under the Israeli Companies Law overlap to some extent, so that we would generally expect the two directors serving as external directors to satisfy the requirements to be independent under Nasdaq Global Market rules. The definition of external director includes a set of statutory criteria that must be satisfied, including criteria whose aim is to ensure that there be no factor which would impair the ability of the external director to exercise independent judgment. The definition of independent director specifies similar, although less stringent, requirements in addition to the requirement that the board consider any factor which would impair the ability of the independent director to exercise independent judgment. In addition, both external directors and independent directors serve for a period of three years; external directors pursuant to the requirements of the Israeli Companies Law and independent directors pursuant to the staggered board provisions of our articles of association. However, external directors must be elected by a special majority of shareholders while independent directors may be elected by an ordinary majority. See “—External Directors” for a description of the requirements under the Israeli Companies Law for a director to serve as an external director.

Under our articles of association, which will be effective upon the closing of this offering, our board of directors must consist of at least five and not more than thirteen directors, including at least two external directors required to be appointed under the Israeli Companies Law. Our board of directors will consist of ten directors upon the closing of this offering, including two new directors, who will be our two external directors. The appointment of the external directors is subject to ratification at a meeting of our shareholders to be held no later than three months following the closing of this offering. Other than external directors, for whom special election requirements apply under the Israeli Companies Law, as detailed below, 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 (other than the external 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 2015 and after, each year 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 for the year 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 articles of association.

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

- the Class I directors will be Jeff Dykan, Dr. Amit Goffer and Yasushi Ichiki, and their terms will expire at the annual general meeting of shareholders to be held in 2015;
- the Class II directors will be Larry Jasinski and Asaf Shinar, and their terms will expire at our annual meeting of shareholders to be held in 2016; and
- the Class III directors will be Dr. Hadar Ron, Wayne B. Weisman and Arik Dan, and their terms will expire at our annual meeting of shareholders to be held in 2017.

In addition, our articles of association allow our board of directors to appoint directors, create new directorships or fill vacancies on our board of directors for a term of office equal to the remaining period of the term of office of the director(s) whose office(s) have been vacated. External directors are elected for an initial term of three years and may be reelected under the circumstances described below. External directors may be removed from office only under the limited circumstances set forth in the Israeli Companies Law. See “—External Directors” below.

Under the Israeli Companies Law and our articles of association, nominations for directors may be made by any shareholder holding at least one percent of our outstanding voting power. However, a shareholder may make such a nomination only if a written notice of a shareholder’s intention to make such nomination has been given to our Secretary (or, if we have no Secretary, our Chief Executive Officer). Any such notice must include certain information, the consent of the proposed director nominee(s) to serve as our director(s) if elected and a declaration signed by the nominee(s) declaring that there is no limitation under the Israeli Companies Law preventing their election and that all of the information that is required to be provided to us in connection with such election under the Israeli Companies Law and under our articles of association has been provided.

Under the Israeli Companies Law, our board of directors must determine the minimum number of directors who are required to have accounting and financial expertise. See “—External Directors.” In determining the number of directors required to have such expertise, a 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 the minimum number of directors of our Company who are required to have accounting and financial expertise is one.

External Directors

Under the Israeli Companies Law, we are required to have at least two external directors. External directors must meet stringent standards of independence from us, from our management and from any controlling shareholder (defined for this purpose as any shareholder who holds 50% or more of our outstanding shares, or who has the right to appoint the majority of our directors or our general manager). In addition, no person may serve as an external director if that person’s position or professional or other activities create, or may create, a conflict of interest with that person’s responsibilities as a director or otherwise interfere with that person’s ability to serve as an external director or if the person is an employee of the Israel Securities Authority or of an Israeli stock exchange. These independence standards are applicable beginning two years before the external director’s election and continuing for two years after the external director’s term of service. In addition to election by the normal majority vote, external directors must generally be elected by a majority vote of the shares held by shareholders other than controlling shareholders. Glenn Muir and Dr. John William Poduska have agreed to serve as our external directors, subject to ratification at a meeting of our shareholders to be held no later than three months following the closing of this offering.

According to regulations promulgated under the Israeli Companies Law, a person may be appointed as an external director only if he or she has professional qualifications—defined as an academic degree in certain fields or at least five years of experience in certain senior positions—or if he or she has accounting and financial expertise. At least one of our external directors must have accounting and financial expertise, unless another independent director, who meets the standards of the Nasdaq Global Market listing requirements for membership on the audit committee, has accounting and financial expertise. Our board of directors has determined that Glenn Muir has accounting and financial expertise and possesses professional qualifications as required under the Israeli Companies Law.

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The initial term of an external director is three years. Thereafter, an external director may be reelected by shareholders to serve in that capacity for additional three-year terms, provided that the external director continues to meet the independence standards and is reelected by the same majority applicable to the initial election. However, after nine years of service, an external director may be reelected only if both our audit committee and board of directors confirm that, in light of the external director's expertise and special contribution to the work of the board of directors and its committees, the reelection for such additional period is beneficial to the company.

External directors may be removed from office only under limited circumstances, including ceasing to meet the statutory qualifications for appointment or violating their duty of loyalty to the company. Removal can be by a special meeting of shareholders that approves such dismissal by the same shareholder vote percentage required for the election of external directors, or by a court.

Each committee of the board of directors that exercises the powers of the board of directors must include at least one external director, except that the audit committee and the compensation committee must include all external directors then serving on the board of directors and an external director must serve as the chair of each of these committees. Compensation of an external director is determined prior to his or her appointment in accordance with regulatory guidelines, and may not be changed during his or her term subject to certain exceptions.

If at the time of election of an external director all of the members of the board of directors (excluding controlling shareholders or relatives of controlling shareholders) are of the same gender, the external director to be elected must be of the other gender.

Audit Committee

Following the listing of our ordinary shares on the Nasdaq Global Market, our audit committee will consist of Asaf Shinar, along with our two external directors, Glenn Muir and Dr. John William Poduska. Glenn Muir will serve as the chair of the audit committee.

Israeli Companies Law Requirements

Under the Israeli Companies Law, we are required to appoint an audit committee. The audit committee must be comprised of at least three directors, including all of the external directors (one of whom must serve as chair of the committee). The audit committee may not include the chairman of the board; a controlling shareholder of the company or a relative of a controlling shareholder; a director employed by or providing services on a regular basis to the company, to a controlling shareholder or to an entity controlled by a controlling shareholder; or a director who derives most of his or her income from a controlling shareholder.

In addition, under the Israeli Companies Law, a majority of the members of the audit committee of a publicly-traded company must be unaffiliated directors. In general, an "unaffiliated director" under the Israeli Companies Law is defined as either (i) an external director, or (ii) an individual who has not served as a director of the company for a period exceeding nine consecutive years and who meets the qualifications for being appointed as an external director, except that he or she need not meet the requirement for accounting and financial expertise or professional qualifications.

Listing Requirements

Under the Nasdaq Global Market corporate governance rules, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise.

All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the Securities and Exchange Commission and the Nasdaq Global Market corporate governance rules. Our board of directors has determined that Glenn Muir is an audit committee financial expert as defined by the Securities and Exchange Commission rules and has the requisite financial experience as defined by the Nasdaq Global Market corporate governance rules.

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Each of the members of our audit committee is “independent” as such term is defined in Rule 10A-3(b)(1) under the Exchange Act of 1934, which is different from the general test for independence of board and committee members.

Audit Committee Role

Our board of directors has adopted an audit committee charter to be effective upon the listing of our shares on the that will set forth the responsibilities of the audit committee consistent with the rules of the SEC and the listing requirements of the Nasdaq Global Market, as well as the requirements for such committee under the Israeli Companies Law, including the following:

- oversight of our independent registered public accounting firm and recommending the engagement, compensation or termination of engagement of our independent registered public accounting firm to the board of directors in accordance with Israeli law;
- recommending the engagement or termination of the person filling the office of our internal auditor; and
- recommending the terms of audit and non-audit services provided by the independent registered public accounting firm for pre-approval by our board of directors.

Our audit committee provides assistance to our board of directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by pre-approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal control over financial reporting. Our audit committee also oversees the audit efforts of our independent accountants and takes those actions that it deems necessary to satisfy itself that the accountants are independent of management.

Under the Israeli Companies Law, our audit committee is responsible for:

- determining whether there are deficiencies in the business management practices of our company and making recommendations to the board of directors to improve such practices;
- determining whether to approve certain related party transactions, and classifying transactions in which a controlling shareholder has a personal interest as significant or insignificant (which affects the required approvals) (see “—Approval of Related Party Transactions under Israeli Law”);
- examining our internal controls and internal auditor’s performance, including whether the internal auditor has sufficient resources and tools to dispose of its responsibilities, and in certain cases approving the annual work plan of our internal auditor;
- examining the scope of our auditor’s work and compensation and submitting a recommendation with respect thereto to our board of directors or shareholders, depending on which of them is considering the appointment of our auditor; and
- establishing procedures for the handling of employees’ complaints as to the deficiencies in the management of our business and the protection to be provided to such employees.

Our audit committee may not approve any actions requiring its approval (see “—Approval of Related Party Transactions under Israeli Law”), unless at the time of the approval a majority of the committee’s members are present, including at least one external director.

Compensation Committee

Following the listing of our ordinary shares on the Nasdaq Global Market, our compensation committee will consist of Dr. John William Poduska, Glenn Muir and Wayne B. Weisman. Dr. John William Poduska will serve as the chair of the compensation committee.

Israeli Companies Law Requirements

Under the Israeli Companies Law, the board of directors of a public company must appoint a compensation committee. The compensation committee must be comprised of at least three directors, including all of the external directors, one of whom must be the chair of the compensation committee. The external directors must constitute a majority of the members of the compensation committee; however, so long as our securities are traded on the Nasdaq Global Market, we do not have a controlling shareholder, the compensation committee meets other Israeli Companies Law composition requirements and our composition committees meets the requirements of U.S. law and the Nasdaq Global Market, we will generally not have to meet this majority requirement. The compensation committee may not include the chairman of the board; a controlling shareholder of the company or a relative of a controlling shareholder; a director employed by or providing services on a regular basis to the company, to a controlling shareholder or to an entity controlled by a controlling shareholder; or a director who derives most of his or her income from a controlling shareholder.

The duties of the compensation committee include the recommendation to the company's board of directors of a policy regarding the terms of engagement of directors and of specified members of senior management, to which we refer as a compensation policy. That compensation policy must be adopted by the company's board of directors, after considering the recommendations of the compensation committee, and will need to be brought for approval by the company's shareholders, which approval requires a Special Approval for Compensation (as defined below under "—Approval of Related Party Transactions under Israeli Law—Fiduciary Duties of Directors and Executive Officers"). We will be required to adopt a compensation policy within nine months following our listing on the Nasdaq Global Market.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including compensation, benefits, exculpation, insurance and indemnification. The compensation policy must take into account certain factors, including advancement of the company's objectives, the company's business plan and its long-term strategy, and creation of appropriate incentives. It must also consider, among other things, the company's risk management, size and the nature of its operations. The compensation policy must include certain principles, such as: a link between variable compensation and long-term performance and measurable criteria; the relationship between variable and fixed compensation; and the minimum holding or vesting period for variable, equity-based compensation.

The compensation committee is responsible for (a) recommending the compensation policy to our board of directors for its approval (and subsequent approval by our shareholders) and (b) duties related to the compensation policy and to the compensation of our directors and senior management, including:

- reviewing and making recommendations regarding our compensation policy at least every three years);
- recommending to the board of directors periodic updates to the compensation policy;
- recommending to the board of directors periodic updates to the compensation policy;
- assessing implementation of the compensation policy;
- approving compensation terms of executive officers, directors and employees affiliated with controlling shareholders; and
- exempting certain compensation arrangements from the requirement to obtain shareholder approval under the Israeli Companies Law.

Listing Requirements

Under the Nasdaq Global Market corporate governance rules, we are required to maintain a compensation committee consisting of at least two independent directors. Each of the members of the compensation committee is required to be independent under the Nasdaq Global Market rules relating to compensation committee members, which are different from the general test for independence of board and committee members. Each of the members of our compensation committee satisfies those requirements.

Compensation Committee Role

Our board of directors has adopted a compensation committee charter setting forth the responsibilities of the committee, which include:

- the responsibilities set forth in the compensation policy;
- reviewing and approving the granting of options and other incentive awards to the extent such authority is delegated by our board of directors; and
- reviewing, evaluating and making recommendations regarding the compensation and benefits for our non-employee directors.

Nominating and Governance Committee

Following the listing of our ordinary shares on the Nasdaq Global Market, our nominating and governance committee will consist of Jeff Dykan and Glenn Muir. Jeff Dykan will serve as the chair of the nominating and governance committee. Our board of directors has adopted a nominating and governance committee charter to be effective upon the listing of our shares on the Nasdaq Global Market that will set forth the responsibilities of the nominating and governance committee, which include:

- overseeing and assisting our board in reviewing and recommending nominees for election as directors;
- assessing the performance of the members of our board; and
- establishing and maintaining effective corporate governance policies and practices, including, but not limited to, developing and recommending to our board a set of corporate governance guidelines applicable to our company.

Compensation of Directors

Under the Israeli 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 the regulations promulgated under the Israeli Companies Law, the approval of the shareholders at a general meeting. Where the director is also a controlling shareholder, the requirements for approval of transactions with controlling shareholders apply, as described below under “Disclosure of Personal Interests of a Controlling Shareholder and Approval of Certain Transactions.”

The directors are also entitled to be paid reasonable travel, hotel and other expenses expended by them in attending board meetings and performing their functions as directors of the company, all of which is to be determined by the board of directors.

External directors are entitled to remuneration subject to guidelines set forth in the regulations promulgated under the Israeli Companies Law.

For additional information, see “—Compensation of Officers and Directors.”

Internal Auditor

Under the Israeli Companies Law, the board of directors of an Israeli public company must appoint an internal auditor recommended by the audit committee, who must be independent of the company’s principal shareholders, directors and senior management, and independent auditor.

The role of the internal auditor is to examine, among other things, our compliance with applicable law and orderly business procedures. The audit committee is required to oversee the activities and to assess the performance of the internal auditor as well as to review the internal auditor’s work plan. We intend to appoint an internal auditor following the closing of this offering.

Approval of Related Party Transactions Under Israeli Law

Fiduciary Duties of Directors and Executive Officers

The Israeli Companies Law codifies the fiduciary duties that office holders owe to a company. Each person listed in the table under “Management—Executive Officers and Directors” is an office holder under the Israeli Companies Law.

An office holder’s fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of loyalty requires that an office holder act in good faith and in the best interests of the company.

The duty of care includes a duty to use reasonable means 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 any such action.

The duty of loyalty includes a duty to:

- refrain from any conflict of interest between the performance of his or her duties to the company and his or her duties or personal affairs;
- refrain from exploiting any business opportunity of the company in order to receive a personal gain for himself or herself or 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.

Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions

The Israeli Companies Law requires that an office holder promptly disclose to the board of directors any personal interest that he or she may have, and all related material information or documents, concerning any existing or proposed transaction with the company. A personal interest includes the individual’s own interest and, in some cases, a personal interest of such person’s relative or an entity in which such individual, or his or her relative, is a 5% or greater shareholder, director or general manager, or in which he or she has the right to appoint at least one director or the general manager – but does not include a personal interest stemming only from ownership of our shares.

If an office holder has a personal interest in a transaction, approval by the board of directors is required for the transaction. Once an office holder has disclosed his or her personal interest in a transaction, the board of directors may approve an action by the office holder that would otherwise be deemed a breach of duty of loyalty. A company may not, however, approve a transaction or action unless it is in the best interests of the company, or if the office holder is not acting in good faith.

Special approval is required for an extraordinary transaction, which under the Israeli Companies Law 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 a company’s profitability, assets or liabilities.

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

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inconsistent with the company's compensation policy or if the office holder is the Chief Executive Officer (apart from a number of specific exceptions), then such arrangement is subject to shareholder approval by a simple majority, which must also include at least a majority of the shares voted by all shareholders who are neither controlling shareholders nor have a personal interest in such compensation arrangement (alternatively, in addition to a simple majority, the total number of shares voted against the compensation arrangement by non-controlling shareholders and shareholders who do not have a personal interest in the arrangement may not exceed 2% of our outstanding shares). We refer to this as the Special Approval for Compensation. Arrangements regarding the compensation, indemnification or insurance of a director require the approval of our compensation committee, board of directors and shareholders by a simple majority, in that order, and under certain circumstances, a Special Approval for Compensation.

Generally, a person who has a personal interest in a matter that is considered at a meeting of the board of directors or the audit committee may not be present at such a meeting or vote on that matter unless the chairman of the board of directors or the audit committee (as applicable) determines that he or she should be present in order to present the transaction that is subject to approval. If a majority of the members of the board of directors or the audit committee (as applicable) have a personal interest in the approval of a transaction, then all directors may participate in discussions of the board of directors or the audit committee (as applicable) on such transaction and in the voting, but shareholder approval is also required for such transaction.

Disclosure of Personal Interests of Controlling Shareholders and Approval of Certain Transactions

Pursuant to the Israeli Companies Law, the disclosure requirements regarding personal interests that apply to directors and executive officers also apply to a controlling shareholder of a public company. In this context, a controlling shareholder includes a shareholder who holds 25% or more of our outstanding shares if no other shareholder holds more than 50% of our outstanding shares. For this purpose, the holdings of all shareholders who have a personal interest in the same transaction will be aggregated. The approval of the audit committee, the board of directors and the shareholders of the company, in that order, is required for (a) extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest, (b) our engagement with a controlling shareholder or his or her relative, directly or indirectly, for the provision of services to us, (c) the terms of engagement and compensation of a controlling shareholder or his or her relative who is not an office holder or (d) our employment of a controlling shareholder or his or her relative, other than as an office holder. In addition to shareholder approval by a simple majority, the transaction must be approved by a simple majority, which must also include at least a majority of the shares voted by all shareholders who do not have a personal interest in the transaction (alternatively, in addition to a simple majority, the total number of shares voted against the transaction by shareholders who do not have a personal interest in it may not exceed 2% of our outstanding shares), which we refer to as a Special Majority.

To the extent that any such transaction with a controlling shareholder is for a period extending beyond three years, approval is required once every three years, unless, with respect to certain transactions, the audit committee determines that the duration of the transaction is reasonable under the circumstances.

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, in that order, by a Special Majority, and the terms must be consistent with our compensation policy.

Pursuant to regulations promulgated under the Israeli Companies Law, certain transactions with a controlling shareholder or his or her relative, or with directors, that would otherwise require approval of our shareholders may be exempt from shareholder approval upon certain determinations of our audit committee and board of directors. Under these regulations, we must publish these determinations, and a shareholder holding at least 1% of our outstanding shares may, within 14 days of after publication, demand shareholder approval despite such determinations.

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Shareholder Duties

Pursuant to the Israeli Companies Law, a shareholder has a duty to act in good faith and in a customary manner 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 a general meeting and at shareholder class meetings with respect to the following matters:

- an amendment to the company's articles of association;
- an increase of the company's authorized share capital;
- a merger; or
- the approval of related party transactions and acts of office holders that require shareholder approval.

In addition, a shareholder also has a general duty to refrain from discriminating against other shareholders.

In addition, certain shareholders have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that he or she has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or other power towards the company. The Israeli Companies Law does not define the substance of the duty of fairness, 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.

Indemnification, Insurance and Exculpation of Directors and Officers

Under the Israeli Companies Law, we may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed by him or her as an office holder, either pursuant to an undertaking made in advance of an event or following an event:

- financial liability 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 an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on our activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by our board of directors as reasonable under the circumstances, and such undertaking must detail these foreseen events and amount or criteria;
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder (1) as 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; and (2) in connection with a monetary sanction; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her us, on our 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.

Under the Israeli Companies Law, we 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 the duty of loyalty to us, provided that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm us;
- a breach of duty of care to us or to a third party, to the extent such a breach arises out of the negligent conduct of the office holder; and

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- a financial liability imposed on the office holder in favor of a third party.

Under the Israeli Companies Law, we may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of the duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to us to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice us (but we may not exculpate an office holder from liability for a breach of the duty of loyalty);
- a breach of 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 civil or criminal fine or forfeit levied against the office holder.

We may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to us as a result of a breach of duty of care. We may not exculpate in advance a director from liability arising out of a prohibited dividend or distribution to shareholders.

Under the Israeli Companies Law, exculpation, indemnification and insurance of our office holders must be approved by our compensation committee and board of directors and, with respect to certain office holders or under certain circumstances, also by the shareholders. See “—Approval of Related Party Transactions under Israeli Law.”

We have entered into indemnification agreements with our office holders to exculpate, indemnify and insure them to the fullest extent permitted or to be permitted by our articles of association, the Israeli Companies Law and the Israeli Securities Law, 5728-1968.

We have obtained directors and officers liability insurance for the benefit of our office holders and intend to continue to maintain such coverage and pay all premiums thereunder to the fullest extent permitted by the Israeli Companies Law.

Code of Business Conduct and Ethics

We intend to adopt a Code of Business Conduct and Ethics applicable to all of our directors and employees, including our Chief Executive Officer, Chief Financial Officer, controller or principal accounting officer, or other persons performing similar functions, which is a “code of ethics” as defined in Item 16B of Form 20-F promulgated by the SEC. Upon the effectiveness of the registration statement of which this prospectus forms a part, the full text of the Code of Business Conduct and Ethics will be posted on our website at <http://rewalk.com/>. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus and is not incorporated by reference herein. If we make any amendment to the Code of Business Conduct and Ethics or grant any waivers, including any implicit waiver, from a provision of the code of ethics, we will disclose the nature of such amendment or waiver on our website to the extent required by the rules and regulations of the SEC. Under Item 16B of the SEC’s Form 20-F, if a waiver or amendment of the Code of Business Conduct and Ethics applies to our principal executive officer, principal financial officer, principal accounting officer or controller and relates to standards promoting any of the values described in Item 16B(b) of Form 20-F, we are required to disclose such waiver or amendment on our website in accordance with the requirements of Instruction 4 to such Item 16B.

Compensation of Officers and Directors

The aggregate compensation expensed and share-based compensation and other payments expensed by us and our subsidiaries to our directors and executive officers with respect to the year ended December 31, 2013 was \$1.8 million. This amount includes approximately \$0.3 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 office holders, and other benefits commonly reimbursed or paid by companies in our industry.

Employment Agreements with Executive Officers

We have entered into written employment agreements with all of our executive officers. Each of these agreements contains provisions regarding non-competition, confidentiality of information and ownership of inventions. The non-competition provision applies for a period that is generally 12 months following termination of employment. The enforceability of covenants not to compete in Israel and the United States is subject to limitations. In addition, we are required to provide notice prior to terminating the employment of our executive officers, other than in the case of a termination for cause.

Directors' Service Contracts

Other than with respect to our directors that are also executive officers, there are no arrangements or understandings between us, on the one hand, and any of our directors, on the other hand, providing for benefits upon termination of their service as directors of our company.

Share Option Plans

2012 Equity Incentive Plan

On March 30, 2012, we adopted our 2012 Equity Incentive Plan, or the 2012 Plan, which was approved by our shareholders on the same date. The 2012 Plan provides for the grant of options, restricted shares, restricted share units, share appreciation rights, performance units, performance shares and other shares or cash awards to our company's and our affiliates' respective employees, directors and consultants. The initial reserved pool of shares under the 2012 Plan is 26,000 ordinary shares. In the event that any award shall for any reason expire or terminate without having been exercised or paid in full, the shares not acquired shall revert to the 2012 Plan and again become available for issuance. No participant may be granted during any one year period awards covering more than 26,000 ordinary shares in the aggregate.

The 2012 Plan will be administered by our board of directors, unless and until the board delegates administration to a committee, which shall determine 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 2012 Plan. Awards under the 2012 Plan may be granted until ten years after the date on which the 2012 Plan was approved by our shareholders.

Options granted under the 2012 Plan will either be incentive share options pursuant to Section 422 of the Internal Revenue Code or nonstatutory share options. Options generally vest as determined by the board or committee. Options, other than certain incentive share options described below, must have an exercise price not less than 100% of the fair market value of an underlying share on the date of grant. Options, other than certain incentive share options described below, that are not exercised within ten years from the grant date expire, unless otherwise determined by our board of directors or its designated committee, as applicable. Incentive share options granted to a person holding more than 10% of our voting power will expire within five years from the date of the grant and must have an exercise price at least equal to 110% of the fair market value of an underlying share on the date of grant. Unless otherwise provided in an option agreement, in the event of termination of employment or services for reasons of disability or death, the grantee, or in the case of death, his or her legal successor, may generally exercise options that have vested prior to termination within a period of one year from the date of disability or death (or the expiration of the term of the option, if earlier). 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 (or the expiration of the term of the option, if earlier).

Share appreciation rights are awards entitling a grantee to receive a payment representing the difference between the base price per share of the right and the fair market value of a share on the date of exercise subject to any terms or conditions as the board or committee may determine in the award agreement. Share appreciation rights are payable in cash, shares of equivalent value or a combination thereof.

Restricted share awards are ordinary shares that are awarded to a grantee subject to the satisfaction of the terms and conditions established by the board or committee in the award agreement. Until such time as the

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applicable restrictions lapse, restricted shares are subject to forfeiture and may not be sold, assigned, pledged or otherwise disposed of by the participant who holds those shares.

Restricted share units are awards covering a number of hypothetical units with respect to shares that are granted subject to such vesting and transfer restrictions and conditions of payment as the board or committee may determine. Restricted share units are payable in cash, shares of equivalent value or a combination thereof.

Performance share awards are awards denominated in shares which may be earned in whole or part upon attainment of performance goals or other vesting criteria as the board or committee may determine.

Performance units are awards covering a number of hypothetical units with respect to shares that may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the board or committee may determine. Performance units are payable in cash, shares of equivalent value or a combination thereof.

Awards under the 2012 Plan may be made subject to performance goals relating to one or more business criteria and may provide for a targeted level or levels of achievement.

In the event that any change is made to the shares without consideration to the company (through merger, consolidation, reorganization, recapitalization, share dividend or similar event), the class and number of shares available for issuance, maximum award limits and any outstanding awards under the 2012 Plan will be appropriately adjusted. In the event of a change in control, either (i) the surviving entity may assume and continue outstanding awards (or substitute similar awards) in all or in part or (ii) if the surviving entity does not assume and continue awards (or substitute similar awards), unvested awards will be forfeited and vested award shall terminate if not exercised at or prior to the change in control. Notwithstanding the foregoing, in the event of a change in control, the board, in its discretion, may accelerate the vesting of any or all awards, in whole or in part.

2012 Israeli Sub Plan

The 2012 Israeli Sub Plan provides for the grant by us of awards pursuant to Sections 102 and 3(i) of the Israeli Income Tax Ordinance and the rules and regulations promulgated thereunder. The Israeli Tax Authority, to which we refer as the ITA, approved the 2012 Israeli Sub-Plan, as required by applicable law. The 2012 Israeli Sub Plan provides for options and share awards to be granted to our or our affiliates' employees, directors and officers who are not controlling shareholders and who are considered Israeli residents, to the extent that such options or awards either are (i) intended to qualify for special tax treatment under the "capital gains track" provisions of Section 102(b)(2) of the Ordinance or (ii) not intended to qualify for such special tax treatment. The 2012 Israeli Sub Plan also provides for the grant of options under Section 3(i) of the Ordinance to our Israeli non-employee service providers and controlling shareholders, which are not eligible for such special tax treatment.

2012 U.S. Sub Plan

The 2012 U.S. Sub Plan applies to grants to participants who are citizens or residents of the United States on the date of grant of an award. Under the 2012 U.S. Sub Plan, the board may require a participant to represent that he or she is acquiring securities for investment purposes and without a view to distribution thereof. Shares will not be issued under the U.S. Sub Plan unless the issuance complies with the requirements of any stock exchange on which the shares are then listed or quoted, any securities or tax laws and all other applicable laws. All shares delivered under the U.S Sub Plan will be subject to such transfer orders and other restrictions as our board of directors may deem advisable under the rules, regulations, and other requirements of any stock exchange upon which the shares are then listed and any applicable laws. Our obligations under the U.S. Sub Plan will be conditioned on the payment by the participant of all applicable withholding taxes.

The U.S. Plan contains provisions relating solely to participants located in California, which generally provide that in the event of termination of employment or services for reasons of disability or death, the participant, or in the case of death, his or her legal successor, may generally exercise options that have vested prior to termination within a period of six months from the date of disability or death (or the expiration of the term of the option, if earlier). If a participant's employment or service is terminated for any other reason, the grantee may generally exercise his or her vested options within 30 days of the date of termination (or the expiration of the term of the option, if earlier).

2006 Stock Option Plan

In November of 2006, we adopted our 2006 Stock Option Plan, which we refer to as the 2006 Plan. The 2006 Plan provides for the grant of (i) options without a trustee pursuant to Section 102 of the Israeli Income Tax Ordinance, or the Ordinance, (ii) options allocated to a trustee under the capital gains track pursuant and subject to the provisions of Section 102 of the Ordinance, (iii) options allocated to a trustee under the ordinary income track pursuant and subject to the provisions of Section 102 of the Ordinance, and (iv) options granted pursuant to Section 3(i) of the Ordinance. Stock options under the 2006 Plan are generally granted to our employees who are considered Israeli residents, members of our board or consultants, provided that (x) options granted pursuant to Section 102 of the Ordinance may be granted only to persons considered to be Israeli residents who are our employees or office holders, as such terms are defined in Section 102 of the Ordinance, but excluding any person who is deemed to be a controlling party within the meaning of the Ordinance, and (y) options granted pursuant to Section 3(i) of the Ordinance may be granted only to persons considered to be Israeli residents, who are not our employees or who are deemed to be controlling parties within the meaning of the Ordinance. In addition, the 2006 Plan contemplates issuances to our employees in jurisdictions other than Israel, with respect to which the administrator is empowered to make the requisite adjustments in the 2006 Plan to reflect the laws of such jurisdictions. The initial reserved pool of shares under the 2006 Plan was 3,448 non-voting "B" ordinary shares, and an increase of up to 7,500 non-voting "B" ordinary shares was approved by our board of directors in November 2009. In the event that any option shall for any reason expire or terminate without having been exercised, the shares not acquired shall revert to the 2006 Plan and again become available for issuance.

The 2006 Plan is administered by our board of directors, unless the board delegates administration to a committee, which determines the grantees of options and the types of options to be granted, approves the terms and conditions of options, exercises such powers and performs such acts necessary or expedient to promote the best interests of the company with respect to the 2006 Plan. Our board of directors may, at any time, amend, alter, suspend or terminate the 2006 Plan, but may not thereby impair the rights of any grantee without his or her consent.

The terms of options granted under the 2006 Plan are determined by the administrator and set forth in an option agreement. Such terms include the type of option, the term of the option, the exercise price and the vesting schedule. Unless otherwise stated in an option agreement, each option expires on the tenth anniversary of the effective date of the option unless an initial public offering of the company's shares takes place prior to such date, in which case each option shall expire two years from such initial public offering.

The 2006 Plan provides for treatment of options upon various terminations of employment or other service to the company, including the period for which the vested period of option can be exercised following termination and, in some cases (such as termination due to disability, death or retirement), the exercisability of the portion of the option that would have become vested on the next vesting date.

The number of shares covered by or underlying each outstanding option and the number of shares which have been authorized for issuance under the 2006 Plan shall be appropriately adjusted in the case of any increase or decrease in the number of issued shares resulting from a share split, reverse share split, recapitalization, combination or reclassification of the shares, rights issues or any other increase or decrease in the number of issued Shares in each case effected without receipt of consideration by the company. In the event of a merger or acquisition, each outstanding option shall be assumed or an equivalent award substituted by the successor company or a parent or subsidiary of the successor company. In the event that the successor company refuses to assume or substitute outstanding options, such options shall be deemed fully exercisable upon the closing of the transaction. In the event of a voluntary liquidation which is not considered a merger or acquisition under the 2006 Plan, each grantee shall be notified and have the right to exercise the vested options within five days.

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The following table presents certain data for our equity incentive plans as of July 1, 2014.

Plan	Total of ordinary shares reserved for option grants	Shares available for future grants	Aggregate number of options exercised	Aggregate number of options outstanding	Weighted average exercise price of outstanding options
2012 Plan	62,368	7,117	20	55,231	\$ 25.32
2006 Plan	7,161	—	412	6,749	\$ 7.15

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our shares as of the date of this prospectus and after this offering by:

- each person or entity known by us to own beneficially more than 5% of our outstanding shares;
- each of our directors and executive officers individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of ordinary shares is determined in accordance with the rules of the Securities and Exchange Commission and generally includes any ordinary 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 shares subject to options or warrants that are currently exercisable or exercisable within 60 days of July 15, 2014, to be outstanding and to be beneficially owned by the person holding the options or warrants 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 ordinary shares beneficially owned prior to the offering is based on 402,304 ordinary shares outstanding as of July 15, 2014, assuming the conversion of all outstanding ordinary A shares, ordinary B shares and preferred shares as of that date, but excluding ordinary shares issuable in connection with the exercise of outstanding warrants or outstanding options, into ordinary shares. The percentage of ordinary shares beneficially owned after the offering is based on ordinary shares to be outstanding immediately after the offering. 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.

As of July 15, 2014, we had six holders of record of our ordinary shares in the United States. These shareholders held in the aggregate 28.4% of our outstanding ordinary shares.

All of our shareholders, including the shareholders listed below, have the same voting rights attached to their ordinary shares. See “Description of Share Capital—Voting Rights.” Unless otherwise noted below, each shareholder’s address is ReWalk Robotics Ltd., Kochav Yokneam Building, Floor 6, P.O. Box 161, Yokneam Ilit 20692, Israel.

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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.”

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After the Offering	
	Number	Percent	Number	Percent
5% or Greater Shareholders:				
Entities affiliated with SCP Vitalife Partners(1)	102,442	25.0%		
Yaskawa Electric Corporation(2)	86,776	21.6%		
Israel Healthcare Ventures 2 L.P.(3)	79,052	19.0%		
Entities affiliated with Pontifax(4)	47,274	11.5%		
Entities affiliated with OurCrowd Investment in Argo L.P.(5)	27,250	6.7%		
Previz Ventures L.P.(6)	25,434	6.3%		
Directors and Executive Officers:				
Larry Jasinski(7)	6,646	1.6%		
Dr. Amit Goffer(8)	12,682	3.1%		
Ami Kraft	*	*		
Ofir Koren	*	*		
Jodi Gricci	*	*		
Ori Schellas	—	—		
John Hamilton	*	*		
Miri Pariente	*	*		
Jeff Dykan(9)	102,442	25.0%		
Dr. Hadar Ron	—	—		
Asaf Shinar	—	—		
Wayne B. Weisman(10)	102,442	25.0%		
Aryeh (Arik) Dan	—	—		
Yasushi Ichiki	—	—		
Glenn Muir	—	—		
Dr. John William Poduska	—	—		
Directors and executive officers as a group(11)	126,627	29.9%		

* Less than 1%

- (1) Consists of 65,822 ordinary shares and warrants to purchase 4,534 ordinary shares held by SCP Vitalife Partners II L.P. (“SCP Vitalife Partners II”), 21,985 ordinary shares and warrants to purchase 1,515 ordinary shares held by SCP Vitalife Partners (Israel) II L.P. (“SCP Vitalife Partners Israel II”), 3,846 ordinary shares held by Vitalife Partners (Overseas) L.P. (“Vitalife Partners Overseas”), 1,272 ordinary shares held by Vitalife Partners (Israel) L.P. (“Vitalife Partners Israel”), 1,286 ordinary shares held by Vitalife Partners (D.C.M) L.P. (“Vitalife Partners DCM”) and 2,182 ordinary shares currently held by the Office of the Chief Scientist, or OCS, that Vitalife Partners Overseas, Vitalife Partners Israel and Vitalife Partners DCM have the right to acquire from OCS. SCP Vitalife II Associates, L.P. (“SCP Vitalife Associates”) is the general partner of the foregoing entities and SCP Vitalife II GP, Ltd. (“SCP Vitalife GP”) is the general partner of SCP Vitalife Associates. Winston J. Churchill, Jeff Dykan, Abraham Ludomirski, and Wayne B. Weisman are the directors of SCP Vitalife GP and, as such, share voting and dispositive power over the shares held by the foregoing entities. The principal business address of SCP Vitalife Partners II, SCP Vitalife Associates, SCP Vitalife GP, and Messrs. Churchill and Weisman is 1200 Liberty Ridge Drive, Suite 300, Wayne, Pennsylvania 19087. The principal business address of SCP Vitalife Partners Israel II, Vitalife Partners Israel, Vitalife Partners Overseas, Vitalife Partners DCM, Mr. Dykan and Dr. Ludomirski is 32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
- (2) Yaskawa Electric Corporation is a widely-held Japanese corporation the securities of which are listed on the Tokyo Stock Exchange. Its address is 2-1 Kurosakishiroishi, Yahatanishi-ku, Kitakyushu 806-0004, Japan.
- (3) Consists of 64,305 ordinary shares and warrants to purchase 14,747 ordinary shares held by Israel Healthcare Ventures 2 L.P. (“IHCV”). IHCV2 General Partner Limited, a company incorporated under the

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laws of the Island of Guernsey, is the sole general partner of IHCV, and has voting control and investment power over the shares held by IHCV, but disclaims beneficial ownership of such shares except to the extent of its pecuniary interest therein. IHCV2 General Partner Limited has authorized Mr. Gordon Snelling and/or Mrs. P.M. Witford to exercise its voting and dispositive rights. The shareholder's address is Level Four North, Town Mills Trinity Square, St. Peter Port, GY1 3HN, Island of Guernsey.

- (4) Consists of 18,654 ordinary shares and warrants to purchase 4,473 ordinary shares held by Pontifax (Cayman) II, L.P., 14,021 ordinary shares and warrants to purchase 3,369 ordinary shares held by Pontifax (Israel) II, L.P., and 5,447 ordinary shares and warrants to purchase 1,310 ordinary shares held by Pontifax (Israel) II—Individual Investors, L.P. Pontifax Management II L.P. (“Pontifax Management”) is the general partner of the foregoing entities, and Pontifax Management 2 G.P. (2007) Ltd. (“Pontifax Management GP”) is the general partner of Pontifax Management. Mr. Tomer Kariv and Mr. Ran Nussbaum are directors of Pontifax Management GP and, as such, hold voting and/or dispositive power over the shares held by these entities. The principal business address of the foregoing entities and individuals is 14 Shenkar Street, Herzeliya 46140, Israel.
- (5) Consists of 13,222 ordinary shares and warrants to purchase 1,366 ordinary shares held by OurCrowd Investment in Argo L.P., 1,920 ordinary shares and warrants to purchase 210 ordinary shares held by OurCrowd Investment in Argo – II L.P., 2,259 ordinary shares and warrants to purchase 1,130 ordinary shares held by OurCrowd Investment in Argo – III L.P., 2,259 ordinary shares and warrants to purchase 1,130 ordinary shares held by OurCrowd Investment in Argo – IV L.P., 2,288 ordinary shares and warrants to purchase 1,144 ordinary shares held by OurCrowd Investment in Argo – V L.P. and 215 ordinary shares and warrants to purchase 107 ordinary shares held by OurCrowd International Investment II L.P. The general partner of each of these entities is OurCrowd International Limited. Jonathan Medved and Steven Blumgart are the directors of OurCrowd International Limited, and as such, share voting and dispositive power over the securities held by each of these entities. The principal business address of these entities is 14 Rabbi Akiva Street, Jerusalem, Israel.
- (6) Consists of 24,105 ordinary shares and warrants to purchase 1,329 ordinary shares held by Previz Ventures L.P. The general partner of Previz Ventures L.P. is Previz Ventures Management Ltd., a limited liability company in Israel, owned in equal shares by Mr. Dan Baruchi and Mr. Eliav Azulay-Oz, who also serve as its sole directors and, as such, share voting and dispositive power over the securities held by Previz Ventures L.P. The principal business address of the foregoing entities and individuals is Ackerstein Towers, Building D, 10th Floor, 12 Abba Eban Avenue, Herzeliya 46725, Israel.
- (7) Consists of options to purchase ordinary shares.
- (8) Consists of 8,979 ordinary shares and options to purchase 3,703 ordinary shares. The “Shares Beneficially Owned After the Offering” column also includes 17,196 ordinary shares that Dr. Goffer has the right to receive immediately prior to the closing of this offering pursuant to our Articles of Association and our Fourth Amended and Restated Shareholders Agreement. See “Certain Relationships and Related Party Transactions—Arrangements with Founder.”
- (9) Consists of ordinary shares beneficially owned by entities affiliated with SCP Vitalife Partners. For information about the relationship between Mr. Dykan and entities affiliated with SCP Vitalife Partners, see footnote (1) above.
- (10) Consists of ordinary shares beneficially owned by entities affiliated with SCP Vitalife Partners. For information about the relationship between Mr. Weisman and entities affiliated with SCP Vitalife Partners, see footnote (1) above.
- (11) Consists of 103,404 ordinary shares, warrants to purchase 6,049 ordinary shares, options to purchase 14,992 ordinary shares and 2,182 ordinary shares currently held by OCS. For more information about the shares held by OCS, see footnote (1) above.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Series C Preferred Share Purchase Agreement

On July 26, 2011, we entered into a Share Purchase Agreement with Israel Healthcare Ventures 2 L.P. Incorporated (“IHCV”), entities affiliated with Pontifax (Cayman) II L.P. (the “Pontifax Entities”), entities affiliated with SCP Vitalife Partners II, L.P. (the “SCP Vitalife Entities”) and the other parties named therein (the “Series C SPA”). At the time we entered into the Series C SPA, the SCP Vitalife Entities held our preferred shares, warrants to purchase our preferred shares and convertible loans previously made to us. Pursuant to the Series C SPA:

- We issued an aggregate of 51,976 of our Preferred C-1 shares and warrants to purchase an aggregate of 15,593 of our Preferred C-1 Shares to IHCV and the Pontifax Entities for an aggregate purchase price in cash of \$5.5 million.
- We issued 11,341 of our Preferred C-1 Shares and warrants to purchase 3,402 of our Preferred C-1 Shares to the SCP Vitalife Entities for a purchase price in cash of \$1.2 million. We also issued 6,182 of our Preferred C-2 Shares and warrants to purchase 1,483 of our Preferred C-1 Shares to the SCP Vitalife Entities in connection with the conversion of \$0.5 million of principal and interest outstanding under convertible loans previously made to us.
- We issued additional Preferred C-1 Shares and Preferred C-2 Shares and warrants to purchase Preferred C-1 Shares to other parties on the same terms as noted above.

The Preferred C-1 Shares were issued at a price per share of \$105.815 and the Preferred C-2 shares were issued at a price per share of \$84.652. The convertible loans were made in 2010 and bore interest at an annual rate of 7%. The warrants have an exercise price of \$105.815 per share and are exercisable until the earliest of: (i) three years from date of grant, (ii) the consummation of a specified change of control transaction, or (iii) the consummation of this offering. All of our Preferred C Shares have the same rights and preferences and shall automatically convert into ordinary shares immediately prior to the closing of this offering.

Series D Preferred Share Purchase Agreement

On September 24, 2013, we entered into a Share Purchase Agreement with Yaskawa Electric Corporation, or Yaskawa, IHCV, the Pontifax Entities, the SCP Vitalife Entities and the other parties named therein (the “Series D SPA”). At the time we entered into the Series D SPA, IHCV, the Pontifax Entities, the SCP Vitalife Entities owned, and held warrants to purchase, our preferred shares and held convertible loans previously made to us. Pursuant to the Series D SPA:

- We issued 82,645 of our Preferred D-1 Shares to Yaskawa for a purchase price in cash of \$10.0 million (price per Preferred D-1 Share of \$121.00). In connection with this issuance, we entered into other agreements with Yaskawa. See “—Agreements with Yaskawa.”
- We issued an aggregate of 67,591 of our Preferred D-2 shares to IHCV, the Pontifax Entities and the SCP Vitalife Entities in connection with the conversion of an aggregate of \$6.5 million of principal and interest outstanding under convertible loans previously made to us (price per Preferred D-2 Share of \$96.80).
- We issued additional Preferred D-2 shares to other parties at the same price per share noted above and issued Preferred D-3 Shares and Preferred D-4 shares to other parties.

The convertible loans were made from December 2012 through June 2013 and bore interest at an annual rate of 7%. All of our Preferred D Shares have the same rights and preferences and will automatically convert into ordinary shares immediately prior to the closing of this offering.

The Series D SPA provides that Yaskawa shall be issued 1,377 additional Preferred D-1 Shares for no consideration on April 1, May 1, June 1 and July 1, 2014, and shall be issued an additional 1,378 Preferred D-1

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Shares for no consideration on August 1 and September 1, 2014, if the following two events have not occurred as of such date: (i) receipt of FDA clearance to market ReWalk Personal in the United States and (ii) reimbursement by any German insurance provider of the full cost of at least one ReWalk Personal. Pursuant to this arrangement, we issued 1,377 Preferred D Shares to Yaskawa on each of April 1, May 1 and June 1, 2014. As of June 30, 2014, Yaskawa agreed that both of these events had been satisfied.

Kreos Line of Credit

On June 19, 2014, we entered into a loan agreement with Kreos Capital IV (Expert Fund) Limited, or Kreos, pursuant to which Kreos agreed to extend a line of credit to us of \$5.0 million. In connection with this extension of credit, we granted Kreos warrants to purchase 5,372 preferred shares, or to the extent exercised after the closing of this offering, the same number of ordinary shares. As of July 1, 2014, Kreos beneficially owned 1.6% of our ordinary shares. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Kreos Line of Credit.”

Series E Preferred Securities Purchase Agreement

On June 26, 2014, we entered into a Securities Purchase Agreement with Gabriel Capital Fund (US), L.P. and affiliated entities (together, “Gabriel”), and the other parties named therein (the “Series E SPA”). The price per share of our Preferred E Shares reflected in the Series E SPA had been set forth in a non-binding term sheet dated June 9, 2014. The transaction closed in July 2014. At the time we entered into the Series E SPA, certain parties thereto, including entities affiliated with SCP Vitalife Partners, Israel Healthcare Ventures 2 L.P., entities affiliated with Pontifax and Previz Ventures L.P., owned, and held warrants to purchase, our preferred shares.

Pursuant to the Series E SPA, we issued an aggregate of 60,338 of our Preferred E Shares and warrants to purchase an aggregate of 30,934 Preferred E Shares (which, to the extent they are outstanding following the closing of this offering, shall convert on a one-to-one basis into warrants to purchase our ordinary shares) to Gabriel and the other investors named in the Series E SPA for an aggregate purchase price in cash of \$13.0 million. The Preferred E Shares were issued at a price of \$215.45 per share. The warrants have an exercise price of \$258.54 per share and are exercisable until four years from date of grant, subject to certain adjustments.

Amended and Restated Shareholders’ Rights Agreement

In connection with our series E financing round, we entered into an Amended and Restated Shareholders’ Rights Agreement with certain of our shareholders (collectively, the “Significant Shareholders”) which provides each of those shareholders with the registration rights described below. For a description of the shareholdings of these shareholders, see “Principal Shareholders.”

Form F-1 Demand Rights. At any time following the closing of this offering, subject to the 180-day lock-up agreements entered into with the underwriters in connection with this offering, upon the written request of the requisite holders, we will be required to file a registration statement on Form F-1 with respect to the Registrable Securities (as defined below) requested to be included in the registration statement. Following a request to effect such a registration, we will be required to give notice of the request to the other Significant Shareholders and offer them an opportunity to include their Registrable Securities in the registration statement. We will not be required to effect more than four registrations on Form F-1. Of the four potential demand registrations: (i) one may be initiated by the holders of at least 65% of the issued and outstanding preferred shares, including Yaskawa, (ii) one may be initiated by the holders of at least 65% of the issued and outstanding preferred shares, including IHCV, (iii) one may be initiated by the holders of at least 65% of the issued and outstanding preferred shares, including the SCP Vitalife Entities and (iv) one may be initiated by the holders of at least 50% of the issued and outstanding preferred E shares. “Registrable Securities” means (i) our ordinary shares to be issued upon conversion of our preferred shares, (ii) our ordinary shares held by our founder, (iii) shares issued in respect of shares referred to in (i) and (ii) above and (iv) any shares issued pursuant to a share split, combination thereof or other similar recapitalization with respect to any of the shares described in clauses (i), (ii) or (iii) above.

Form F-3 Demand Rights. After we become eligible under applicable securities laws to file a registration statement on Form F-3, which will not be until at least 12 months after the closing of this offering, upon the

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request of any holder of our preferred shares, we will be required to file a registration statement on Form F-3 in respect of such Registrable Securities. Following a request to effect such a registration, we will be required to give notice of the request to the other Significant Shareholders and offer them an opportunity to include their Registrable Securities in the registration statement. We will not be required to effect an offering pursuant to a registration statement on Form F-3 more than twice in any 12-month period and are only required to do so if the aggregate proceeds from any such offering are estimated in good faith to be in excess of \$1.0 million.

Piggyback Registration Rights. Following the closing of this offering, holders of Registrable Securities will have the right to request that we include their Registrable Securities in any registration statement filed by us in the future for the purposes of a public offering by us or any other person other than holders of Registrable Securities, subject to specified exceptions.

Cutback. In the event that the managing underwriter of shares to be distributed pursuant to a demand registration or in connection with a piggyback registration advises holders of Registrable Securities that marketing factors require a limitation on the number of shares that can be included in the offering, Registrable Securities will be included in the registration statement in an agreed order of preference among the holders of registration rights.

Termination. All registration rights described above will terminate on the fifth anniversary of the closing of this offering. In addition, with respect to any holder of registrable securities that holds less than 5% of our outstanding shares, registration rights will terminate when the shares held by such shareholder can be sold within a 90 day period pursuant to Rule 144 under the Securities Act.

Expenses. We will pay all expenses in carrying out the foregoing registrations other than selling shareholders' underwriting discounts and commissions and transfer taxes.

Arrangements with Founder

Under our articles of association in effect prior to this offering and the Fourth Amended and Restated Shareholders Agreement to become effective prior to the consummation of this offering, immediately prior to the closing of this offering, our founder, Dr. Amit Goffer, has the right to receive, for no consideration, shares or immediately exercisable options with cashless exercise in an amount such that the value of his interests equals 6% of our valuation. We will issue 17,196 ordinary shares to Dr. Goffer pursuant to this right immediately prior to the closing of this offering. See "Principal Shareholders."

Although Dr. Goffer devotes the substantial majority of his time to us, we have also entered into an agreement with him related to his independent business venture, Rehamed Technologies Ltd. This agreement provides that, among other things, Dr. Goffer's obligations, duties and responsibilities to us shall not be adversely affected by such venture, and we shall have the royalty-free right to use at our sole discretion, at any time and on an exclusive basis, any intellectual property which is not our property and which is developed by Dr. Goffer, alone or jointly with others, during the period in which Dr. Goffer is our employee, consultant or board member and three years thereafter, in the field of exoskeleton only, and all derivatives thereof created by or for us shall be exclusively owned by us.

Agreements with Yaskawa

On September 24, 2013, we entered into a Strategic Alliance Agreement with Yaskawa Electric Corporation. Pursuant to the Strategic Alliance Agreement, we and Yaskawa will collaborate in the following areas, among others:

- marketing, distribution and commercialization of our products by Yaskawa, subject to a separate distribution agreement;
- marketing and distribution of future Yaskawa healthcare equipment products by us in the scope of our sales network; and

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- improvement and quality control of our products by applying Yaskawa's know-how and expertise in motion control and robotics.

The Strategic Alliance Agreement also provides for the creation of a joint steering committee to meet quarterly to review, among other things, sales targets for our products by Yaskawa, opportunities for us to sell Yaskawa products, possibilities for quality improvements to our products by applying Yaskawa's expertise and future research and development for our products. In the future, subject to any necessary regulatory clearance, we are entitled to market and sell certain of Yaskawa's products currently under development, which consist of complementary products to the ReWalk, in the United States and Europe. While the terms of any such arrangement, including with respect to any compensation we may receive, have not yet been agreed, we expect that any such compensation would take the form of a percentage discount off of each product's list price or another customary arrangement. The term of the agreement is ten years, but it may be terminated by either party after seven years or upon 60 days' notice in the event of an uncured default under the agreement.

We and Yaskawa also entered into an Exclusive Distribution Agreement which provides that Yaskawa will be our exclusive distributor in Japan, China (including Hong Kong and Macau), Taiwan, South Korea, Singapore and Thailand. In addition, if we desire to sell any exoskeleton products into any regional market in the Asian and Pacific regions (other than Australia, New Zealand or India), Yaskawa will have a right of first refusal to serve as distributor in those markets, subject to an agreement on minimum purchase requirements. In addition, if we offer better pricing to any other distributor than what we offer Yaskawa, Yaskawa will be entitled to that pricing. The initial term of the Exclusive Distribution Agreement is ten years. Either party may terminate the agreement upon 90 days' written notice after seven years or upon an event of default under the agreement or a bankruptcy event of the other party. Through July 1, 2014, Yaskawa had paid us an aggregate of \$88,000 pursuant to this agreement.

We also entered into an agreement with Yaskawa obligating us to provide seven days' notice to Yaskawa in the event that we receive and are considering an acquisition proposal. That agreement will automatically terminate upon the closing of this offering.

In connection with entering into these agreements, Yaskawa purchased our Series D-1 Preferred Shares. See "— Series D Preferred Share Purchase Agreement."

Agreements with Directors and 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. We have also entered into customary non-competition, confidentiality of information and ownership of inventions arrangements with our executive officers. However, the enforceability of the noncompetition provisions may be limited under applicable law.

Options. Since our inception we have granted options to purchase our ordinary 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 Option Plans." If the relationship between us and an executive officer or a director is terminated, except for cause (as defined in the various option plan agreements), options that are vested will generally remain exercisable for ninety days after such termination.

Exculpation, Indemnification and Insurance. Our articles of association permit us to exculpate, indemnify and insure certain of our office holders to the fullest extent permitted by the Israeli Companies Law. We have entered into indemnification agreements with our office holders, exculpating them from a breach of their duty of care to us to the fullest extent permitted by law and undertaking to indemnify them to the fullest extent permitted by law, subject to certain exceptions, including with respect to liabilities resulting from this offering to the extent that these liabilities are not covered by insurance. See "Management—Indemnification, Insurance and Exculpation of Directors and Officers."

DESCRIPTION OF SHARE CAPITAL

The following descriptions of share capital and provisions of our articles of association are summaries and are qualified by reference to the articles of association to be effective upon the closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The description of the ordinary shares reflects changes to our capital structure that will occur upon the closing of this offering.

Share Capital

Upon the closing of this offering, our authorized share capital will consist solely of 250,000,000 ordinary shares, par value NIS 0.01 per share, of which shares will be issued and outstanding (assuming that the underwriters do not exercise their option to purchase additional ordinary shares).

All of our issued and 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

Our registration number with the Israeli Registrar of Companies is 51-3121376. Our purpose as set forth in our articles of association is to engage in any lawful activity.

Voting Rights

Pursuant to our 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. Shareholders may vote at a general meeting either in person, by proxy or by written ballot.

Transfer of Shares; Share Ownership Restrictions

Our fully paid ordinary shares are issued in registered form and may be freely transferred under our articles of association, 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 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

Our ordinary shares do not have cumulative voting rights for the election of directors. As a result, the holders of a majority of the voting power represented at a shareholders meeting have the power to elect all of our directors, subject to the special approval requirements for external directors described under “Management—External directors.”

Under our articles of association, our board of directors must consist of not less than five but no more than thirteen directors, including two external directors as required by the Israeli Companies Law. Pursuant to our articles of association, other than the external directors, for whom special election requirements apply under the Israeli Companies Law, the vote required to appoint a director is a simple majority vote of holders of our voting shares, participating and voting at the relevant meeting. In addition, our directors, other than the external directors, are divided into three classes that are each elected at a general meeting of our shareholders every three years, in a staggered fashion (such that one class is elected each year), and serve on our board of directors unless they are removed by a vote of 65% of the total voting power of our shareholders at a general or special meeting of our shareholders or upon the occurrence of certain events, in accordance with the Israeli Companies Law and our articles of association. In addition, our articles of association allow our board of directors to appoint new

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directors and appoint directors to fill vacancies on the board of directors to 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. External directors are elected for an initial term of three years, may be elected for additional terms of three years each under certain circumstances, and may be removed from office pursuant to the terms of the Israeli Companies Law. See “Management—Board of Directors—External Directors.”

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 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, a company may make a distribution of dividends out of its profits on the condition that there is no reasonable concern that the distribution may prevent the company from meeting its existing and expected obligations when they fall due. The Companies Law defines such profit as retained earnings or profits accrued in the last two years, whichever is greater, according to the last reviewed or audited financial statements of the company, provided that the date of the financial statements is not more than six months before the distribution.

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 payments of dividends or other distributions with respect to our ordinary shares or the proceeds from the sale of the shares, except for the obligation of Israeli residents to file reports with the Bank of Israel regarding certain transactions. However, legislation remains in effect pursuant to which currency controls can be imposed by administrative action at any time.

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 articles of association as extraordinary general meetings. Our board of directors may call extraordinary 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 an extraordinary general meeting upon the written request of (i) any two of our directors or one-quarter of the members of our board of directors or (ii) one or more shareholders holding, in the aggregate, either (a) five percent or more of our outstanding issued shares and one percent of our outstanding voting power or (b) five percent 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 be 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;

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- 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 and our articles of association require that notice of any annual general meeting or extraordinary 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 under our articles of association, shareholders are not permitted to take action via written consent in lieu of a meeting.

Voting Rights

Quorum requirements

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 two or more shareholders present in person or by proxy shall constitute a lawful quorum.

Vote Requirements

Our 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 articles of association. Under the Israeli Companies Law, each of (i) the approval of an extraordinary transaction with a controlling shareholder and (ii) the terms of employment or other engagement of the controlling shareholder of the company or such controlling shareholder's relative (even if not extraordinary) requires, the approval described above under "Management—Approval of related party transactions under Israeli law—Disclosure of personal interests of controlling shareholders and approval of certain transactions." Under our articles of association, the alteration of the rights, privileges, preferences or obligations of any class of our shares requires the ordinary majority vote of all classes of shares voting together as a single class at a shareholder meeting. Our articles of association also require that the removal of any director from office (other than our external directors) or the amendment of the provisions of our amended articles 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, in person, by proxy or by voting deed and voting on the resolution.

Access to Corporate Records

Under the Israeli Companies Law, shareholders generally have the right to review: minutes of our general meetings; our shareholders register and principal shareholders register, our articles of association and annual financial statements; and any document that we are required by law to file publicly with the Israeli Companies Registrar or the Israel Securities Authority. In addition, shareholders may request to be provided with any document related to an action or transaction with a related party that requires shareholder approval under the

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related party transaction provisions of the Israeli Companies Law. We may deny a request to review a document if we believe it has not been made in good faith, that the document contains a trade secret or patent or that the document's disclosure may otherwise impair our interests.

Registration Rights

For a discussion of registration rights we have granted to our existing shareholders prior to this offering, please see "Certain Relationships and Related Party Transactions—Amended and Restated Shareholders' Rights Agreement."

Acquisitions under Israeli Law

Full Tender Offer. A person wishing to acquire shares of an Israeli public company and who would as a result hold over 90% of the target company's issued and outstanding share capital (or of a class thereof) is required by the Israeli Companies Law to make a tender offer to all of the company's shareholders for the purchase of all of the issued and outstanding shares of the company (or the applicable class). If as a result of a full tender offer the purchaser would own more than 95% of the issued and outstanding share capital of the company or of the applicable class, and more than half of the shareholders who do not have a personal interest in the offer accept the offer, all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. The law provides for appraisal rights if any shareholder files a request in court within six months following the consummation of a full tender offer, but the purchaser is entitled to stipulate that tendering shareholders forfeit their appraisal rights. If as a result of a full tender offer the purchaser would own 95% or less of the issued and outstanding share capital of the company or of the applicable class, the purchaser may not acquire shares that will cause its shareholding to exceed 90% of the issued and outstanding share capital of the company or of the applicable class.

Special Tender Offer. The Israeli Companies Law provides that an acquisition of shares of an Israeli public 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 25% or more of the voting rights in the company, unless there is already another holder of at least 25% of the voting rights in the company. Similarly, the Israeli Companies Law provides that an acquisition of shares in a public 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 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, subject to certain exceptions.

A special tender offer must be extended to all shareholders of a company but the offeror is not required to purchase shares representing more than 5% of the voting power attached to the company's outstanding shares, regardless of how many shares are tendered by shareholders. A 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 number of shares tendered in the offer exceeds the number of shares whose holders objected to the offer (excluding the purchaser, controlling shareholders, holders of 25% or more of the voting rights in the company or any person having a personal interest in the acceptance of the tender offer). If 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 may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into 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 Israeli Companies Law permits merger transactions if approved by each party's board of directors and, unless certain requirements described under the Israeli Companies Law are met, by a majority vote of each party's shares, 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.

For purposes of the shareholder vote, unless a court rules otherwise, the merger will not be deemed approved if a majority of the votes of shares represented at the shareholders meeting that are held by parties other than the other party to the merger, or by any person (or group of persons acting in concert) who holds (or hold, as

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the case may be) 25% or more of the voting rights or the right to appoint directors of the other party, vote against the merger. If, however, the merger involves a merger with a company's own 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 under "Management—Approval of related party transactions under Israeli law—Disclosure of personal interests of controlling shareholders and approval of certain transactions").

If the transaction would have been approved by the shareholders of a merging company 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 of the company.

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 of the merging entities, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be consummated unless at least 50 days have passed from the date on which a proposal for approval of the merger was filed by each party with the Israeli Registrar of Companies and at least 30 days have passed from the date on which the merger was approved by the shareholders of each party.

Anti-takeover Measures under Israeli Law

The Israeli Companies Law allow 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 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 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."

Transfer Agent and Registrar

Upon the listing of our ordinary shares for trading on the Nasdaq Global Market, the transfer agent and registrar for our ordinary shares will be American Stock Transfer & Trust Company, LLC. Its address is 6201 15th Avenue, Brooklyn, New York 11219, and its telephone number is (800) 937-5449.

Listing

We have applied to have our ordinary shares listed on the Nasdaq Global Market under the symbol "RWLK."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our ordinary shares. Future sales of substantial amounts of ordinary shares, including shares issued upon the exercise of outstanding options, in the public market after this offering, or the possibility of these sales occurring, could adversely affect the prevailing market price for our ordinary shares or impair our ability to raise equity capital.

Upon completion of this offering, we will have an aggregate of _____ ordinary shares outstanding. Of these shares, the _____ shares sold in this offering by us 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, who may sell only the volume of shares described below and whose sales would be subject to additional restrictions described below. The remaining _____ shares, representing _____ of our outstanding shares will be held by our existing shareholders. These shares will be “restricted securities” as that phrase is defined in Rule 144 under the Securities Act. Subject to certain contractual restrictions, including the lock-up agreements described below, holders of restricted shares will be entitled to sell those shares in the public market pursuant to an effective registration statement under the Securities Act or if they qualify for an exemption from registration under Rule 144.

As a result of lock-up agreements described below, and the provisions of Rules 144 and 701 under the Securities Act, the restricted securities will be available for sale in the public market as follows:

<u>Date</u>	<u>Number of Shares Eligible for Sale</u>
At the date of this prospectus	
Up to 180 days after the date of this prospectus	
180 days after the date of this prospectus	

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 to decrease or to be lower than it might be in the absence of those sales or perceptions.

Lock-up Agreements

We, our executive officers and directors, and the holders of substantially all of our outstanding ordinary shares, have agreed not to offer, sell, agree to sell, directly or indirectly, or otherwise dispose of any ordinary shares or any securities convertible into or exchangeable for ordinary shares except for the ordinary shares offered in this offering without the prior written consent of Barclays Capital Inc. and Jefferies LLC for a period of 180 days after the date of this prospectus, subject to certain customary exceptions.

Eligibility of Restricted Shares for Sale in the Public Market

The _____ ordinary shares that are not being sold in this offering, but which will be outstanding at the time this offering is complete, will be eligible for sale into the public market, under the provisions of Rule 144 commencing after the expiration of the restrictions under the lock-up agreements, subject to volume restrictions discussed below under “—Rule 144.”

Rule 144

In general, under Rule 144 under the Securities Act, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

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A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our ordinary shares or the average weekly trading volume of our ordinary shares on the during the four calendar weeks preceding such sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Options

Following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register ordinary shares reserved for issuance under our equity incentive plans. The registration statement on Form S-8 will become effective automatically upon filing.

Ordinary shares issued upon exercise of a share option and registered under 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 after the 180-day lock-up agreements executed in connection with this offering expire.

Registration Rights

Following the completion of this offering, the holders of up to ordinary shares are entitled to request that we register their ordinary shares under the Securities Act, subject to cutback for marketing reasons and certain other conditions. These shareholders are also entitled to “piggyback” registration rights, which are also subject to cutback for marketing reasons and certain other conditions. Registration of such shares under the Securities Act would result in such shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates, immediately upon the effectiveness of such registration. See “Certain Relationships and Related Party Transactions—Amended and Restated Shareholders’ Rights Agreement.” Any sales of securities by these shareholders could have a material adverse effect on the trading price of our ordinary shares.

TAXATION AND ISRAELI GOVERNMENT PROGRAMS APPLICABLE TO OUR COMPANY

The following is a brief summary of the material Israeli tax laws applicable to us and certain Israeli Government programs that benefit us.

General Corporate Tax Structure in Israel

In August 2013, the Israeli Knesset approved an increase in the corporate tax rate for Israeli companies to 26.5% of taxable income for 2014 and thereafter. However, the effective tax rate payable by a company that derives income from a Beneficiary Enterprise or a Preferred Enterprise (as discussed below) may be considerably less. Capital gains derived by an Israeli company are subject to tax at the prevailing corporate tax rate.

Law for the Encouragement of Industry (Taxes), 5729-1969

The Law for the Encouragement of Industry (Taxes), 5729-1969, generally referred to as the Industry Encouragement Law, provides several tax benefits for “Industrial Companies.” We believe that we currently qualify as an Industrial Company within the meaning of the Industry Encouragement Law.

The Industry Encouragement Law defines an “Industrial Company” as a company resident in Israel, of which 90% or more of its income in any tax year, other than income from defense loans, is derived from an “Industrial Enterprise” owned by it. An “Industrial Enterprise” is defined as an enterprise whose principal activity in a given tax year is industrial production.

The following corporate tax benefits, among others, are available to Industrial Companies:

- amortization over an eight-year period of the cost of purchased know-how and patents and rights to use a patent and know-how which are used for the development or advancement of the Industrial Enterprise;
- under limited conditions, an election to file consolidated tax returns with related Israeli Industrial Companies; and
- expenses related to a public offering are deductible in equal amounts over three years.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon the approval of any governmental authority. The Israeli tax authorities may determine that we do not qualify as an Industrial Company, which could entail our loss of the benefits that relate to this status. There can be no assurance that we will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

Law for the Encouragement of Capital Investments, 5719-1959

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the Investment Law, provides certain incentives for capital investments in production facilities (or other eligible assets) by “Industrial Enterprises” (as defined under the Investment Law).

The Investment Law was significantly amended effective April 1, 2005, or the 2005 Amendment, and further amended as of January 1, 2011, or the 2011 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 2005 Amendment. 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.

Tax Benefits Subsequent to the 2005 Amendment

The 2005 Amendment applies to new investment programs commencing after 2004, but does not apply to investment programs approved prior to April 1, 2005. The 2005 Amendment provides that terms and benefits included in any certificate of approval that was granted before the 2005 Amendment became effective (April 1, 2005) will remain subject to the provisions of the Investment Law as in effect on the date of such approval. Pursuant to the 2005 Amendment, the Investment Center will continue to grant Approved Enterprise status to qualifying investments. The 2005 Amendment, however, limits the scope of enterprises that may be approved by the Investment Center by setting criteria for the approval of a facility as a Approved Enterprise, such as provisions generally requiring that at least 25% of the Beneficiary Approved income be derived from exports.

The 2005 Amendment provides that a certificate of approval from the Investment Center will only be necessary for receiving cash grants. As a result, it was no longer necessary for a company to obtain a Beneficiary Enterprise certificate of approval in order to receive the tax benefits previously available under the alternative benefits track. Rather, a company may claim the tax benefits offered by the Investment Law directly in its tax returns, provided that its facilities meet the criteria for tax benefits set forth in the amendment. In order to receive the tax benefits, the 2005 Amendment states that a company must make an investment which meets all of the conditions, including exceeding a minimum investment amount specified in the Investment Law. Such investment allows a company to receive "Beneficiary Enterprise" status, and may be made over a period of no more than three years from the end of the year in which the company chose to have the tax benefits apply to its Beneficiary Enterprise.

The extent of the tax benefits available under the 2005 Amendment to qualifying income of a Beneficiary Enterprise depends on, among other things, the geographic location in Israel of the Beneficiary Enterprise. The location will also determine the period for which tax benefits are available. Such tax benefits include an exemption from corporate tax on undistributed income generated by the Beneficiary Enterprise for a period of between two to ten years, depending on the geographic location of the Beneficiary Enterprise in Israel, and a reduced corporate tax rate of between 10% to 25% for the remainder of the benefits period, depending on the level of foreign investment in the company in each year. The benefits period is limited to 12 or 14 years from the year the company first chose to have the tax benefits apply, depending on the location of the company. A company qualifying for tax benefits under the 2005 Amendment which pays a dividend out of income derived by its Beneficiary Enterprise during the tax exemption period will be subject to corporate tax in respect of the amount of the dividend (grossed-up to reflect the pre-tax income that it would have had to earn in order to distribute the dividend) at the corporate tax rate which would have otherwise been applicable. Dividends paid out of income attributed to a Beneficiary Enterprise are generally subject to withholding tax at source at the rate of 15% or such lower rate as may be provided in an applicable tax treaty.

The benefits available to a Beneficiary Enterprise are subject to the fulfillment of conditions stipulated in the Investment Law and its regulations. If a company does not meet these conditions, it may be required to refund the amount of tax benefits, as adjusted by the Israeli consumer price index, and interest, or other monetary penalties.

Tax Benefits Under the 2011 Amendment

The 2011 Amendment canceled the availability of the benefits granted to companies under the Investment Law prior to 2011 and, instead, introduced new 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 wholly-owned by a governmental entity, and that has, among other things, Preferred Enterprise status and is controlled and managed from Israel. Pursuant to the 2011 Amendment, a Preferred Company is entitled to a reduced corporate tax rate of 15% with respect to its income derived by its Preferred Enterprise in 2011 and 2012, unless the Preferred Enterprise is located in a specified development zone, in which case the rate will be 10%. Under the 2011 Amendment, such corporate tax rate was reduced from 15% and 10%, respectively, to 12.5% and 7%, respectively, in 2013 and 2014 and to 12% and 6% in 2015 and thereafter, respectively. However, in August 2013, the Israeli Knesset

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approved an amendment to the Investment Law, pursuant to which such scheduled gradual reduction was repealed beginning in 2014 and the rates would revert to 16% and 9% (as applicable) in 2014 and thereafter. Our facilities are located in a specified development zone.

Dividends paid out of income attributed to a Preferred Enterprise are generally subject to withholding tax at source at the rate of 15% or such lower rate as may be provided in an applicable tax treaty. However, if such dividends are paid to an Israeli company, no tax is required to be withheld (although, if such dividends are subsequently distributed to individuals or a non-Israeli company, withholding tax at a rate of 15% or such lower rate as may be provided in an applicable tax treaty will apply). Under the recent amendment, announced in August 2013, beginning in 2014, dividends paid out of income attributed to a Preferred Enterprise will be subject to a withholding tax rate of 20% (instead of 15%).

The 2011 Amendment also provided transitional provisions to address companies already enjoying existing tax benefits under the Investment Law. These transitional provisions provide, among other things, that unless an irrevocable request is made to apply the provisions of the Investment Law as amended in 2011 with respect to income to be derived as of January 1, 2011: (i) the terms and benefits included in any certificate of approval that was granted to a Beneficiary Enterprise which chose to receive grants before the 2011 Amendment became effective will remain subject to the provisions of the Investment Law as in effect on the date of such approval, and subject to certain other conditions; (ii) terms and benefits included in any certificate of approval that was granted to a Beneficiary Enterprise which had participated in an alternative benefits track before the 2011 Amendment became effective will remain subject to the provisions of the Investment Law as in effect on the date of such approval, provided that certain conditions are met; and (iii) a Beneficiary Enterprise can elect to continue to benefit from the benefits provided to it before the 2011 Amendment came into effect, provided that certain conditions are met.

From time to time, the Israeli Government has discussed reducing the benefits available to companies under the Investment Law. The termination or substantial reduction of any of the benefits available under the Investment Law could materially increase our tax liabilities.

MATERIAL U.S. AND ISRAELI TAX CONSEQUENCES FOR OUR SHAREHOLDERS

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 of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

Material Israeli Tax Consequences

The following is a discussion of the material Israeli tax consequences concerning the ownership and disposition of our ordinary shares purchased by investors in this offering. 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 such investors include residents of Israel or traders in securities who are subject to special tax regimes not covered in this discussion. Because parts of this discussion are based on new tax legislation that has not yet been subject to judicial or administrative interpretation, we cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below.

Capital Gains Taxes Applicable to Non-Israeli Resident Shareholders

A non-Israeli resident who derives capital gains from the sale of shares in an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel will be exempt from Israeli tax so long as the shares were not held through a permanent establishment that the non-resident maintains in Israel. However, non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents: (i) have a controlling interest of more than 25% in such non-Israeli corporation or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. Such exemption is not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be a business income.

Additionally, a sale of securities by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty. For example, under the United States-Israel Tax Treaty, the disposition of shares by a shareholder who (i) is a U.S. resident (for purposes of the treaty), (ii) holds the shares as a capital asset, and (iii) is entitled to claim the benefits afforded to such person by the treaty, is generally exempt from Israeli capital gains tax. Such exemption will not apply if: (i) the capital gain arising from the disposition can be attributed to a permanent establishment in Israel; (ii) the shareholder holds, directly or indirectly, shares representing 10% or more of the voting capital during any part of the 12-month period preceding the disposition, subject to certain conditions; or (iii) such U.S. resident is an individual and was present in Israel for 183 days or more during the relevant taxable year. In such case, the sale, exchange or disposition of our ordinary shares should be subject to Israeli tax, to the extent applicable; however, under the United States-Israel Tax Treaty, the taxpayer would be permitted to claim a credit for such taxes against the U.S. federal income tax imposed with respect to such sale, exchange or disposition, subject to the limitations under U.S. law applicable to foreign tax credits. The United States-Israel Tax Treaty does not relate to U.S. state or local taxes.

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 the withholding of Israeli tax at source.

Taxation of Non-Israeli Shareholders on Receipt of Dividends

Non-Israeli residents are generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25%, unless relief is provided in a treaty between Israel and the shareholder's country of residence. With respect to a person who is a "substantial shareholder" at the time of receiving the dividend or on any time during the preceding twelve months, the applicable tax rate is 30%. A "substantial

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shareholder” is generally a person who alone or together with such person’s relative or another person who collaborates with such person on a permanent basis, holds, directly or indirectly, at least 10% of any of the “means of control” of the corporation. “Means of control” generally include the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Dividends paid on publicly traded shares, like our ordinary shares, to non-Israeli residents are generally subject to Israeli withholding tax at a rate of 25%, unless a different rate is provided under an applicable tax treaty, provided that a certificate from the Israeli Tax Authority allowing for a reduced withholding tax rate is obtained in advance. Under the United States-Israel Tax Treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our ordinary shares who is a U.S. resident (for purposes of the United States-Israel Tax Treaty) is 25%. The United States Israel Tax Treaty provides for reduced tax rates on dividends if (a) the shareholder is a U.S. corporation holding at least 10% of our issued voting power during the part of the tax year that precedes the date of payment of the dividend and held such minimal percentage during the whole of its prior tax year, and (b) not more than 25% of the Israeli company’s gross income consists of interest or dividends, other than dividends or interest received from subsidiary corporations or corporations 50% or more of the outstanding voting shares of which is owned by the Israeli company. The reduced treaty rate, if applicable, is 15% in the case of dividends paid from income derived from Beneficiary or Preferred Enterprise or 12.5% otherwise. We cannot assure you that in the event we declare a dividend we will designate the income out of which the dividend is paid in a manner that will reduce shareholders’ tax liability.

If the dividend is attributable partly to income derived from a Beneficiary Enterprise or Preferred Enterprise, and partly to other sources of income, the withholding rate will be a blended rate reflecting the relative portions of the two types of income. 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.

Material U.S. Federal Income Tax Consequences

The following is a description of the material U.S. federal income tax consequences relating to the acquisition, ownership and disposition of our ordinary shares by a U.S. Holder (as defined below). This description addresses only the U.S. federal income tax consequences to U.S. Holders that are initial purchasers of our ordinary shares pursuant to the offering and that will hold such ordinary shares as capital assets. This description does not address tax considerations applicable to U.S. Holders that may be subject to special tax rules, including, without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- brokers, dealers or traders in securities, commodities or currencies;
- tax-exempt entities or organizations, including an “individual retirement account” or “Roth IRA” as defined in Section 408 or 408A of the Code, respectively;
- certain former citizens or long-term residents of the United States;
- persons that received our shares as compensation for the performance of services;
- persons that will hold our shares as part of a “hedging,” “integrated” or “conversion” transaction or as a position in a “straddle” for U.S. federal income tax purposes;
- partnerships (including entities classified as partnerships for U.S. federal income tax purposes) or other pass-through entities, or holders that will hold our shares through such an entity;
- S corporations;
- holders that acquire ordinary shares as a result of holding or owning our preferred shares;

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- holders whose “functional currency” is not the U.S. Dollar; or
- holders that own directly, indirectly or through attribution 10.0% or more of the voting power or value of our shares.

Moreover, this description does not address the U.S. federal estate, gift or alternative minimum tax consequences, or any state, local or foreign tax consequences, of the acquisition, ownership and disposition of our ordinary shares.

This description is based on the U.S. Internal Revenue Code of 1968, as amended, or the Code, existing, proposed and temporary United States Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below. There can be no assurances that the U.S. Internal Revenue Service, or IRS, will not take a different position concerning the tax consequences of the acquisition, ownership and disposition of our ordinary shares or that such a position would not be sustained. Holders should consult their own tax advisors concerning the U.S. federal, state, local and foreign tax consequences of purchasing, owning and disposing of our ordinary shares in their particular circumstances.

For purposes of this description, a “U.S. Holder” is a beneficial owner of our ordinary shares that, for United States federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if such trust has validly elected to be treated as a United States person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons have the authority to control all of the substantial decisions of such trust.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds our ordinary shares, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of our ordinary shares in its particular circumstance.

You should consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning and disposing of our ordinary shares.

Distributions

Subject to the discussion below under “Passive Foreign Investment Company Considerations,” if you are a U.S. Holder, the gross amount of any distribution made to you with respect to our ordinary shares before reduction for any Israeli taxes withheld therefrom, other than certain distributions, if any, of our ordinary shares distributed pro rata to all our shareholders, generally will be includible in your income as dividend income to the extent such distribution is paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. We do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles. Therefore, if you are a U.S. Holder you should expect that the entire amount of any distribution generally will be reported as dividend income to you. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may qualify for the preferential rates of taxation with respect to dividends on ordinary shares if certain requirements, including stock holding period requirements, are satisfied by the recipient and the company is eligible for the benefits of the United States-Israel Tax Treaty. However,

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such dividends will not be eligible for the dividends received deduction generally allowed to corporate U.S. Holders. To the extent that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a return of your adjusted tax basis in our ordinary shares and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder has held our ordinary shares for more than one year as of the time such distribution is received.

Subject to certain conditions and limitations, Israeli tax withheld on dividends may be deducted from your taxable income or credited against your U.S. federal income tax liability. If you are a U.S. Holder, dividends paid to you with respect to our ordinary shares will generally be treated as foreign source income, which may be relevant in calculating your foreign tax credit limitation. However, for periods in which we are a “United States-owned foreign corporation,” a portion of dividends paid by us may be treated as U.S. source solely for purposes of the foreign tax credit. We would be treated as a United States-owned foreign corporation if 50% or more of the total value or total voting power of our stock is owned, directly, indirectly or by attribution, by United States persons. To the extent any portion of our dividends is treated as U.S. source income pursuant to this rule, the ability of a U.S. Holder to claim a foreign tax credit for any Israeli withholding taxes payable in respect of our dividends may be limited. A U.S. Holder entitled to benefits under the United States-Israel Tax Treaty may, however, elect to treat any dividends as foreign source income for foreign tax credit purposes if the dividend income is separated from other income items for purposes of calculating the U.S. Holder’s foreign tax credit. U.S. Holders should consult their own tax advisors about the impact of, and any exception available to, the special sourcing rule described in this paragraph, and the desirability of making, and the method of making, such an election.

The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends that we distribute generally should constitute “passive category income,” or, in the case of certain U.S. Holders, “general category income.” A foreign tax credit for foreign taxes imposed on distributions may be denied if you do not satisfy certain minimum holding period requirements. The rules relating to the determination of the foreign tax credit are complex, and you should consult your tax advisor to determine whether and to what extent you will be entitled to this credit.

Sale, Exchange or Other Taxable Disposition of Ordinary Shares

Subject to the discussion below under “Passive Foreign Investment Company Considerations,” if you are a U.S. Holder, you generally will recognize gain or loss on the sale, exchange or other taxable disposition of our ordinary shares equal to the difference between the amount realized on such sale, exchange or other taxable disposition and your adjusted tax basis in our ordinary shares, and such gain or loss will be capital gain or loss. The adjusted tax basis in an ordinary share generally will be equal to the cost of such ordinary share. Except as discussed below with respect to foreign currency gain or loss, if you are a non-corporate U.S. Holder, capital gain from the sale, exchange or other taxable disposition of ordinary shares is generally eligible for a preferential rate of taxation applicable to capital gains, if your holding period for such ordinary shares exceeds one year (i.e., such gain is long-term capital gain). The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations under the Code. Any gain or loss that a U.S. Holder recognizes generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

A U.S. Holder’s initial tax basis in the ordinary shares will generally be the U.S. dollar value of the purchase price of our ordinary shares on the date of purchase. If our ordinary shares are treated as traded on an “established securities market,” a cash basis U.S. Holder or, if it elects, an accrual basis U.S. Holder, will determine the U.S. dollar value of the cost of such ordinary shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. The amount realized generally will be the U.S. dollar value of the payment received determined on the date of disposition. If our ordinary shares are treated as traded on an established securities market, a cash basis taxpayer, or, if it elects, an accrual basis taxpayer, will determine the U.S. dollar value of the amount realized by translating the amount realized (as determined on the trade date) at the spot rate of exchange on the settlement date of the sale.

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On the settlement date, the U.S. Holder will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of ordinary shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognized at that time.

Passive Foreign Investment Company Considerations

If we were to be classified as a “passive foreign investment company,” or PFIC, in any taxable year, a U.S. Holder would be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation will be classified as a PFIC for federal income tax purposes in any taxable year in which, after applying certain look-through rules with respect to the income and assets of subsidiaries, either:

- at least 75% of its gross income is “passive income”; or
- at least 50% of the average quarterly value of its total gross assets (which, assuming we were a CFC for the year being tested may be measured by the adjusted tax basis of our assets or, if we were not a CFC, the total value of our assets may be measured in part by the market value of our ordinary shares, which is subject to change) is attributable to assets that produce “passive income” or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income, and includes amounts derived by reason of the temporary investment of funds raised in offerings of our ordinary shares. If a non-U.S. corporation owns directly or indirectly at least 25% by value of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation’s income. If we are classified as a PFIC in any year with respect to which a U.S. Holder owns our ordinary shares, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns our ordinary shares, regardless of whether we continue to meet the tests described above.

Based on the composition of our income and the composition and estimated fair market values of our assets, we do not believe that we were a PFIC for the taxable year ended December 31, 2013 and based on our future projections, we do not expect to be a PFIC for the taxable year ending December 31, 2014. There can be no assurance that we will not be considered a PFIC for any taxable year. PFIC status is determined as of the end of the taxable year and depends on a number of factors, including the value of a corporation’s assets and the amount and type of its gross income. Furthermore, because the value of our gross assets is likely to be determined in large part by reference to our market capitalization, a decline in the value of our ordinary shares may result in our becoming a PFIC. Even though we have determined that we were not a PFIC for the year ended December 31, 2013, there can be no assurance that the IRS will agree with our conclusion.

Under certain attribution rules, if we are a PFIC, U.S. Holders will be deemed to own their proportionate share of our PFIC subsidiaries, such subsidiaries referred to as “lower-tier PFICs,” and will be subject to U.S. federal income tax in the manner discussed below on (1) a distribution to us on the shares of a “lower-tier PFIC” and (2) a disposition by us of shares of a “lower-tier PFIC,” both as if the holder directly held the shares of such “lower-tier PFIC.”

If an entity is treated as a PFIC for any taxable year during which a U.S. Holder holds (or, as discussed in the previous paragraph, is deemed to hold) its ordinary shares, such holder will be subject to adverse U.S. federal income tax rules. In general, if a U.S. Holder disposes of shares of a PFIC (including an indirect disposition or a constructive disposition of shares of a “lower-tier PFIC”), gain recognized or deemed recognized by such holder

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would be allocated ratably over such holder's holding period for the shares. The amounts allocated to the taxable year of disposition and to years before the entity became a PFIC, if any, would be treated as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for such taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to such allocated amounts. Further, any distribution in respect of shares of a PFIC (or a distribution by a lower-tier PFIC to its shareholders that is deemed to be received by a U.S. Holder) in excess of 125% of the average of the annual distributions on such shares received or deemed to be received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, would be subject to taxation in the manner described above. In addition, dividend distributions made to you will not qualify for the preferential rates of taxation applicable to long-term capital gains discussed above under "Distributions."

Where a company that is a PFIC meets certain reporting requirements, a U.S. Holder can avoid certain adverse PFIC consequences described above by making a "qualified electing fund", or QEF, election to be taxed currently on its proportionate share of the PFIC's ordinary income and net capital gains. However, we do not intend to comply with the necessary accounting and record keeping requirements that would allow a U.S. Holder to make a QEF election with respect to us.

If we are a PFIC and our ordinary shares are "regularly traded" on a "qualified exchange," a U.S. Holder may make a mark-to-market election with respect to our ordinary shares (but not the shares of any lower-tier PFICs), which may help to mitigate the adverse tax consequences resulting from our PFIC status (but not that of any lower-tier PFICs). Our ordinary shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of the ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter (subject to the rule that trades that have as one of their principal purposes the meeting of the trading requirement are disregarded). The Nasdaq Global Market is a qualified exchange for this purpose and, consequently, if the ordinary shares are regularly traded, the mark-to-market election will be available to a U.S. Holder; however, there can be no assurance that trading volumes will be sufficient to permit a mark-to-market election. In addition, because a mark-to-market election with respect to us does not apply to any equity interests in "lower-tier PFICs" that we own, a U.S. Holder generally will continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as equity interests in a PFIC for U.S. federal income tax purposes.

If a U.S. Holder makes the mark-to-market election, for each year in which we are a PFIC, the holder will generally include as ordinary income the excess, if any, of the fair market value of ordinary shares at the end of the taxable year over their adjusted tax basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted tax basis of our ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). If a U.S. Holder makes the election, the holder's tax basis in our ordinary shares will be adjusted to reflect any such income or loss amounts. Any gain recognized on a sale or other disposition of our ordinary shares will be treated as ordinary income. Any losses recognized on a sale or other disposition of our ordinary shares will be treated as ordinary loss to the extent of any net mark-to-market gains for prior years. U.S. Holders should consult their own tax advisors regarding the availability and consequences of making a mark-to-market election in their particular circumstances. In particular, U.S. Holders should consider carefully the impact of a mark-to-market election with respect to our ordinary shares if we have "lower-tier PFICs" for which such election is not available. Once made, the mark-to-market election cannot be revoked without the consent of the IRS unless our ordinary shares cease to be "regularly traded."

If a U.S. Holder owns ordinary shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to the company, generally with the U.S. Holder's federal income tax return for that year. If our company were a PFIC for a given taxable year, then you should consult your tax advisor concerning your annual filing requirements.

U.S. Holders should consult their tax advisors regarding whether we are a PFIC and the potential application of the PFIC rules.

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Medicare Tax

Certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their “net investment income,” which may include all or a portion of their dividend income and net gains from the disposition of ordinary shares. Each U.S. Holder that is an individual, estate or trust is urged to consult its tax advisors regarding the applicability of the Medicare tax to its income and gains in respect of its investment in our ordinary shares.

Backup Withholding Tax and Information Reporting Requirements

United States backup withholding tax and information reporting requirements may apply to certain payments to certain holders of stock. Information reporting generally will apply to payments of dividends on, and to proceeds from the sale or redemption of, our ordinary shares made within the United States, or by a United States payor or United States middleman, to a holder of our ordinary shares, other than an exempt recipient (including a payee that is not a United States person that provides an appropriate certification and certain other persons). A payor will be required to withhold backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ordinary shares within the United States, or by a United States payor or United States middleman, to a holder, other than an exempt recipient, if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. Any amounts withheld under the backup withholding rules will be allowed as a credit against the beneficial owner’s U.S. federal income tax liability, if any, and any excess amounts withheld under the backup withholding rules may be refunded, provided that the required information is timely furnished to the IRS.

Foreign Asset Reporting

Certain U.S. Holders who are individuals are required to report information relating to an interest in our ordinary shares, subject to certain exceptions (including an exception for shares held in accounts maintained by U.S. financial institutions) by filing IRS Form 8938 (Statement of Specified Foreign Financial Assets) with their federal income tax return. U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of our ordinary shares.

The above description is not intended to constitute a complete analysis of all tax consequences relating to acquisition, ownership and disposition of our ordinary shares. You should consult your tax advisor concerning the tax consequences of your particular situation.

UNDERWRITING

Barclays Capital Inc. and Jefferies LLC are acting as the representatives of the underwriters and the joint book-running managers of this offering. Under the terms of an underwriting agreement, which will be filed as an exhibit to the registration statement, each of the underwriters named below has severally agreed to purchase from us the respective number of ordinary shares shown opposite its name below:

Underwriters	Number of Shares
Barclays Capital Inc.	
Jefferies LLC	
Canaccord Genuity Inc.	
Total	

The underwriting agreement provides that the underwriters obligation to purchase ordinary shares depends on the satisfaction of the conditions contained in the underwriting agreement including:

- the obligation to purchase all of the ordinary shares offered hereby (other than those ordinary shares covered by their option to purchase additional shares as described below), if any of the shares are purchased;
- the representations and warranties made by us to the underwriters are true;
- there is no material change in our business or the financial markets; and
- we deliver customary closing documents to the underwriters.

The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions we will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares. The underwriting fee is the difference between the initial price to the public and the amount the underwriters pay to us for the shares.

	<u>No Exercise</u>	<u>Full Exercise</u>
Per share	\$	\$
Total	\$	\$

The representatives have advised us that the underwriters propose to offer the ordinary shares directly to the public at the public offering price on the cover of this prospectus and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of \$ per share. After the offering, the representatives may change the offering price and other selling terms.

The expenses of the offering that are payable by us are estimated to be \$ (excluding underwriting discounts and commissions). We have also agreed to reimburse the underwriters for certain of their expenses, in an amount of up to \$, incurred in connection with review by FINRA of the terms of this offering, as set forth in the underwriting agreement.

Option to Purchase Additional Shares

We have granted the underwriters an option exercisable for 30 days after the date of this prospectus to purchase, from time to time, in whole or in part, up to an aggregate of shares at the public offering price less underwriting discounts and commissions. This option may be exercised to the extent the underwriters

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sell more than _____ shares in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional shares based on the underwriter's percentage underwriting commitment in the offering as indicated in the table at the beginning of this Underwriting Section.

Lock-Up Agreements

We, all of our directors and executive officers and holders of substantially all of our outstanding shares and options to purchase ordinary shares have agreed that, for a period of 180 days after the date of this prospectus, we and they will not directly or indirectly, without the prior written consent of each of Barclays Capital Inc. and Jefferies LLC, (1) offer for sale, sell, pledge, or otherwise dispose (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) of any ordinary shares (including, without limitation, ordinary shares that may be deemed to be beneficially owned by the us or them in accordance with the rules and regulations of the SEC and ordinary shares that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for ordinary shares (other than the ordinary shares being sold in this offering and shares issued pursuant to employee benefit plans, qualified share option plans, or other employee compensation plans existing on the date of this prospectus), or sell or grant options, rights or warrants with respect to any ordinary shares or securities convertible into or exchangeable for ordinary shares, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of ordinary shares, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of ordinary shares or other securities, in cash or otherwise, (3) make any demand for or exercise any right or file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any ordinary shares or securities convertible, exercisable or exchangeable into ordinary shares or any of our other securities, or (4) publicly disclose the intention to do any of the foregoing.

Barclays Capital Inc. and Jefferies LLC, in their sole discretion, may release the ordinary shares and other securities subject to the lock-up agreements described above in whole or in part at any time. When determining whether or not to release ordinary shares and other securities from lock-up agreements, Barclays Capital Inc. and Jefferies LLC will consider, among other factors, the holder's reasons for requesting the release, the number of ordinary shares and other securities for which the release is being requested and market conditions at the time. At least three business days before the effectiveness of any release or waiver of any of the restrictions described above with respect to an officer or director of the Company, Barclays Capital Inc. and Jefferies LLC will notify us of the impending release or waiver and we have agreed to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver, except where the release or waiver is effected solely to permit a transfer of ordinary shares that is not for consideration and where the transferee has agreed in writing to be bound by the same terms as the lock-up agreements described above to the extent and for the duration that such terms remain in effect at the time of transfer.

Offering Price Determination

Prior to this offering, there has been no public market for our ordinary shares. The initial public offering price will be negotiated between the representatives and us. In determining the initial public offering price of our ordinary shares, the representatives will consider:

- the history and prospects for the industry in which we compete;
- our financial information;
- the ability of our management and our business potential and earning prospects;
- the prevailing securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded shares of generally comparable companies.

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Indemnification

We have agreed to indemnify the 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.

Stabilization, Short Positions and Penalty Bids

The underwriters may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the ordinary shares, in accordance with Regulation M under the Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- A short position involves a sale by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase in the offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriters in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their option to purchase additional shares. The underwriters may close out any short position by either exercising their option to purchase additional shares, purchasing shares in the open market, or both. In determining the source of shares to close out the 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 shares through their option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Syndicate covering transactions involve purchases of the ordinary shares in the open market after the distribution has been completed in order to cover syndicate short positions.
- Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the ordinary shares originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our ordinary shares or preventing or retarding a decline in the market price of the ordinary shares. As a result, the price of the ordinary shares may be higher than the price that might otherwise exist in the open market. These transactions may be effected on The Nasdaq Global Market or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the ordinary shares. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on Internet sites or through other online services maintained by one or more of the underwriters or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

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Other than the prospectus in electronic format, the information on any underwriter's or selling group member's web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

Listing on the Nasdaq Global Market

We have applied to have our ordinary shares listed on the Nasdaq Global Market under the symbol "RWLK."

Stamp Taxes

If you purchase ordinary shares offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

Other Relationships

The underwriters and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and certain of their affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for the issuer and its affiliates, for which they received or may in the future receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their affiliates may make or hold a broad array of investments and actively trade debt, equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities or instruments of the issuer or its affiliates. The underwriters and certain of their affiliates may also communicate independent investment recommendations, market color or trading ideas or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Selling Restrictions

This prospectus does not constitute an offer to sell to, or a solicitation of an offer to buy from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorized, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of the shares of ordinary shares or possession or distribution of this prospectus or any other offering or publicity material relating to the ordinary shares in any country or jurisdiction (other than the U.S.) where any such action for that purpose is required. Accordingly, each underwriter has undertaken that it will not, directly or indirectly, offer or sell any ordinary shares or have in its possession, distribute or publish any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of ordinary shares by it will be made on the same terms.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any ordinary shares which are the subject of the offering contemplated herein may not be made in that Relevant Member State, except that an offer to the

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public in that Relevant Member State of any ordinary shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined under the Prospectus Directive;
- by the underwriters to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the underwriters for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ordinary shares result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any ordinary shares under, the offers contemplated here in this prospectus will be deemed to have represented, warranted and agreed to and with each underwriter and us that:

- it is a qualified investor as defined under the Prospectus Directive; and
- in the case of any ordinary shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the ordinary shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in the circumstances in which the prior consent of the representatives of the underwriters has been given to the offer or resale or (ii) where ordinary shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of such ordinary shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this representation and the provision above, the expression an “offer of ordinary shares to the public” in relation to any ordinary shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any ordinary shares to be offered so as to enable an investor to decide to purchase or subscribe for the ordinary shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

This prospectus has only been communicated or caused to have been communicated and will only be communicated or caused to be communicated as an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act of 2000, or the FSMA, as received in connection with the issue or sale of the ordinary shares in circumstances in which Section 21(1) of the FSMA does not apply to us. All applicable provisions of the FSMA will be complied with in respect to anything done in relation to the ordinary shares in, from or otherwise involving the United Kingdom.

Notice to Residents of Canada

The ordinary shares may be sold only to purchasers purchasing as principal that are both “accredited investors” as defined in National Instrument 45-106 Prospectus and Registration Exemptions and “permitted clients” as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ordinary shares must be made in accordance with an exemption from the prospectus requirements and in compliance with the registration requirements of applicable securities laws.

Switzerland

This document, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This document, as well as any other material relating to the shares, is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Hong Kong

The shares may not be offered or sold 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 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.

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, of the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A) of the SFA, 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.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (i) a corporation (which is not an accredited investor) 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 (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

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Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and any offer of the ordinary shares is directed only at 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, 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 are required to submit written confirmation that they fall within the scope of the Addendum.

EXPENSES RELATED TO THE OFFERING

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the offer and sale of ordinary shares in this offering. All amounts listed below are estimates except the SEC registration fee, Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq Global Market listing fee.

<u>Itemized expense</u>	<u>Amount</u>
SEC registration fee	\$
FINRA filing fee	
Nasdaq Global Market listing fee	
Printing and engraving expenses	
Legal fees and expenses	
Accounting fees and expenses	
Transfer agent and registrar fees	
Miscellaneous	
Total	\$

LEGAL MATTERS

The validity of the ordinary shares being offered by this prospectus and other legal matters concerning this offering relating to Israeli law will be passed upon for us by Goldfarb Seligman & Co., Tel Aviv, Israel. Certain legal matters in connection with this offering relating to U.S. federal and New York State law will be passed upon for us by White & Case LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Meitar Liguornik Geva Leshem Tal, Ramat Gan, Israel with respect to Israeli law, and by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York with respect to U.S. law.

EXPERTS

The consolidated financial statements as of December 31, 2012 and 2013 and for each of the two years in the period ended December 31, 2013 included in this Prospectus and Registration Statement have been audited by Kost, Forer, Gabbay and Kasierer, a member of Ernst & Young Global Limited, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in auditing and accounting. The report contains an explanatory paragraph describing conditions that raise substantial doubt about the Company's ability to continue as a going concern as described in Note 1(e) to the financial statements. The offices of Kost, Forer, Gabbay and Kasierer are located at 3 Aminadav St., Tel Aviv, 6706703 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 any Israeli experts named in this registration statement, most of whom reside outside of the United States, may be difficult to obtain within the United States. Furthermore, because a majority of our assets and most of our directors and officers are located outside of the United States, any judgment obtained in the United States against us or certain of our directors and officers may be difficult to collect within the United States.

We have been informed by our legal counsel in Israel, Goldfarb Seligman & Co., Tel Aviv, that it may be difficult to assert U.S. securities laws claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws because Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that

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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 proven as a fact which can be a time-consuming and costly process. Matters of procedure will also be governed by Israeli law.

We have irrevocably appointed our subsidiary, ReWalk Robotics, Inc., as our agent to receive service of process in any action against us in any United States federal or state court arising out of this offering or any purchase or sale of securities in connection with this offering. Subject to specified time limitations and legal procedures, Israeli courts may enforce a non-appealable foreign judgment in a civil matter, provided that, among other things:

- the judgment is obtained after due process before a court of competent jurisdiction, according to the laws of the foreign state in which the judgment is given and the rules of private international law currently prevailing in Israel;
- the prevailing law of the foreign state in which the judgment is rendered allows for the enforcement of judgments of Israeli courts;
- adequate service of process has been effected and the defendant has had a reasonable opportunity to be heard and to present his or her evidence;
- the judgment is not contrary to the public policy of Israel, and the enforcement of the civil liabilities set forth in the judgment is not likely to impair the security or sovereignty of Israel;
- the judgment was not obtained by fraud and does not conflict with any other valid judgment in the same matter between the same parties;
- an action between the same parties in the same matter was not pending in any Israeli court at the time the lawsuit was instituted in the foreign court; and
- the judgment is enforceable according to the laws of Israel and according to the law of the foreign state in which the relief was granted.

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. Traditionally, in an action before an Israeli court to recover an amount in a non-Israeli currency, the Israeli court issues 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 a per annum statutory rate of interest set on a quarterly basis by Israeli regulations. Judgment creditors must bear the risk of unfavorable exchange rates. The trend in recent years has increasingly been for Israeli courts to enforce a foreign judgment in the foreign currency specified in the judgment, in which case there are also applicable rules regarding the payment of interest.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission 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 Securities and Exchange Commission 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 aspects of 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 Securities and Exchange Commission without charge at the Commission'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 Securities and Exchange Commission at 100 F Street, N.E., Room 1580, Washington, DC 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference room. The Securities and Exchange Commission also maintains an Internet website that contains reports and other information regarding issuers that file electronically with the Commission. Our filings with the Securities and Exchange Commission are also available to the public through the Commission's website at <http://www.sec.gov>.

We are not currently subject to the informational requirements of the Exchange Act. 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 Securities and Exchange Commission. Those 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 provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file annual, quarterly and current reports and financial statements with the Securities and Exchange Commission as frequently or as promptly as United States companies whose securities are registered under the Exchange Act. However, we will file with the Securities and Exchange Commission, within four months after the end of each fiscal year, or such applicable time as required by the Commission, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm, and will submit to the Commission, on Form 6-K, unaudited quarterly financial information for the first three quarters of each fiscal year within 60 days after the end of each such quarter, or such applicable time as required by the Commission.

REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2013

U.S. DOLLARS IN THOUSANDS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of

REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)

We have audited the accompanying consolidated balance sheets of ReWalk Robotics Ltd. (formerly Argo Medical Technologies Ltd.) (the “Company”) and its subsidiaries as of December 31, 2013, and the related consolidated statements of operations, changes in shareholders’ equity (deficiency) and cash flows for the years then ended, and the related notes to the consolidated financial statement. These financial statements are the responsibility of Company’s board of directors and management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company’s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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 such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2012 and 2013, and the related consolidated results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 1e, the Company has incurred losses in the amount of \$ 12,177,000 during the year ended December 31, 2013, and has an accumulated deficit of \$ 26,906,000 as of December 31, 2013. Its ability to continue to operate is dependent upon obtaining additional financial support. These conditions, among other matters described in Note 1e, raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Tel-Aviv, Israel
May 16 , 2014
Except for Note 14 to which
the date is July 16, 2014

/s/ KOST FORER GABBAY & KASIERER
KOST FORER GABBAY & KASIERER
A member of Ernst & Young Global

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands

	<u>December 31,</u>		<u>March 31,</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>
			Unaudited
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 769	\$ 8,860	\$ 5,158
Marketable securities	—	—	143
Trade receivable	234	304	131
Prepaid expenses and other current assets	180	469	1,124
Inventories	560	973	1,228
Total current assets	<u>1,743</u>	<u>10,606</u>	<u>7,784</u>
LONG-TERM ASSETS			
Lease deposits	61	54	62
Property and equipment, net	261	356	382
Severance pay fund	29	43	43
Total long-term assets	<u>351</u>	<u>453</u>	<u>487</u>
Total assets	<u>\$2,094</u>	<u>\$11,059</u>	<u>\$ 8,271</u>

The accompanying notes are an integral part of the consolidated financial statements.

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands (except share and per share data)

	December 31		March 31, 2014	Pro Forma liabilities and shareholders equity at March 31, 2014
	2012	2013		
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
CURRENT LIABILITIES:				
Convertible loans	\$ 682	\$ —	\$ —	\$ —
Trade payables	935	945	988	
Employees and payroll accruals	295	564	633	
Deferred revenues and customers advances	—	198	197	
Other liabilities	194	196	204	
Total current liabilities	2,106	1,903	2,022	
LONG-TERM LIABILITIES				
Warrants to purchase convertible preferred shares	2,168	3,341	5,333	—
Deferred revenues	49	123	122	
Accrued severance pay	35	61	60	
Total long-term liabilities	2,252	3,525	5,515	182
Total liabilities	4,358	5,428	7,537	2,204
COMMITMENTS AND CONTINGENT LIABILITIES				
Shareholders' equity (deficiency):				
Convertible preferred share				
Preferred A, B, C and D share of NIS 0.01 par value—Authorized: 351,000, 532,677 and 532,677 shares at December 31, 2012, 2013 and March 31, 2014 (unaudited), respectively; Issued and outstanding: 161,718, 327,403 and 327,403 shares at December 31, 2012, 2013 and March 31, 2014 (unaudited), respectively; Aggregate liquidation preference of \$16,050, \$35,852 and \$36,539 at December 31, 2012, 2013 and March 31, 2014 (unaudited), respectively; pro forma (unaudited): no shares, issued and outstanding				
	*)	*)	*)	*)
Share capital				
Ordinary share of NIS 0.01 par value—Authorized: 9,649,000 , 9,467,392 and 9,467,392 shares at December 31, 2012, 2013 and March 31, 2014 (unaudited), respectively; Issued and outstanding: 10,316, 10,316 and 10,432 shares at December 31, 2012, 2013 and March 31, 2014 (unaudited); pro forma (unaudited): 363,403 shares issued and outstanding				
	*)	*)	*)	*)
Additional paid-in capital	12,465	32,537	32,691	40,739
Accumulated deficit	(14,729)	(26,906)	(31,957)	(31,957)
Total shareholders' equity (deficiency)	(2,264)	5,631	734	8,782
Total liabilities and shareholders' equity (deficiency)	\$ 2,094	\$ 11,059	\$ 8,271	\$ 10,986

*) Represents an amount lower than \$1

The accompanying notes are an integral part of the consolidated financial statements.

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. dollars in thousands (except share and per share data)

	Year ended December 31		Three months ended March 31,	
	2012	2013	2013	2014
			Unaudited	
Revenues	\$ 972	\$ 1,588	\$ 550	\$ 445
Cost of revenues	983	2,017	587	643
Gross loss	(11)	(429)	(37)	(198)
Operating expenses:				
Research and development	1,757	2,463	396	1,082
Sales and marketing, net	2,334	4,091	898	1,215
General and administrative	1,657	1,762	407	540
Total operating expenses	5,748	8,316	1,701	2,837
Operating loss	5,759	8,745	1,738	3,035
Financial expenses, net	878	3,410	547	2,005
Loss before income taxes	6,637	12,155	2,285	5,040
Income taxes	21	22	8	11
Net loss	\$ 6,658	\$ 12,177	\$ 2,293	\$ 5,051
Net loss per share of ordinary share, basic and diluted	\$ (742.75)	\$ (1,341.58)	\$ (252.08)	\$ (552.34)
Weighted average number of shares used in computing net loss per share of ordinary share, basic and diluted	10,316	10,316	10,316	10,388
Pro forma net loss per share of ordinary share, basic and diluted (unaudited)				\$ (8.42)
Pro forma weighted average number of shares used in computing net loss per share of ordinary share, basic and diluted (unaudited)				363,359

The accompanying notes are an integral part of the consolidated financial statements.

REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.) AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

U.S. dollars in thousands (except share data)

	<u>Convertible Preferred Shares</u>		<u>Ordinary Share</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total shareholders' equity (deficiency)</u>
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>			
Balance as of January 1, 2012	103,872	\$ *)	10,316	\$ *)	\$ 7,242	\$ (8,071)	\$ (829)
Conversion of convertible loans into Series C convertible preferred share	9,612	*)	—	—	1,017	—	1,017
Issuance of Series C convertible preferred share, net of issuance expense in an amount of \$3	48,234	*)	—	—	4,093	—	4,093
Share-based compensation to employees and non employees	—	—	—	—	113	—	113
Net loss	—	—	—	—	—	(6,658)	(6,658)
Balance as of December 31, 2012	161,718	*)	10,316	*)	12,465	(14,729)	(2,264)
Conversion of convertible loans into Series D convertible preferred share	81,677	*)	—	—	9,896	—	9,896
Issuance of Series D convertible preferred share, net of issuance expense in an amount of \$204	84,008	*)	—	—	9,961	—	9,961
Share-based compensation to employees and non employees	—	—	—	—	215	—	215
Net loss	—	—	—	—	—	(12,177)	(12,177)
Balance as of December 31, 2013	327,403	*)	10,316	*)	32,537	(26,906)	5,631
Share-based compensation to employees and non employees	—	—	—	—	152	—	152
Issuance of ordinary share upon exercise of stock options by employees	—	—	116	*)	2	—	2
Net loss	—	—	—	—	—	(5,051)	(5,051)
Balance as of March 31, 2014 (unaudited)	327,403	*)	10,432	*)	32,691	(31,957)	734

*) Represents an amount lower than \$1.

The accompanying notes are an integral part of the consolidated financial statements.

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands

	Year ended December 31		Three months ended March 31,	
	2012	2013	2013	2014
	Unaudited			
Cash flows from operating activities:				
Net loss	\$(6,658)	\$(12,177)	\$(2,293)	\$(5,051)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation	61	92	18	24
Share-based compensation	113	215	48	152
Deferred taxes	(42)	16	3	8
Financial expenses related to convertible loans	6	2,166	281	—
Revaluation of fair value of warrants to purchase convertible preferred share	832	1,111	198	1,992
Changes in assets and liabilities:				
Trade receivables	(234)	(70)	57	173
Prepaid expenses and other current assets	62	(305)	(119)	(663)
Inventories	(265)	(413)	(47)	(255)
Trade payables	440	10	527	43
Employees and payroll accruals	138	269	(76)	69
Deferred revenues and advances from customers	(21)	272	102	(2)
Other liabilities	181	2	(130)	8
Severance pay, net	—	12	—	(1)
Net cash used in operating activities	<u>(5,387)</u>	<u>(8,800)</u>	<u>(1,431)</u>	<u>(3,503)</u>
Cash flows from investing activities:				
Change in long-term deposits	(38)	7	18	(8)
Purchase of marketable securities	—	—	—	(143)
Purchase of property and equipment	(148)	(187)	(33)	(50)
Net cash used in investing activities	<u>(186)</u>	<u>(180)</u>	<u>(15)</u>	<u>(201)</u>
Cash flows from financing activities:				
Issuance of convertible loans	682	7,048	818	—
Issuance of Series C convertible preferred share, including warrants, net	5,101	—	—	—
Issuance of ordinary share upon exercise of stock options by employees	—	—	—	2
Issuance of Series D convertible preferred share, net	—	10,023	—	—
Net cash provided by financing activities	<u>5,783</u>	<u>17,071</u>	<u>818</u>	<u>2</u>
Increase (decrease) in cash and cash equivalents	210	8,091	(628)	(3,702)
Cash and cash equivalents at beginning of period	559	769	769	8,860
Cash and cash equivalents at end of period	<u>\$ 769</u>	<u>\$ 8,860</u>	<u>\$ 141</u>	<u>\$ 5,158</u>
Supplemental disclosures of non-cash flow information				
Conversion of convertible loan into Series C convertible preferred share	<u>\$ 1,017</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Conversion of convertible loan into Series D convertible preferred share	<u>\$ —</u>	<u>\$ 9,896</u>	<u>\$ —</u>	<u>\$ —</u>
Warrants to purchase Series D convertible preferred share	<u>\$ —</u>	<u>\$ 62</u>	<u>\$ —</u>	<u>\$ —</u>
Supplemental disclosures of cash flow information:				
Cash paid for income taxes	<u>\$ —</u>	<u>\$ 123</u>	<u>\$ —</u>	<u>\$ —</u>

The accompanying notes are an integral part of the consolidated financial statements.

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)**

NOTE 1:- GENERAL

a. ReWalk Robotics Ltd. (“RRL” and together with its subsidiaries, collectively, the “Company”) was incorporated under the laws of the State of Israel on June 20, 2001 and commenced operations on the same date.

b. RRL has two wholly-owned subsidiaries: (i) ReWalk Robotics, Inc. (“RRI”) incorporated under the laws of U.S. on February 15, 2012 and (ii) Argo Medical Technologies GmbH (“AMG”) incorporated under the laws of Germany on January 14, 2013.

c. The Company has developed and commercializes the ReWalk system, an innovative exoskeleton that enables wheelchair-bound persons to walk once again. The ReWalk system consists of a light wearable brace support suit which integrates motors at the joints, rechargeable batteries, an array of sensors and a computer-based control system that fits over the clothes of the users. There are currently two products: ReWalk Personal and ReWalk Rehabilitation. ReWalk Personal is designed for everyday use by individuals at home and in their communities, and is custom-fit for each user. ReWalk Rehabilitation is designed for the clinical rehabilitation environment and provides a valuable means of exercise and therapy for individuals with lower limb disabilities. It also enables individuals to evaluate their capacity for using a ReWalk Personal system for home use in the future.

d. The Company markets and sells its products directly to institutions and individuals and through third-party distributors. The Company sells its products directly primarily in Germany and the United States and primarily through distributors in other markets. In direct markets, the Company has established relationships with rehabilitation centers and the spinal cord injury community, and in its indirect markets, the Company’s distributors maintain these relationships. Sales of ReWalk Personal are generated primarily from the patient base at the Company’s rehabilitation centers, referrals through the spinal cord injury community and direct inquiries from potential users. RRI markets and sells products mainly in the United States and Canada. AMG sell the Company’s products mainly in Germany and Europe, respectively.

e. The Company has incurred losses in the amount of \$12,177 during the year ended December 31, 2013. The Company has an accumulated deficit in the total amount of \$26,906 as of December 31, 2013 and as of that date the accumulated negative cash flow from operating activity is in the amount of \$8,800. These conditions raise substantial doubts about the Company’s ability to continue as a going concern. The Company’s ability to continue to operate is dependent upon raising additional funds to finance its activities. According to the management’s estimates, based on the Company’s budget, if the Company is not successful in obtaining additional capital resources to maintain its operational activities, there is substantial doubt that the Company will be able to continue its activity after September 30, 2014. The Company is in a process of raising funds in coming months, prior to the initial public offering (“IPO”). The Company plans to have its securities listed on the NASDAQ Global Market in the third quarter of 2014, for the purpose of raising capital to finance its operations. There can be no assurances, however, that the Company will be successful in obtaining an adequate level of financing needed for the long-term development and commercialization of its products. The financial statements do not include any adjustments with respect to the carrying amounts of assets and liabilities and their classification that might be necessary should the Company be unable to continue as a going concern.

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)**

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared according to United States generally accepted accounting principles (“U.S. GAAP”), applied on a consistent basis, as follows:

a. Use of Estimates:

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates, judgments and assumptions. The Company’s management believes that the estimates, judgments and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, the Company’s management evaluates estimates, including those related to inventories, fair values of preferred share warrants, fair values of share-based awards and contingent liabilities. Such estimates are based on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

b. Financial Statements in U.S. Dollars:

Most of the revenues and costs of the Company are denominated in United States dollars (“dollars”). Some of the Company’s and its subsidiaries’ revenues and costs are incurred in Euros and New Israeli Shekels (“NIS”); however, the selling prices are linked to the Company’s price list which is determined in dollars, the budget is managed in dollars and the Company’s management believes that the dollar is the primary currency of the economic environment in which the Company and each of its subsidiaries operate. Thus, the dollar is the Company’s and its subsidiaries’ functional and reporting currency.

Accordingly, transactions denominated in currencies other than the functional currency are re-measured to the functional currency in accordance with Accounting Standards Codification (“ASC”) No. 830, “Foreign Currency Matters” at the exchange rate at the date of the transaction or the average exchange rate in the quarter. At the end of each reporting period, financial assets and liabilities are re-measured to the functional currency using exchange rates in effect at the balance sheet date. Non-financial assets and liabilities are re-measured at historical exchange rates. Gains and losses related to re-measurement are recorded as financial income (expense) in the consolidated statements of operations as appropriate.

c. Principles of Consolidation:

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, RRI and AMG. All intercompany transactions and balances have been eliminated upon consolidation.

d. Pro Forma Consolidated Balance Sheet (unaudited)

Immediately prior to the closing of a qualified initial public offering, all of the outstanding convertible preferred shares will automatically convert into ordinary shares. The March 31, 2014 pro forma consolidated balance sheet has been prepared assuming the automatic conversion of all outstanding convertible preferred shares into 327,403 ordinary shares and the exercise of all warrants, which are exercisable through the initial public offering, for 25,568 ordinary shares (see Note 10).

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e. Pro Forma Net Loss Per Share of Ordinary Share (unaudited)

The unaudited pro forma basic net loss per share and diluted net loss per share for the three month period ended March 31, 2014, assumes the conversion of the outstanding convertible preferred shares into ordinary shares and the exercise of outstanding warrants for ordinary shares (see Note 10) as of the latest of the beginning of the period or the issuance date. The net loss of \$(5,051) was adjusted to \$(3,059) in order to eliminate the revaluation of the warrants liability.

f. Cash Equivalents:

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less, at the date acquired.

g. Inventories:

Inventories are stated at the lower of cost or market value. Inventory reserves are provided to cover risks arising from slow-moving items or technological obsolescence. The Company and its subsidiaries periodically evaluate the quantities on hand relative to historical, current and projected sales volume. Based on this evaluation, an impairment charge is recorded when required to write-down inventory to its market value.

Cost is determined as follows:

Raw materials, auxiliary materials and spare parts- on the basis of raw materials cost on “first in, first out” basis.

Finished products- on the basis of raw materials and manufacturing costs on an average basis.

The Company regularly evaluates the ability to realize the value of inventory based on a combination of factors, including the following: historical usage rates and forecasted sales according to outstanding backlogs. Purchasing requirements and alternative usage are explored within these processes to mitigate inventory exposure. When recorded, the reserves are intended to reduce the carrying value of inventory to its net realizable value. In the year ended December 31, 2012 and 2013, the Company wrote off inventory in the amount of \$91 and \$88, respectively. In the three months period ended March 31, 2014 (unaudited), the Company did not written off inventory. If actual demand for the Company’s products deteriorates, or market conditions are less favorable than those projected, additional inventory reserves may be required.

h. Related party:

The Company has a substantial shareholder named Yaskawa Electric Corporation (“YEC”).

In September 2013 the Company entered into a share purchase agreement (see Note 9c) and a strategic alliance with YEC, pursuant to which YEC has agreed to distribute the Company’s products, in addition to providing sales, marketing, service and training functions, in Japan, China (including Hong-Kong and Macau), Taiwan, South Korea, Singapore and Thailand.

As of December 31, 2013 a related party receivable in the amount of \$88 was included in trade receivable, and reflected all revenues from YEC in the year ended December 31, 2013. As of March 31, 2014 (unaudited), there was no outstanding related party receivable.

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

i. Property and Equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets at the following annual rates:

	%
Computer equipment	33
Office furniture and equipment	6 – 10 (mainly 10)
Machinery and laboratory equipment	15
Leasehold improvements	Over the shorter of the lease term or estimated useful life

j. Impairment of Long-Lived Assets:

The Company's long-lived assets are reviewed for impairment in accordance with ASC No. 360, "Property, Plant and Equipment" whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. Recoverability of assets (or asset group) to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. During the years ended December 31, 2012 and 2013 and for the three month period ended March 31, 2014 (unaudited), no impairment losses have been recorded.

k. Long-Term Lease Deposits:

Long-term lease deposits include long-term deposits for cars leasing.

l. Revenue Recognition:

The Company and its subsidiaries generate revenues from sales of products. The Company and its subsidiaries sell their products through a direct sales force and through distributors.

Revenues are recognized in accordance with ASC No. 605, "Revenue Recognition" ("ASC 605"), when delivery has occurred, persuasive evidence of an agreement exists, the fee is fixed and determinable, collectability is reasonably assured and no further obligations exist. Provisions are made at the time of revenue recognition for any applicable warranty cost expected to be incurred.

The timing for revenue recognition amongst the various products and customers is dependent upon satisfaction of such criteria and generally varies from shipment to delivery to the customer depending on the specific shipping terms of a given transaction, as stipulated in the agreement with each customer.

Other than pricing terms which may differ due to the different volumes of purchases between distributors and end-users, there are no material differences in the terms and arrangements involving direct and indirect customers.

The Company's products sold through agreements with distributors are non-exchangeable, non-refundable, non-returnable and without any rights of price protection or share rotation. Accordingly, the Company considers all the distributors to be end-users.

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company does not grant a right of return for its products.

In respect of sale of systems with training, the Company considers the elements in the arrangement to be a single unit of accounting. In accordance with ASC 605, the Company has concluded that the training is essential to the functionality of the Company's systems. Therefore the Company recognizes revenue for the system and training only after delivery in accordance with the agreement delivery terms to the customer and after the training has been completed, once all other revenue recognition criteria have been met.

In certain cases, when product arrangements are bundled with extended warranty, the separation of the extended warranty falls under the scope of ASC 605-20-25-1 through 25-6, and the separately price of the extended warranty stated in the agreement is deferred and recognized ratably over the extended warranty period.

Deferred revenue includes primarily unearned amounts received in respect of service contracts but not yet recognized as revenues.

m. Accounting for Share-Based Compensation:

The Company accounts for share-based compensation in accordance with ASC No. 718, "Compensation-Stock Compensation" ("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an Option-Pricing Model ("OPM"). The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods in the Company's consolidated statements of operations.

The Company recognizes compensation expenses for the value of its awards granted based on the straight-line method over the requisite service period of each of the awards, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Estimated forfeitures are based on actual historical pre-vesting forfeitures.

The Company selected the Black-Scholes-Merton option pricing model as the most appropriate fair value method for its share-option awards. The option-pricing model requires a number of assumptions, of which the most significant are the fair market value of the underlying ordinary share, expected share price volatility and the expected option term. Expected volatility was calculated based upon certain peer companies that the Company considered to be comparable. The expected option term represents the period of time that options granted are expected to be outstanding. The expected option term is determined based on the simplified method in accordance with Staff Accounting Bulletin No. 110, as adequate historical experience is not available to provide a reasonable estimate. The simplified method will continue to apply until enough historical experience is available to provide a reasonable estimate of the expected term. 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 fair value of the ordinary shares underlying the share options has historically been determined by the Company's board of directors. Because there has been no public market for the Company's ordinary share, the board of directors has determined fair value of the ordinary share at the time of grant of the option by considering a number of objective and subjective factors including data from other comparable companies, sales of ordinary shares and convertible preferred share to unrelated third parties, operating and financial performance, the lack of liquidity of capital share and general and industry specific economic outlook, amongst other factors. The fair value of the underlying ordinary share will be determined by the board of directors until such time as the Company's ordinary share is listed on an established stock exchange or national market system.

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Since the distributions and participation rights to security holders are different in a sale/liquidation scenario versus an IPO, the valuation of the Company was performed using a weighted average of the values derived from the following scenarios 1) discounted cash flow (DCF) model. The OPM method was then employed to allocate the enterprise value amongst the Company's various equity classes, deriving a fully marketable value per share for the ordinary share; 2) IPO scenario and 3) Implied value approach. Before the per share value was determined, a discount for lack of marketability and a voting right differential was applied, as applicable, to the ordinary share and the founders share.

The fair value for options granted in 2012 and 2013 is estimated at the date of grant using a Black-Scholes-Merton option pricing model with the following assumptions:

	December 31	
	2012	2013
Expected volatility	85%	70%-75%
Risk-free rate	0.92%-1.04%	0.95%-2.08%
Dividend yield	0%	0%
Expected term (in years)	6.02-6.08	6.02-6.08
Share price	\$44.69-\$49.81	\$65.14-\$104.52

There was no options grant during the three month period ended March 31, 2014 (unaudited).

The Company accounts for options granted to consultants and other service providers under ASC 718 and ASC No. 505, "Equity-based payments to non-employees." The fair value of these options was estimated using a Black-Scholes option-pricing model. In 2012 and 2013 the non-cash compensation expenses related to consultants and other service providers were immaterial.

The non-cash compensation expenses related to employees for the years ended December 31, 2012 and 2013 and for the three month period ended March 31, 2014 (unaudited), amounted to \$113, \$215 and \$152, respectively.

n. Research and Development Costs:

Research and development costs are charged to the consolidated statement of operations as incurred.

o. Income Taxes:

The Company accounts for income taxes in accordance with ASC No. 740, "Income Taxes" ("ASC 740"), using the liability method whereby deferred tax assets and liability account balances are determined based on the differences between financial reporting and the tax basis for assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to the amounts that are more likely-than-not to be realized.

ASC 740 contains a two-step approach to recognizing and measuring a liability for uncertain tax positions. The first step is to evaluate the tax position taken or expected to be taken in a tax return by determining if the weight of available evidence indicates that it is more likely than not that, on an evaluation of the technical merits, the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. The Company accrues interest and penalties related to unrecognized tax benefits in its taxes on income.

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

p. Warrants to Purchase Convertible Preferred Share:

The Company accounts for freestanding warrants to purchase shares of its convertible preferred share as a liability on the balance sheets at fair value. The warrants to purchase convertible preferred share are recorded as a liability because the underlying shares of convertible preferred share are contingently redeemable (upon a deemed liquidation event) and, therefore, may obligate the Company to transfer assets at some point in the future. The warrants are subject to re-measurement to fair value at each balance sheet date and any change in fair value is recognized as a component of financial income (expense), net, on the statements of operations. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrants, the completion of a deemed liquidation event or the conversion of convertible preferred share into ordinary share (See Note 10).

q. Warranty:

The Company provides a two-year standard warranty for its products. The Company records a provision for the estimated cost to repair or replace products under warranty at the time of sale. Factors that affect the Company's warranty reserve include the number of units sold, historical and anticipated rates of warranty repairs and the cost per repair.

The Company periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary.

As of December 31, 2012 and 2013 and March 31, 2014 (unaudited), the provision for warranty amounted to \$131, \$170 and \$206, respectively, and was presented under other liabilities.

r. Concentrations of Credit Risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and trade receivables.

The Company's cash and cash equivalents are invested in major banks in Israel, the United States and Germany. Such deposits in the United States may be in excess of insured limits and are not insured in other jurisdictions. The Company maintains cash and cash equivalents with diverse financial institutions and monitors the amount of credit exposure to each financial institution.

The Company's trade receivables are geographically diversified and derived primarily from sales to customers in various countries, mainly in the United States and Europe. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures. The Company performs ongoing credit evaluations of its distributors based upon a specific review of all significant outstanding invoices. The Company writes off receivables when they are deemed uncollectible and having exhausted all collection efforts. As of December 31, 2012 and 2013 and March 31, 2014 (unaudited), the Company did not record any allowance for doubtful accounts.

s. Accrued Severance Pay:

Pursuant to Israel's Severance Pay Law, Israeli employees are entitled to severance pay equal to one month's salary for each year of employment, or a portion thereof. All of the employees of the RRL (except for

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

one employee as mentioned below) elected to be included under section 14 of the Severance Pay Law, 1963 ("section 14"). According to this section, these employees are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments in accordance with section 14 release the Company from any future severance payments (under the above Israeli Severance Pay Law) in respect of those employees; therefore, related assets and liabilities are not presented in the balance sheet.

One employee of RRL has not elected to be included under section 14. As such, RRL has a liability for severance pay pursuant to Israeli law, based on the most recent monthly salary of the employee multiplied by the number of years of employment as of the balance sheet date. RRL liability is provided for by monthly accrual and deposits with severance pay funds and insurance policies.

The deposited funds include profits accumulated up to the balance sheet date. The deposited funds may be withdrawn only upon the fulfillment of the obligation pursuant to Israel's Severance Pay Law or labor agreements.

Total Company expenses related to severance pay amounted to \$89, \$126 and \$39 for the years ended December 31, 2012 and 2013 and for the three month period ended March 31, 2014 (unaudited), respectively.

t. Fair Value of Financial Instruments

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

A three tier fair value hierarchy is established as a basis for considering such assumptions and for inputs used in the valuation methodologies in measuring fair value:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The carrying amounts of cash and cash equivalents, restricted cash, trade receivable and trade payables approximate their fair value due to the short-term maturity of such instruments.

u. Basic and Diluted Net Loss Per Share:

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of ordinary shares outstanding during the period.

Diluted net loss per share is computed by giving effect to all potential shares of ordinary shares, including stock options, convertible preferred share warrants, to the extent dilutive, all in accordance with ASC No. 260, "Earning Per Share".

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NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The following table sets forth the computation of the Company's basic and diluted net loss per share of Ordinary share:

	Year ended December 31		Three months ended March 31,	
	2012	2013	2013	2014
			Unaudited	
Net loss	\$ (6,658)	\$ (12,177)	\$ (2,293)	\$ (5,051)
Convertible Preferred Shares dividend	(1,004)	(1,663)	(307)	(687)
Net loss attributable to Ordinary shares	(7,662)	(13,840)	(2,600)	(5,738)
Shares used in computing net loss per share of Ordinary shares, basic and diluted	10,316	10,316	10,316	10,388
Net loss per share of Ordinary share, basic and diluted	<u>\$(742.75)</u>	<u>\$(1,341.58)</u>	<u>\$(252.08)</u>	<u>\$(552.34)</u>

Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential shares of ordinary shares outstanding would have been anti-dilutive.

v. Contingent liabilities

The Company accounts for its contingent liabilities in accordance with ASC No. 450, "Contingencies". A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. As of December 31, 2012 and 2013, the Company is not a party to any litigation that could have a material adverse effect on the Company's business, financial position, results of operations or cash flows.

w. Government grants

Government grants received by the Company relating to categories of operating expenditures are credited to the consolidated statements of income during the period in which the expenditure to which they relate is charged. Royalty and non-royalty-bearing grants from the Israeli Office of the Chief Scientist ("OCS"), from the Israel-U.S. Binational Industrial Research and Development Foundation ("BIRD") and from the Israeli Fund for Promoting Overseas Marketing for funding certain approved research and development projects and sales and marketing activities are recognized at the time when the Company is entitled to such grants, on the basis of the related costs incurred, and are included as a deduction from research and development or sales and marketing expenses (see Note 7b).

The Company recorded non-royalty-bearing grants in the amount of \$45 and \$101 for the years ended December 31, 2012 and 2013, respectively, as part of the sales and marketing expenses.

The Company recorded royalty expenses in the amount of \$40, \$136 and \$28 for the years ended December 31, 2012 and 2013 and for the three month period ended March 31, 2014 (unaudited), respectively, as part of the cost of revenues.

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NOTE 3:- PREPAID EXPENSES AND OTHER CURRENT ASSETS

	<u>December 31,</u>		<u>March 31,</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>
			<u>Unaudited</u>
Government institutions	\$ 90	\$269	\$ 421
Advances to suppliers	—	—	279
Prepaid expenses	3	63	51
Deposit	—	53	56
Deferred tax	42	26	18
Contract manufacturer	45	58	299
	<u>\$180</u>	<u>\$469</u>	<u>\$ 1,124</u>

NOTE 4:- INVENTORIES

	<u>December 31,</u>		<u>March 31,</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>
			<u>Unaudited</u>
Raw materials	\$502	\$837	\$ 827
Finished products	58	136	401
	<u>\$560</u>	<u>\$973</u>	<u>\$ 1,228</u>

NOTE 5:- PROPERTY AND EQUIPMENT, NET

	<u>December 31,</u>		<u>March 31,</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>
			<u>Unaudited</u>
Cost:			
Computer equipment	\$147	\$250	\$ 275
Office furniture and equipment	62	83	100
Machinery and laboratory equipment	170	220	195
Leasehold improvements	14	27	60
	<u>393</u>	<u>580</u>	<u>630</u>
Accumulated depreciation	<u>132</u>	<u>224</u>	<u>248</u>
Property and equipment, net	<u>\$261</u>	<u>\$356</u>	<u>\$ 382</u>

Depreciation expenses amounted to \$ 61, \$ 92, \$ 18 and \$ 24, for the years ended December 31, 2012 and 2013 and for the three month period ended March 31, 2013 and 2014 (unaudited), respectively.

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NOTE 6:- SHORT TERM CONVERTIBLE LOANS

In October 2011, the Company entered into several convertible loans agreements with certain existing shareholders and unrelated parties in an aggregate principal amount of \$ 1 million with such loans bearing annual interest of 7%. Upon the second closing of the Series C Transaction, the above convertible loans were converted into 9,612 convertible preferred C shares on January 31, 2012 at a price per share of \$105.815. A total amount of \$1,017 of the above convertible loans was converted into series C convertible preferred share and was classified to additional paid-in capital in shareholders' equity (deficiency).

In December 2012, certain of the Company's existing shareholders signed an agreement to make several convertible loans in an aggregate principal amount of \$1.5 million with such loans bearing annual interest of 7%. The convertible loans were made during December 2012 and January 2013. Under the loan agreements, the convertible loan amount and accrued interest will be repaid by the Company to each lender (in proportion to its portion of the principal amount), on December 31, 2013, unless earlier there is a closing of an investment by any investor(s), the convertible loan amount shall be automatically converted into ordinary shares of the Company at a price per share equal to the price per share paid by the investors, reduced by a percentage equal to 0.167% multiplied by the number of days elapsed from the date of the disbursement of the principal amount by the applicable lender until the conversion date. In no event will the discount exceed 20%.

As of December 31, 2012, the fair value of the convertible loans amounted to \$682.

During the period between April and June 2013, a number of the Company's shareholders and a new investor made additional convertible loans (with the same terms and conditions as the above mentioned convertible loans) in an aggregate principal amount of \$6.23 million.

The Company recorded the convertible loans as a liability in accordance with ASC No. 480, "Distinguishing Liabilities from Equity" ("ASC 480") as the predominant scenario of the convertible loans embodies an obligation to issue variable number of shares that at inception represents a fixed monetary amount. The fair value is measured at each respective balance sheet date.

Upon the closing of the Series D Transaction, on September 24, 2013, all the above convertible loans were converted into 81,677 convertible preferred D shares at a price per share of \$96.8—\$103 (which reflects 14.9%-20% discount rate) in accordance with the series D convertible preferred share purchase agreement. The total amount of convertible loans converted (including accrued interest and revaluation financial expenses) was \$9,896, which was classified to additional paid-in capital in shareholders' equity (deficiency).

Financial expenses related to convertible loans amounted to \$6 and \$2,166 in the years ended December 31, 2012 and 2013, respectively.

NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES

a. Lease Commitments:

The Company rents its facilities in all locations under operating leases with lease periods expiring in 2014-2015. RRL and AMG lease cars for its employees under operating lease agreements expiring at various dates in 2016.

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NOTE 7:- COMMITMENTS AND CONTINGENT LIABILITIES (Cont.)

Aggregate minimum rental commitments under non-cancelable leases as of March 31, 2014 (unaudited) for the upcoming years were as follows:

2014	\$ 90
2015	50
	<u>\$140</u>

Total rent expenses for the years ended December 31, 2012 and 2013 and for the three month period ended March 31, 2013 and 2014 (unaudited) were \$116, \$156, \$37 and \$42, respectively.

RRL and AMG lease motor vehicles under cancelable operating lease agreements. RRL and AMG have an option to be released from this agreement, which may result in penalties in a maximum amount of approximately \$ 30 as of March 31, 2014 (unaudited).

b. Royalties:

The Company's research and development efforts are financed, in part, through funding from the OCS and BIRD. Since the Company's inception through March 31, 2014 (unaudited), the Company received funding from the OCS in the total amount of \$450 and from BIRD in the total amount of \$500. Out of the \$450 in funding from the OCS, a total amount of \$50 were royalty bearing grants, while a total amount of \$400 was received in consideration of 5,237 convertible preferred A shares. The Company is obligated to pay royalties to the OCS, amounting to 3%-3.5% of the sales of the products and other related revenues generated from such projects, up to 100% of the grants received. The royalty payment obligations also bear interest at the LIBOR rate. The obligation to pay these royalties is contingent on actual sales of the applicable products and in the absence of such sales, no payment is required. The Company is obligated to pay royalties to the BIRD amounting to 5% of the sales of the products and other related revenues generated from such projects, up to 150% of the grants received.

As of March 31, 2014 (unaudited), the aggregate contingent liability to the OCS and to the BIRD amounted to \$6 and \$763, respectively. The Israeli Research and Development Law provides that know-how developed under an approved research and development program may not be transferred to third parties without the approval of the OCS. Such approval is not required for the sale or export of any products resulting from such research or development. The OCS, under special circumstances, may approve the transfer of OCS-funded know-how outside Israel, in the following cases:

(a) the grant recipient pays to the OCS a portion of the sale price paid in consideration for such OCS-funded know-how or in consideration for the sale of the grant recipient itself, as the case may be, which portion will not exceed six times the amount of the grants received plus interest (or three times the amount of the grant received plus interest, in the event that the recipient of the know-how has committed to retain the R&D activities of the grant recipient in Israel after the transfer); (b) the grant recipient receives know-how from a third party in exchange for its OCS-funded know-how; (c) such transfer of OCS-funded know-how arises in connection with certain types of cooperation in research and development activities; or (d) if such transfer of know-how arises in connection with a liquidation by reason of insolvency or receivership of the grant recipient.

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NOTE 8:- FAIR VALUE MEASUREMENTS

Financial instruments measured at fair value on a recurring basis include warrants for convertible preferred share. The warrants are classified as a liability in accordance with ASC 480 (see Note 10). These warrants were classified as level 3 in the fair value hierarchy since some of the inputs used in the valuation were determined based on management's assumptions. The fair value of the warrants on the issuance date and on subsequent reporting dates was determined using OPM utilizing the assumptions noted below. The fair value of the underlying preferred share price was determined by the board of directors considering, among others, third party valuations. The valuation of the Company was performed using a DCF model. The OPM method was then employed to allocate the enterprise value among the Company's various equity classes, deriving a fully marketable value per share for the preferred share. The expected terms of the warrants were based on the remaining contractual expiration period. The expected share price volatility for the shares was determined by examining the historical volatilities of a group of the Company's industry peers as there is no trading history of the Company's shares. The risk-free interest rate was calculated using the average of the published interest rates for U.S. Treasury zero-coupon issues with maturities that approximate the expected term. The dividend yield assumption was zero as there is no history of dividend payments.

The following assumptions were used to estimate the value of the warrants to purchase series C convertible preferred share:

	December 31,		March 31,
	2012	2013	2014
			Unaudited
Expected volatility	75%	70%	70%
Risk-free rate	0.3%	0.1%	0.1%
Dividend yield	0%	0%	0%
Expected term (in years)	2.25	1.25	1.00

The following assumptions were used to estimate the value of the warrants to purchase series D convertible preferred shares:

	September 24, 2013 (issuance date)	December 31, 2013	March 31, 2014
			Unaudited
Expected volatility	70%	70%	70%
Risk-free rate	0.2%	0.1%	0.1%
Dividend yield	0%	0%	0%
Expected term (in years)	1.5	1.25	1.00

The change in the fair value of warrants to purchase convertible preferred shares liability is summarized below:

	Balance at beginning of period	Issuance of warrants to purchase preferred share	Exercise of warrants to purchase preferred share	Change in fair value	Balance at end of period
December 31, 2012	\$ 328	\$ 1,008	\$ —	\$ 832	\$ 2,168
December 31, 2013	\$ 2,168	\$ 62	\$ —	\$ 1,111	\$ 3,341
March 31, 2014 (unaudited)	\$ 3,341	\$ —	\$ —	\$ 1,992	\$ 5,333

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NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY)

a. Composition of convertible preferred share capital and ordinary shares capital:

	Authorized			Issued and outstanding			
	December 31,		March 31,	December 31,		March 31,	
	2012	2013	2014	2012	2013	2014	
			Unaudited			Unaudited	
			Number of shares				
Preferred shares of NIS 0.01 par value:							
Series A Preferred shares	11,000	11,000	11,000	10,677	10,677	10,677	
Series B Preferred shares	100,000	100,000	100,000	63,880	63,880	63,880	
Series C-1 Preferred shares	200,000	200,000	200,000	67,486	67,486	67,486	
Series C-2 Preferred shares	40,000	40,000	40,000	19,675	19,675	19,675	
Series D-1 Preferred shares	—	100,000	100,000	—	84,008	84,008	
Series D-2 Preferred shares	—	69,387	69,387	—	69,387	69,387	
Series D-3 Preferred shares	—	10,323	10,323	—	10,323	10,323	
Series D-4 Preferred shares	—	1,967	1,967	—	1,967	1,967	
Total Preferred shares	351,000	532,677	532,677	161,718	327,403	327,403	
Ordinary shares of NIS 0.01 par value:							
Ordinary A shares	9,549,000	9,367,392	9,367,392	10,000	10,000	10,000	
Ordinary B non-voting shares	100,000	100,000	100,000	316	316	432	
Total ordinary shares	9,649,000	9,467,392	9,467,392	10,316	10,316	10,432	

b. Convertible Preferred Share Rights:

Series A Convertible Preferred, Series B Convertible Preferred, Series C Convertible Preferred and Series D Convertible Preferred shares confer upon their holders all the rights conferred by ordinary shares, in addition to certain rights set forth in the Company's articles of association, inter alia, the following:

1. Right to receive dividends—No payment of any dividends shall be declared or paid on any class of shares of the Company unless an equal and ratable dividend is first declared and paid to holders of series C Convertible Preferred and Series D Convertible Preferred shares.

2. Liquidation rights—In the event of any event of liquidation, the Company will distribute to holders of the convertible preferred shares, prior to and in preference to any payments to any of the holders of any other classes of shares, a per share amount equal to the original issuance price for each of their shares. The liquidation order is such that Series D, Series C, Series B and Series A shareholders are entitled, in that order, to receive any distribution of any asset, capital, earnings or surplus funds of the Company. All remaining assets shall be distributed among all the shareholders pro rata in proportion to the number of shares held by them on a converted basis.

3. Voting rights—Each share of preferred share shall be entitled to the number of votes equal to the number of shares of ordinary shares into which such shares of Preferred share may be converted according to the conversion rate in effect at the time of such vote, as set forth in the Company's articles of association.

4. Automatic and optional conversion:

Each convertible preferred share is convertible at the option of the holder into the number of ordinary shares determined by dividing the original issue price by the applicable conversion price. The original issue price per

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NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY) (Cont.)

share is \$73.51 for Series A and for Series B, \$105.815 for Series C and \$121 for Series D. At the current conversion prices, each share of Series A, Series B, Series C and Series D will convert into ordinary shares on a 1-for-1 basis. The conversion price per share for convertible preferred shares is adjusted for certain recapitalizations, splits, combinations, ordinary shares dividends or similar events. Each preferred share automatically converts into Ordinary A Shares at the applicable conversion price then in effect, immediately prior to, and conditioned upon, the earlier of (i) the closing of a Qualified Initial Public Offering ("QIPO"), or (ii) the written consent of preferred shareholders holding at least 70% of all outstanding preferred shares. The applicable conversion rate at which the preferred shares are to be converted immediately prior to a QIPO shall be deemed the conversion rate as adjusted in accordance with the price per share at which the Company issues its securities in such QIPO.

c. Preferred Share purchase agreements:

The Company entered into a Share Purchase Agreement dated as of September 24, 2013 (the "Series D SPA") with several existing shareholders and with a new investor, YEC, for the private placement of Series D-1, Series D-2, Series D-3 and Series D-4 convertible preferred shares in connection with the conversion of previously-issued convertible loans. Pursuant to the Series D SPA, the Company issued a total of 84,008 Series D-1 convertible preferred shares for an aggregate purchase price of \$9,961 (net of \$204 issuance expenses) and a total of 81,677 Series D-2, Series D-3 and Series D-4 convertible preferred shares, converting convertible loans of \$9,896 (including financial expenses) million, including interest. The price per share was \$121.00 per Series D-1 convertible preferred share, \$96.80 per Series D-2 convertible preferred share, \$101.197 per Series D-3 convertible preferred share and \$103.016 per Series D-4 convertible preferred share.

The Series D SPA provides that YEC shall be issued additional shares for no consideration on certain specified dates, beginning on April 1, 2014 and ending on September 1, 2014, if the following two events have not occurred as of such date: (i) receipt of FDA clearance to market ReWalk Personal in the United States and (ii) reimbursement by any German insurance provider of the full cost of at least one ReWalk Personal. An aggregate of 8,264 shares are issuable pursuant to the Series D SPA in connection with the failure to achieve both of these events (see also Note 14). The fair value of those warrants as of the issuance date and as of December 31, 2013 was immaterial. As of March 31, 2014 (unaudited), the fair value of those warrants was \$748, which was recorded as financial expenses resulting from the revaluation of the warrants to purchase Series D convertible preferred shares.

d. Ordinary shares rights:

Each ordinary A share confers upon its holders the right to participate the general meetings of the Company, to vote at such meetings (each share represents one vote) and to participate in any distribution of dividends or any other distribution of the Company's property, including the distribution of surplus assets upon liquidation.

e. Share option plans:

On March 30, 2012, the Company's board of directors adopted the ReWalk Robotics Ltd. 2012 Equity Incentive Plan (the "2012 Plan"). As of December 31, 2013 and March 31, 2014 (unaudited), the Company had reserved 12,252 and 12,276 shares of ordinary shares, respectively, available for issuance to employees, directors, officers and consultants of the Company and its subsidiaries. The options generally vest over four years. Any option that is forfeited or canceled before expiration becomes available for future grants under the 2012 Plan.

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NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY) (Cont.)

A summary of employee share option activity during the three month period ended March 31, 2014 and 2013 (unaudited) is as follows:

	<u>Three month period ended March 31, 2014 (unaudited)</u>			
	<u>Number</u>	<u>Average exercise price</u>	<u>Average remaining contractual life (years)</u>	<u>Aggregate intrinsic value (in thousands)</u>
Options outstanding at the beginning of the year	55,803	\$23.39	8.87	\$ 4,527
Granted	—	—		
Exercised	(116)	\$16.26		
Forfeited	(24)	\$23.71		
Options outstanding at the end of the year	<u>55,663</u>	<u>\$23.40</u>	<u>8.63</u>	<u>\$ 6,683</u>
Vested and expected to vest	<u>50,232</u>	<u>\$23.33</u>	<u>8.66</u>	<u>\$ 6,034</u>
Options exercisable at the end of the year	<u>15,419</u>	<u>\$18.00</u>	<u>7.35</u>	<u>\$ 1,935</u>

	<u>Three month period ended March 31, 2013 (unaudited)</u>			
	<u>Number</u>	<u>Average exercise price</u>	<u>Average remaining contractual life (years)</u>	<u>Aggregate intrinsic value (in thousands)</u>
Options outstanding at the beginning of the year	28,872	\$20.55	8.91	\$ 1,287
Granted	1,600	\$23.71		
Exercised	—	—		
Forfeited	—	—		
Options outstanding at the end of the year	<u>30,472</u>	<u>\$20.72</u>	<u>8.72</u>	<u>\$ 1,679</u>
Vested and expected to vest	<u>25,143</u>	<u>\$20.11</u>	<u>8.63</u>	<u>\$ 1,400</u>
Options exercisable at the end of the year	<u>6,064</u>	<u>\$10.83</u>	<u>7.16</u>	<u>\$ 394</u>

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NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY) (Cont.)

A summary of employee share option activity during the years ended December 31, 2012 and 2013 is as follows:

	Year ended December 31, 2012			
	Number	Average exercise price	Average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Options outstanding at the beginning of the year	5,937	\$ 8.37	8.10	\$ 155
Granted	23,435	\$23.71		
Exercised	—	—		
Forfeited	(500)	\$23.71		
Options outstanding at the end of the year	<u>28,872</u>	<u>\$20.55</u>	<u>8.91</u>	<u>\$ 1,287</u>
Vested and expected to vest	<u>23,615</u>	<u>\$19.90</u>	<u>8.81</u>	<u>\$ 1,068</u>
Options exercisable at the end of the year	<u>5,441</u>	<u>\$10.11</u>	<u>7.27</u>	<u>\$ 299</u>

	Year ended December 31, 2013			
	Number	Average exercise price	Average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Options outstanding at the beginning of the year	28,872	\$20.55	8.91	\$ 1,287
Granted	26,931	\$26.42		
Exercised	—	—		
Forfeited	—	\$ —		
Options outstanding at the end of the year	<u>55,803</u>	<u>\$23.39</u>	<u>8.87</u>	<u>\$ 4,527</u>
Vested and expected to vest	<u>50,321</u>	<u>\$23.32</u>	<u>8.91</u>	<u>\$ 4,086</u>
Options exercisable at the end of the year	<u>13,148</u>	<u>\$16.83</u>	<u>7.35</u>	<u>\$ 1,153</u>

The weighted average grant date fair values of options granted during the years ended December 31, 2012 and 2013 and for the three month period ended March 31, 2013 (unaudited) were \$ 36.43, \$ 85.25 and \$ 52.65, respectively.

The aggregate intrinsic value in the table above represents the total intrinsic value that would have been received by the option holders had all option holders exercised their options on the last date of the exercise period. No option was exercised during the years ended December 31, 2012 and 2013, Total intrinsic value of options exercised for the three month period ended March 31, 2014 (unaudited) was \$ 15. As of December 31, 2013 and March 31, 2014, there was \$ 2,668 and \$ 2,516 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the 2012 Plan. This cost is expected to be recognized over a period of approximately 4 and 3.75 years, respectively.

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NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY) (Cont.)

The options outstanding as of December 31, 2012 have been separated into ranges of exercise price as follows:

Range of exercise price	Options outstanding as of December 31, 2012	Weighted average remaining contractual life (years)	Options exercisable as of December 31, 2012	Weighted average remaining contractual life (years)
\$0.00-\$0.01	2,399	5.97	2,017	5.78
\$5.00	242	5.43	242	5.43
\$14.70	3,296	8.04	2,402	8.04
\$23.71	22,935	9.37	780	9.36
	<u>28,872</u>	<u>8.91</u>	<u>5,441</u>	<u>7.27</u>

The options outstanding as of December 31, 2013 have been separated into ranges of exercise price as follows:

Range of exercise price	Options outstanding as of December 31, 2013	Weighted average remaining contractual life (years)	Options exercisable as of December 31, 2013	Weighted average remaining contractual life (years)
\$0.00-\$0.01	2,399	4.97	2,399	4.97
\$5.00	242	4.43	242	4.43
\$14.70	3,296	7.04	3,227	7.04
\$23.71	25,750	8.47	7,280	8.38
\$26.74	24,116	9.99	—	—
	<u>55,803</u>	<u>8.87</u>	<u>13,148</u>	<u>7.35</u>

The options outstanding as of March 31, 2014 (unaudited) have been separated into ranges of exercise price as follows:

Range of exercise price	Options outstanding as of March 31, 2014	Weighted average remaining contractual life (years)	Options exercisable as of March 31, 2014 (unaudited)	Weighted average remaining contractual life (years)
\$0.00-\$0.01	2,399	4.72	2,399	4.72
\$5.00	242	4.18	242	4.18
\$14.70	3,200	6.79	3,200	6.79
\$23.71	25,706	8.22	8,874	8.16
\$26.74	24,116	9.74	704	9.74
	<u>55,663</u>	<u>8.63</u>	<u>15,419</u>	<u>7.35</u>

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NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY) (Cont.)

f. Options issued to consultants:

The Company's outstanding options granted to consultants as of March 31, 2014 (unaudited) were as follows:

<u>Issuance date</u>	<u>Options for shares of ordinary share (number)</u>	<u>Exercise price per share</u>	<u>Options exercisable (number)</u>	<u>Exercisable through</u>
March 12, 2007	908	\$ 0.01	908	March 12, 2017
May 10, 2012	250	\$23.71	120	May 10, 2022
	<u>1,158</u>		<u>1,028</u>	

The Company's outstanding options granted to consultants as of December 31, 2013 were as follows:

<u>Issuance date</u>	<u>Options for shares of ordinary share (number)</u>	<u>Exercise price per share</u>	<u>Options exercisable (number)</u>	<u>Exercisable through</u>
March 12, 2007	908	\$ 0.01	908	March 12, 2017
May 10, 2012	250	\$23.71	104	May 10, 2022
	<u>1,158</u>		<u>1,012</u>	

g. Share-based compensation expense for employees and consultants:

The Company recognized non-cash share-based compensation expense in the consolidated statements of operations as follows:

	<u>Year ended December 31</u>		<u>Three months ended March 31,</u>	
	<u>2012</u>	<u>2013</u>	<u>2013</u>	<u>2014</u>
			<u>Unaudited</u>	
Cost of revenues	\$ 4	\$ 5	\$ 1	\$ 2
Research and development	25	73	10	49
Sales and marketing, net	14	42	12	42
General and administrative	70	95	25	59
Total	<u>\$ 113</u>	<u>\$215</u>	<u>\$ 48</u>	<u>\$ 152</u>

In May 2012, the Company granted its CEO options to purchase 4,596 ordinary shares at an exercise price of \$ 23.71 per share. The options will vest immediately prior to and subject to the occurrence of (i) a merger of the Company into another corporation; (ii) the consummation of a merger, acquisition or sale of the securities of the Company; or (iii) an IPO of the Company's ordinary shares ("Exit Event"). The above options vesting are also contingent upon market conditions related to the consideration paid to the shareholders of the Company in an Exit Event.

In accordance with the Company's articles of association and the Fourth Amended and Restated Shareholders Agreement, immediately prior to and subject to the occurrence of (i) the consummation of a merger, acquisition or sale of the securities of the Company ("M&A Event"); or (ii) an IPO, the Company's

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NOTE 9:- SHAREHOLDERS' EQUITY (DEFICIENCY) (Cont.)

founder and Chief Technology Officer has the right to receive (i) in case of an M&A Event, 6% of the total proceeds; or (ii) in case of an IPO, for no consideration, shares or immediately exercisable options with cashless exercise in an amount such that the value of his interests equals 6% of the Company's valuation.

According to ASC-718, compensation cost will be recognized if the performance condition is satisfied. As of December 31, 2012 and 2013 and March 31, 2014 (unaudited), no compensation cost was recognized.

NOTE 10:- WARRANTS TO PURCHASE PREFERRED SHARE

<u>Issuance with respect to</u>	<u>Warrants to purchase</u>	<u>Issuance date</u>	<u>Number of warrants</u>	<u>Exercise price</u>	<u>Contractual term</u>
Series C Transaction	Preferred C-1	06/27/2011	7,615	\$ 105.815	The earlier of: (i) a merger (ii) the consummation of an initial public offering and (iii) 3 years from the issuance date (all as stipulated in the specific warrant agreement)
Series C Transaction	Preferred C-1	01/31/2012	7,231	\$ 105.815	The earlier of: (i) a merger (ii) the consummation of an initial public offering and (iii) 3 years from the issuance date (all as stipulated in the specific warrant agreement)
Series C Transaction	Preferred C-1	05/10/2012	4,252	\$ 105.815	The earlier of: (i) a merger (ii) the consummation of an initial public offering and (iii) 3 years from the issuance date (all as stipulated in the specific warrant agreement)
Series C Transaction	Preferred C-1	08/20/2012	5,870	\$ 105.815	The earlier of: (i) a merger (ii) the consummation of an initial public offering and (iii) 3 years from the issuance date (all as stipulated in the specific warrant agreement)
Fee agreement with a service provider	Preferred D	09/24/2013	600	\$ 121	The earlier of: (i) a merger (ii) the consummation of an initial public offering and (iii) 5 years from the issuance date (all as stipulated in the specific warrant agreement)

a. In July 26, 2011, the Company signed a series C convertible preferred share purchase agreement (the "Series C Transaction") with the Company's shareholders and new investors (collectively the "Investors"), pursuant to which the Company issued to each of the Investors an aggregate amount of 67,486 convertible preferred C-1 shares, at a price per share of \$105.815 totaling to approximately \$7.1 million.

The Investment was made in three installments as follows: (i) the first installment was made at the First Closing, in an aggregate amount of approximately \$1 million by means of the issuance of 9,640 convertible preferred C-1 shares (ii) the second installment was made at the Second Closing, subject to the terms of the

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NOTE 10:- WARRANTS TO PURCHASE PREFERRED SHARE (Cont.)

agreement and fulfillment of the First Milestone, in an aggregate amount of approximately \$2.6 million, by means of the issuance of 24,102 convertible preferred C-1 shares and (iii) the third and final installment was made at the Third Closing, subject to the terms of the agreement and fulfillment of the Second Milestone, in an aggregate amount of approximately \$3.6 million, by means of the issuance of 33,744 convertible preferred C-1 shares.

In conjunction with the Series C Transaction, the Company granted warrants to purchase a number of shares of Series C-1 convertible preferred share upon achieving three milestones, each referred to as closing. At each of the Closings, the investor was granted warrants, at a price per each investment share of \$105.815 (i) to purchase an aggregate amount of 7,615 Series C-1 convertible preferred shares to the investors at the First Closing and the holders of C-2 preferred shares, subject to consummation of the First Closing (ii) to purchase an aggregate amount of 7,231 Series C-1 convertible preferred share to the investors at the Second Closing, subject to consummation of the second closing and (iii) to purchase an aggregate amount of 10,122 Series C-1 convertible preferred share to the investors at the third closing, subject to consummation of the third closing.

As of December 31, 2013, all of the three milestones were achieved and all of the above warrants were granted.

The warrants to purchase Series C-1 convertible preferred shares were determined to be freestanding instruments and were accounted under ASC 480 as a liability in the Company's financial statements. At each reporting date, the Company re-measures its warrants for convertible preferred shares to fair value using the OPM. Since the warrants to purchase Series C-1 convertible preferred shares were issued in conjunction with the Series C Transaction, the Company first allocated the fair value of the warrants to purchase Series C-1 convertible preferred shares to warrant liability, with the residual proceeds from the Series C Transaction classified as shareholders' equity (deficiency).

The fair value of the warrants to purchase Series C-1 convertible preferred shares as of June 27, 2011, January 31, 2012, May 10, 2012 and August 20, 2012 (the issuance dates) was \$43.09, \$46.74, \$57.68 and \$72.26, per warrant, respectively. As of December 31, 2012, 2013 and March 31, 2014 (unaudited), the fair value of the warrants to purchase Series C-1 convertible preferred shares was \$2,168, \$3,262 and \$4,477, respectively. The Company recorded financial expenses in the amount of \$833, \$1,094 and \$1,215 in 2012, 2013 and three month period ended March 31, 2014 (unaudited), respectively, resulting from the revaluation of the warrants to purchase Series C-1 convertible preferred shares.

b. On May 30, 2013, the Company entered into a fee agreement with one of its service providers, pursuant to which the Company granted the service provider warrants to purchase shares equal to 5% of any shares issued upon cash receipt from an external investor identified by the service provider. As part of the Series D Transaction, on September 30, 2013 the service provider was granted warrants to purchase 600 Series D convertible preferred share. The Company accounted for the warrants to purchase Series D convertible preferred shares under ASC 505 and recorded the warrants at fair value as issuance expense, which was determined to be \$ 62 as of September 24, 2013 (their issuance date), and classified as a liability in the Company's financial statement. As of December 31, 2013 and March 31, 2014 (unaudited), the fair value of the warrants to purchase Series D convertible preferred shares was \$78 and \$108, respectively. The Company recorded financial expenses in the amount of \$16 and \$30 in 2013 and during the three month period ended March 31, 2014 (unaudited), respectively, resulting from the revaluation of the warrants to purchase Series D convertible preferred shares.

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NOTE 11:- INCOME TAXES

The Company's subsidiaries are separately taxed under the domestic tax laws of the jurisdiction of incorporation of each entity.

a. Corporate tax rates in Israel:

Taxable income of Israeli companies is subject to tax at the rate of 25% in 2012 and 2013, and 26.5% in 2014 and onwards.

On July 30, 2013, the Israeli Parliament (the Knesset) approved the second and third readings of the Economic Plan for 2013-2014 ("Amended Budget Law") which consists, among others, of fiscal changes whose main aim is to enhance the collection of taxes in those years.

These changes include, among others, raising the Israeli corporate tax rate from 25% to 26.5%, cancelling the lowering of the tax rates applicable to preferred enterprises (9% in development area A and 16% in other areas) and, in certain cases, increasing the tax rates on dividends within the scope of the Law for the Encouragement of Capital Investments to 20% effective from January 1, 2014. Other changes introduced by the Amended Budget Law include taxing revaluation gains effective from August 1, 2013. The provisions that set forth changes to the taxation of revaluation gains, however, will only become effective once regulations that define "non-corporate taxable retained earnings" are issued as well as regulations that set forth provisions for avoiding double taxation of assets outside of Israel. As of the date of publication of these interim financial statements, no such regulations have been issued.

The change in tax rates did not have a material effect on the Company's financial statements.

b. Profit (loss) before taxes on income is comprised as follows:

	Year ended December 31	
	2012	2013
Domestic	\$(6,671)	\$(12,219)
Foreign	34	64
	<u>\$(6,637)</u>	<u>\$(12,155)</u>

c. Taxes on income are comprised as follows:

	Year ended December 31	
	2012	2013
Current	\$ 63	\$ 6
Deferred	(42)	16
	<u>\$ 21</u>	<u>\$22</u>

	Year ended December 31	
	2012	2013
Domestic	\$ —	\$ —
Foreign	21	22
	<u>\$21</u>	<u>\$ 22</u>

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NOTE 11:- INCOME TAXES (Cont.)

d. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's deferred tax assets as of December 31, 2012 are derived from its U.S. other temporary differences, and as of December 31, 2013 from U.S. net operating loss carry forwards.

In assessing the realization of deferred tax assets, the Company considers whether it is more likely than not that all or some portion of the deferred tax assets will not be realized. Based on the Company's history of losses, the Company established a full valuation allowance for RRL.

	December 31	
	2012	2013
Carry forward tax losses	\$ 3,445	\$ 5,744
Research and Development carry forward expenses-temporary differences	296	449
Accrual and reserves	65	52
Deferred tax assets before valuation allowance	3,806	6,245
Valuation allowance	(3,764)	(6,219)
Net deferred tax assets	<u>\$ 42</u>	<u>\$ 26</u>

e. Reconciliation of the theoretical tax expenses:

A reconciliation between the theoretical tax expense, assuming all income is taxed at the statutory tax rate applicable to income of the Company, and the actual tax expense (benefit) as reported in the consolidated statements of operations is as follows:

	Year ended December 31	
	2012	2013
Loss before taxes, as reported in the consolidated statements of operations	<u>\$(6,637)</u>	<u>\$(12,155)</u>
Statutory tax rate	25%	25%
Theoretical tax benefits on the above amount at the Israeli statutory tax rate	\$(1,659)	\$ (3,039)
Income tax at rate other than the Israeli statutory tax rate	8	7
Tax advances and non-deductible expenses including equity based compensation expenses	33	895
Operating losses and other temporary differences for which valuation allowance was provided	1,639	2,159
Actual tax expense	<u>\$ 21</u>	<u>\$ 22</u>

f. Foreign tax rates:

Taxable income of RRI was subject to tax at the rate of 35% in 2012 and 2013.

Taxable income of AMG was subject to tax at the rate of 30% in 2013.

g. Tax benefits under the Law for the Encouragement of Capital Investments, 1959 (the "Investment Law"):

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(U.S. dollars in thousands, except share and per share data)**

NOTE 11:- INCOME TAXES (Cont.)

Conditions for entitlement to the benefits:

Under the Investment Law, in 2012 the Company has elected for “Beneficiary Enterprise” status which provides certain benefits, including tax exemptions and reduced tax rates. Income not eligible for Beneficiary Enterprise benefits is taxed at a regular rate.

Income derived from Beneficiary Enterprise from productive activity will be exempt from tax for ten years from the year in which the Company first has taxable income, providing that 12 years have not passed from the beginning of the year of election. In the event of a dividend distribution from income that is exempt from company tax, as aforementioned, the Company will be required to pay tax of 25% on that income.

In the event of distribution of dividends from the said tax-exempt income, the amount distributed will be subject to corporate tax at the rate ordinarily applicable to the Beneficiary Enterprise’s income. Tax-exempt income generated under the Company’s “Beneficiary Enterprise” program will be subject to taxes upon dividend distribution or complete liquidation.

The entitlement to the above benefits is conditional upon the Company’s fulfilling the conditions stipulated by the Law and regulations published thereunder.

On December 29, 2010, the Knesset approved an additional amendment to the Law for the Encouragement of Capital Investments, 1959. According to the amendment, a reduced uniform corporate tax rate for exporting industrial enterprises (over 25%) was established. The reduced tax rate will not be program dependent and will apply to the industrial enterprise’s entire income. The tax rates for industrial enterprises have been reduced gradually over a period of five years as follows:-In 2011-2012, the reduced tax rate for development area A will be 10% and for the rest of the country-15%. In 2013-2014, the reduced tax rate for development area A will be 7% and for the rest of the country-12.5%. Starting 2015 and thereafter, the reduced tax rate for development area A will be 6% and for the rest of the country-12%. However, in August 2013, the Israeli Knesset approved an amendment to the Investment Law, pursuant to which such scheduled gradual reduction was repealed beginning in 2014 and the rates for development area A will be 9% and for the rest of the country-16% in 2014 and thereafter.

The Company has examined the effect of the adoption of the Amendment on its financial statements, and as of the date of the publication of the financial statements, the Company estimates that it will not apply the Amendment. The Company’s estimate may change in the future.

h. Tax assessments:

RRL has final tax assessments up to and including the 2009 tax year.

RRI and AMG do not have final tax assessment, since their inception.

i. Net operating carry-forward losses for tax purposes:

As of December 31, 2013, RRL has carry-forward losses amounting to approximately \$ 22,000, which can be carried forward for an indefinite period.

As of December 31, 2013, RRI has carry-forward losses amounting to approximately \$ 60, which can be carried forward for an indefinite period.

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NOTE 12:- FINANCIAL EXPENSES, NET

The components of financial income, net were as follows:

	Year ended December 31		Three months ended March 31,	
	2012	2013	2013	2014
			Unaudited	
Financial expenses related to convertible loans	\$ 6	\$ 2,166	\$ 281	\$ —
Revaluation of fair value of warrants to purchase convertible preferred share	832	1,111	198	1,992
Foreign currency transactions loss	18	93	53	5
Bank commissions	22	40	15	8
	<u>\$878</u>	<u>\$3,410</u>	<u>\$ 547</u>	<u>\$ 2,005</u>

NOTE 13:- GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA

Summary information about geographic areas:

ASC 280, "Segment Reporting," establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company manages its business on the basis of one reportable segment, and derives revenues from selling systems and services (see Note 1 for a brief description of the Company's business). The following is a summary of revenues within geographic areas:

	Year ended December 31		Three months ended March 31,	
	2012	2013	2013	2014
			Unaudited	
Revenues based on customer's location:				
Israel	\$ —	\$ 83	\$ —	\$ —
United States	364	941	273	329
Europe	608	476	277	116
Japan	—	88	—	—
Total revenues	<u>\$972</u>	<u>\$1,588</u>	<u>\$ 550</u>	<u>\$ 445</u>
			<u>December 31,</u>	<u>March 31,</u>
			2012	2013
				2014
				Unaudited
Long-lived assets by geographic region:				
Israel		\$ 232	\$ 294	\$ 311
United States		29	52	61
Germany		—	10	10
		<u>\$261</u>	<u>\$356</u>	<u>\$ 382</u>

(*) Long-lived assets are comprised of property and equipment, net (long term lease deposits and severance pay fund are not included).

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
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(U.S. dollars in thousands, except share and per share data)**

NOTE 13:- GEOGRAPHIC INFORMATION AND MAJOR CUSTOMER AND PRODUCT DATA (Cont.)

Major customers data as a percentage of total revenues:

	<u>December 31,</u>		<u>March 31,</u>
	<u>2012</u>	<u>2013</u>	<u>2014</u>
			<u>Unaudited</u>
Customer A	24%	*)	*)
Customer B	18%	*)	10%
Customer C	13%	*)	17%
Customer D	10%	—	—
Customer E	—	—	15%
Customer F	—	—	18%
Customer G	—	—	19%
Customer H	—	—	19%

*) Less than 10%

NOTE 14:- SUBSEQUENT EVENTS

The Company evaluates events or transactions that occur after the balance sheet date but prior to the issuance of consolidated financial statements to identify matters that require additional disclosure. For its consolidated financial statements as of December 31, 2013 and for the year then ended, the Company evaluated subsequent events through May 16, 2014, the date that the consolidated financial statements were issued. For the interim consolidated financial statements as of March 31, 2014 (unaudited) and for the three months then ended (unaudited), the Company evaluated subsequent events through July 16, 2014, the date that the interim consolidated financial statements were issued. Except as described below, the Company has concluded that no subsequent event has occurred that requires disclosure.

a. Pursuant to Series D SPA, since the Company had not received FDA clearance to market ReWalk Personal in the United States, the Company issued a total of 4,131 Preferred D Shares to YEC (1,377 on April 1, 2014, 1,377 on May 1, 2014 and 1,377 on June 1, 2014.

b. On April 9, 2014 the board of directors approved a grant of 5,159 options to purchase the Company's ordinary shares to several employees, at an exercise price of \$26.74 per share, vesting over four years.

c. In June 2014 the Company received FDA clearance to market its ReWalk Personal product in the United States.

d. On June 19, 2014, the Company entered into a loan agreement with Kreos Capital IV (Expert Fund) Limited ("Kreos") pursuant to which Kreos agreed to grant a line of credit to the Company of \$5.0 million. The line of credit is available for drawdown until September 30, 2014, with a minimum required drawdown of \$1.0 million. Amounts drawn will be repaid in 36 monthly installments. Pursuant to the loan agreement, the Company must pay a transaction fee of 1.0% of the total amount of the line of credit upon both the execution and the expiration of the loan agreement. Pursuant to the loan agreement, the Company will grant to Kreos a security interest over all of the Company's assets, including intellectual property and equity interests in its subsidiaries. In connection with this agreement, the Company granted Kreos warrants to purchase 5,372 Series D-1 convertible preferred shares, or to the extent exercised after the closing of this offering, the same number of ordinary shares.

**REWALK ROBOTICS LTD. (FORMERLY ARGO MEDICAL TECHNOLOGIES LTD.)
AND SUBSIDIARIES**

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(U.S. dollars in thousands, except share and per share data)**

NOTE 14:- SUBSEQUENT EVENTS (Cont.)

e. On June 26, 2014, the Company entered into a Securities Purchase Agreement with Gabriel Capital Fund (US), L.P. and affiliated entities, and the other parties named therein (the "Series E SPA"). The transaction closed in July 2014. Pursuant to the Series E SPA, the Company issued an aggregate of 60,338 of its Preferred E Shares and warrants to purchase an aggregate of 30,934 Preferred E Shares (which, to the extent they are outstanding following the closing of this offering, shall convert on a one-to-one basis into warrants to purchase the Company's ordinary shares) to Gabriel and the other investors named in the Series E SPA for an aggregate purchase price in cash of \$13.0 million. The Preferred E Shares were issued at a price of \$215.45 per share. The warrants have an exercise price of \$258.54 per share and are exercisable until four years from date of grant, subject to certain adjustments.

Shares



ReWalk Robotics Ltd.

Ordinary Shares

**Barclays
Jefferies**

Canaccord Genuity

, 2014

Until , 2014 (25 days after the date of this prospectus), all dealers that buy, sell or trade our ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Part II
Information not required in prospectus

Item 6. Indemnification of Directors and Officers

Under the Israeli Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli 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 duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our articles of association to be effective upon the closing of this offering include such a provision. The company may not exculpate in advance a director from liability arising out of a prohibited dividend or distribution to shareholders.

Under the Israeli Companies Law, a company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed by him or her as an office holder, either pursuant to an undertaking made in advance of an event or following an event, provided its articles of association include a provision authorizing such indemnification:

- financial liability 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 an undertaking must be limited to 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 abovementioned foreseen events and amount or criteria;
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder (1) as 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; and (2) in connection with a monetary sanction; 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.

Under the Israeli Companies 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 the 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 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; and
- a financial liability imposed on the office holder in favor of a third party.

Under the Israeli Companies Law, a company may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of the 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 prejudice the company;
- a breach of duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;

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- an act or omission committed with intent to derive illegal personal benefit; or
- a fine or forfeit levied against the office holder.

Under the Israeli Companies Law, exculpation, indemnification and insurance of office holders in a public company 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—Approval of Related Party Transactions under Israeli Law.”

We have entered into indemnification agreements with our office holders to exculpate, indemnify and insure our office holders to the fullest extent permitted or to be permitted by our articles of association that will be in effect upon the closing of this offering, the Israeli Companies Law and the Israeli Securities Law, 5728-1968.

We have obtained directors’ and officers’ liability insurance for the benefit of our office holders and intend to continue to maintain such coverage and pay all premiums thereunder to the fullest extent permitted by the Israeli Companies Law.

Item 7. Recent Sales of Unregistered Securities

During the past three years, we issued securities which were not registered under the Securities Act as set forth below. We believe that each of such issuances was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act, Rule 701 and/or Regulation S under the Securities Act.

The following is a summary of transactions during the preceding three fiscal years involving sales of our securities that were not registered under the Securities Act:

- Pursuant to a share purchase agreement between us and the shareholders identified therein, between July 2011 and August 2012 (i) we issued 67,486 Preferred C-1 Shares for a price per share of \$105.815 and warrants to purchase up to 20,247 of our Preferred C-1 Shares at a price per share of \$105.815 and (ii) we issued 19,675 Preferred C-2 Shares to the lenders identified therein at a price per share of \$84.652 and warrants to purchase up to 4,721 of our Preferred C-1 Shares at a price per share of \$105.815 pursuant to the conversion of a previously-issued convertible loan.
- Pursuant to a share purchase agreement between us and the shareholders identified therein, in September 2013 (i) we issued 84,008 Preferred D-1 Shares at a price per share of \$121 to the investors identified therein and 600 warrants to purchase Preferred D Shares to one of the brokers involved in the transaction and (ii) we issued an aggregate of 81,677 Preferred D-2/3/4 Shares at a prices per share of ranging from \$96.80 to \$103.016 to the lenders identified therein pursuant to the conversion of a previously-issued convertible loan.
- Pursuant to a loan agreement between us and Kreos Capital IV (Expert Fund) Limited, in June 2014 we issued warrants to purchase 5,372 preferred shares, or to the extent exercised after the closing of this offering, the same number of ordinary shares.
- In April 2014, May 2014 and June 2014, pursuant to the series D share purchase agreement described above, we issued an aggregate of 4,131 Preferred D-1 Shares to Yaskawa Electric Corporation for no additional consideration.
- Pursuant to a securities purchase agreement between us and the shareholders identified therein, in July 2014, we issued 60,338 Preferred E Shares at a price per share of \$215.454 and warrants to purchase 30,934 Preferred E Shares to the investors identified therein.
- Since January 1, 2011 and until July 15, 2014, we granted share options to employees and directors under our stock option plans covering an aggregate of 59,071 shares, with exercise prices ranging from \$14.702 to \$26.740 per share. As of the date of this registration statement, 116 of these options have been exercised, while 524 of these options have been forfeited and cancelled without being exercised.

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No underwriter or underwriting discount or commission was involved in any of the transactions set forth in Item 7.

Item 8. Exhibits and Financial Statement Schedules

- (a) The Exhibit Index is hereby incorporated herein by reference.
- (b) Financial Statement Schedules.

All schedules have been omitted because they are not required, are not applicable or the information is otherwise set forth in the Consolidated Financial Statements and related notes thereto.

Item 9. Undertakings.

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 provisions described in Item 6 hereof, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the 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 whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes:

1. To provide the underwriters specified in the Underwriting Agreement, at the closing, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
2. That for purposes of determining any liability under the Securities Act of 1933, 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.
3. That for the purpose of determining any liability under the Securities Act of 1933, 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 this offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, 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 Marlborough, Massachusetts on this 16th day of July, 2014.

REWALK ROBOTICS LTD.

By: /s/ Larry Jasinski
Name: Larry Jasinski
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons on July 16, 2014 in the capacities indicated:

<u>Signatures</u>	<u>Title</u>
<u>/s/ Larry Jasinski</u> Larry Jasinski	Director and Chief Executive Officer (Principal Executive Officer)
<u>*</u> Ami Kraft	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)
<u>*</u> Dr. Amit Goffer	Director, President and Chief Technical Officer
<u>*</u> Jeff Dykan	Chairman of the Board
<u>*</u> Dr. Hadar Ron	Director
<u>*</u> Asaf Shinar	Director
<u>*</u> Wayne B. Weisman	Director
<u>*</u> Yasushi Ichiki	Director
<u>*</u> Aryeh Dan	Director
<u>*</u> Glenn Muir	Director

*By: /s/ Larry Jasinski
Larry Jasinski
Attorney-in-Fact

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REWALK ROBOTICS, INC.

Authorized Representative in the United States

By: /s/ Larry Jasinski
Name: Larry Jasinski
Title: Director and Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
1.1	Form of Underwriting Agreement*
3.1	Amended and Restated Articles of Association of the Registrant
3.2	Form of Second Amended and Restated Articles of Association of the Registrant to become effective upon closing of this offering
4.1	Specimen share certificate*
5.1	Opinion of Goldfarb Seligman & Co., Israeli counsel to the Registrant, as to the validity of the ordinary shares (including consent)*
10.1	Letter of Agreement, dated July 11, 2013, between the Registrant and Sanmina Corporation#†
10.2	Strategic Alliance Agreement, dated September 24, 2013, between the Registrant and Yaskawa Electric Corporation#
10.3	Exclusive Distribution Agreement, dated September 24, 2013, between the Registrant and Yaskawa Electric Corporation#†
10.4	Confidentiality and Non-Disclosure Agreement, dated September 24, 2013, between the Registrant and Yaskawa Electric Corporation#
10.5	Side Letter, dated September 30, 2013, between the Registrant and Yaskawa Electric Corporation#
10.6	Series D Preferred Share Purchase Agreement, dated September 24, 2013, among the Registrant and the other parties named therein#
10.7	Series E Preferred Securities Purchase Agreement, dated June 26, 2014, among the Registrant and the parties named therein
10.8	Loan Agreement, dated June 19, 2014, between the Registrant and Kreos Capital IV (Expert Fund) Limited#
10.9	Amended and Restated Shareholders' Rights Agreement, dated July 14, 2014, among the Registrant and the other parties named therein
10.10	Fourth Amended and Restated Shareholders Agreement, dated July 14, 2014, among the Registrant and the shareholders party thereto
10.11	Form of indemnification agreement between the Registrant and each of its directors and executive officers*
10.12	2012 Equity Incentive Plan#
10.13	2012 Israeli Equity Incentive Sub Plan#
10.14	2012 U.S. Equity Incentive Sub Plan#
10.15	2006 Stock Option Plan#
10.16	2014 Equity Incentive Plan*
21.1	List of subsidiaries of the Registrant#
23.1	Consent of Kost, Forer, Gabbay and Kasierer, a member of Ernst & Young Global Limited
23.2	Consent of Goldfarb Seligman & Co. (included in Exhibit 5.1)*
24.1	Power of Attorney (included in signature page to Registration Statement)#
99.1	Consent of Dr. John William Poduska to be named as a director nominee#

* To be filed by amendment.

Previously filed.

† Portions of this exhibit have been omitted and filed separately with the SEC pursuant to a confidential treatment request.

The Companies Law 5759-1999
A Company Limited by Shares
Amended and Restated Articles of Association
of
REWALK ROBOTICS LTD.

Preliminary

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6 Share Capital

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**The Companies Law 5759-1999
A Company Limited by Shares
Amended and Restated Articles of Association**

of

REWALK ROBOTICS LTD.

Preliminary.

1. The following Articles shall, subject to repeal, addition and alteration as provided by the Companies Law (as defined in Article 1.1 below) or these Articles (as defined in Article 1.1 below), be the Articles of the Company.

1.1. In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meanings set opposite them

Articles	These Amended and Restated Articles, as may be amended from time to time according to the provisions of the Companies Law and the provisions herein.
Auditors	The Company's auditors appointed according to the provisions of the Companies Law and the provisions herein.
Board	The board of directors of the Company lawfully appointed in accordance with Articles 62 and 64.
CEO	The chief executive officer of the Company.
CFO	The chief financial officer of the Company.
Chairman	The chairman of the Board.
Companies Law	The Israeli Companies Law, 5759-1999, as may be amended from time to time including any and all rules and regulations promulgated thereunder.
Company	ReWalk Robotics Ltd., corporate registration number 51-312137-6.
Control	The possession directly or indirectly of more than 50% (fifty percent) of the voting power, the right to appoint at least 50% of the members of the board of directors, or the right to receive more than 50% of the distributed profits of such entity.
Conversion Price	The applicable conversion price for each Preferred Share, as shall be subject to the adjustments set forth in Article 15 herein.
Conversion Rate	With respect to each Preferred Share, the quotient obtained by dividing the Original Issue Price of such of Preferred Share by the Conversion Price of such of Preferred Share then in effect.

Convertible Securities	Options, warrants and/or rights to purchase or subscribe for shares of the Company, and/or securities convertible, exchangeable or exercisable into shares, of the Company, and/or options to purchase and/or rights to subscribe for such convertible and/or exchangeable securities.
Deemed Liquidation	Each of the following events or their final consummation following or in conjunction with a series of related transactions: (A) a Merger (including but not limited to a Reverse Merger); (B) a sale of all or substantially all the Company's assets; (C) a declaration or payment by the Company of a Dividend in excess of fifty percent (50%) of the value of the assets of the Company; (D) a transaction or a series of related transactions, in which the Company transfers or grants to one single entity (and/or any entity which is directly or indirectly controlled by, controlling or under common control with such entity (where "control" means the holding, directly or indirectly, of more than 50% of the issued and outstanding equity or voting capital in such entity and/or the ability to appoint or elect a majority of the members of the board of directors (or similar organ) of the entity and/or the ability to direct the policy and management of the entity)) an exclusive license over all or substantially all of Company's intellectual property in the majority of the world's major markets; or (E) a sale of all or substantially all the shares or assets of a subsidiary of the Company.
Director	A member of the Board appointed in accordance with the provisions of these Articles and holding office from time to time.
Distributable Proceeds	Any gross cash payments whether in the form of a lump sum, future earnings, earn out, royalties, milestone payments etc., or as a non-cash consideration distributed or distributable to the shareholders, including but not limited to any share exchanges, all dividends, assets or proceeds; any or all of the above as legally available for distribution to the Shareholders.
Distribution or Dividend	As defined in the Companies Law.
Exempted Securities	Each of the following: (A) Ordinary Shares issued upon a Recapitalization Event (as defined herein); (B) shares issued to employees, consultants, directors, observers or service providers pursuant to a share/stock option plan(s) approved as per Article 89 hereto by the Board, within an agreed upon option/share pool approved by the Board; (C) Ordinary A Shares issued upon conversion of all classes of Preferred Shares;

	(D) Securities of the Company sold to the public in an IPO or QIPO;
	(E) issuance of securities issued pursuant to that certain Agreement For The Provision Of A Loan Facility with Kreos Capital IV (Expert Fund) Limited and dated June 19, 2014, in accordance with the terms thereof;
	(F) issuance of securities to the Founder pursuant to Article 22 hereto or under the Shareholders Agreement, in accordance with the terms thereof; and
	(G) <u>Except in connection with Article 15.9 hereto</u> : Securities issued to a third party not a current shareholder of the Company in an arms-length transaction that the majority vote of the Preferred Shares voting as a single class on an as-converted basis, which majority shall include the vote of two of the following entities: Vitalife, IHCV, Gabriel and Yaskawa, resolved to deem such securities as Exempted Securities.
Exit Event	A Liquidation or Deemed Liquidation.
Founder	Dr. Amit Goffer (“ Goffer ”).
Gabriel	Gabriel Capital Management (GP) Ltd. and its Permitted Transferees
General Meetings: Annual General Meeting, Extraordinary General Meeting and Class Meeting	As such terms are defined in the Companies Law.
Government Shares	5,237 Series A Preferred Shares NIS 0.01 par value each of the Company.
IHCV	Israel Healthcare Ventures 2, L.P. Incorporated and its Permitted Transferees.
IHCV Director	The member of the Board appointed by IHCV.
IHCV Entities	IHCV and may include also their Permitted Transferees.
Including	including without limitation
IPO	The consummation of the Company’s initial public offering of its Ordinary Shares pursuant to an effective registration statement under the US Securities Act of 1933, as amended, or any equivalent law of another jurisdiction in any internationally-recognized stock exchange.
Lead E Investor	Gabriel, and each holder of Preferred E Shares who invested at least \$3,000,000 in the Series E SPA.

Liquidation	(A) any dissolution, winding-up or liquidation of the Company; (B) any foreclosure by creditors of the Company on substantially all assets of, or equity interests in the Company; whether voluntarily or involuntarily; (C) any bankruptcy, insolvency or reorganization proceeding under any bankruptcy or insolvency or similar law, whether voluntary or involuntary, is properly commenced by or against the Company and any such proceedings shall remain undismissed for a period of sixty (60) days, or adjourned by decision of the Court by additional thirty (30) days; or (D) in case a receiver or liquidator is appointed to all or substantially all of the Company's assets.
Major Shareholder	A shareholder of the Company who became a shareholder through the investment of funds in the Company as part of a round of investment, including any Permitted Transferee thereof, and any other transferee thereof (or of a Permitted Transferee) who was approved by the Board.
Merger	A merger or consolidation of the Company with or into another corporation, or an acquisition of Company shares, in which the shareholders, holding a majority of the voting power of the Company immediately prior to such transaction, do not retain a majority of the voting power in the surviving corporation (not taking into account, in the case of a merger or consolidation, any securities of the other corporation acquired by the shareholders in addition to the shares of the corporation received by them on account of their pro rata holdings in the Company).
Milestone Shares	As defined in the Series D SPA.
Month	A Gregorian calendar month.
New Securities	Any shares of any kind of the Company and any Convertible Securities issued or deemed to be issued as per the provisions of the Articles other than Exempted Securities.
Office	The registered office of the Company at any one time, as may be determined by the Board from time to time, all in accordance with Section 123 of the Companies Law.
Officer	Office Holder (" <i>Nosse Misra</i> ") as is defined in the Companies Law.
Ordinary A Share(s)	As defined in Article 6 below.
Ordinary B Share(s)	As defined in Article 6 below.
Ordinary Resolution	A resolution that requires a majority of more than fifty percent (50%) of the votes of the issued and outstanding share capital present or otherwise represented at a General Meeting and entitled to vote.

Ordinary Shares	The Ordinary A Shares and the Ordinary B Shares, collectively
Original Issue Date	(A) With respect to the Preferred A Shares: March 20, 2006, (B) with respect to the Preferred B Shares: October 28, 2009, (C) with respect to the Preferred C Shares: the applicable Closing Date on which each Preferred C Share was issued, (D) with respect to the Preferred D Shares: September 30, 2013, and (E) with respect to the Preferred E Shares: July 14, 2014.
Original Issue Price	(A) With respect to the Preferred A Shares: US \$73.51 per share, (B) with respect to the Preferred B Shares: US \$73.51 per share, (C) with respect to the Preferred C-1 Shares: US \$105.815 per share, (D) with respect to the Preferred C-2 Shares: US \$84.652 per share, (E) with respect to the Preferred D-1 Shares: US \$121.000 per share, (F) with respect to the Preferred D-2 Shares: US \$96.800 per share, (G) with respect to the Preferred D-3 Shares: US \$101.197 per share, (H) with respect to the Preferred D-4 Shares: US \$103.016 per share, and (I) with respect to the Warrant E Shares: US\$ 258.545 per share, as may be adjusted pursuant to the Series E SPA and/or the Preferred E Warrants, and (J) with respect to all Preferred E Shares other than the Warrant E Shares (the “ Initial Preferred E Shares ”), as may be adjusted pursuant to the Series E SPA: US \$215.454 per share.
Permitted Transferee	(A) With respect to a shareholder which is an entity or corporation: (i) any Person directly or indirectly controlled by, controlling or under common control with such shareholder; (ii) With respect to any Vitalife or Vitalife I entity, or IHCV Entity: respectively all other Vitalife or Vitalife I entities, or IHCV Entities, - any of their general partners, limited partners, or affiliated partnerships, managed by the same management company or managing partner or by an entity which controls, is controlled by, or is under common control with such management company or managing partner, or any shareholder, partner or member of such affiliate; (iii) with respect to each Pontifax entity: all other Pontifax entities, - any of their general partners, limited partners, or affiliated partnerships, managed by the same management company or managing partner or by an entity which controls, is controlled by, or is under common control with such management company or managing partner, or any shareholder, partner or member of such affiliate, (iv) with respect to Previz Ventures LP - any of its general partners, limited partners, or affiliated partnerships, managed by the same management company or managing partner or by an entity which controls, is controlled by, or is under common control with such management company or managing partner, or any shareholder, partner or member of such affiliate, (v) with respect to TIFT, its optionees having an option to acquire its shares in the Company, (vi) with respect to TIFT and solely with respect to the Government Shares held by it, the Government of the State of

Israel or another regulatory body designated therefor (as defined in the Preferred B SPA), (vii) With respect to TRDF, an entity directly under the joint Control of TRDF and the Technion – Israel Institute of Technology; (viii) With respect to Gabriel, Gabriel Capital Fund (US), LP and all other Gabriel entities, and with respect to any Gabriel entity or Permitted Transferee - any of their general partners, limited partners, or affiliated partnerships, managed by the same management company or managing partner or by an entity which controls, is controlled by, or is under common control with such management company or managing partner, or any shareholder, partner or member of such affiliate; (ix) with respect to a shareholder which is a venture capital fund (including for this purpose, Gabriel), any third party acquiring at least 95% of such shareholder's assets, including securities of all or substantially all portfolio companies; and (x) with respect to venture capital funds and private equity funds holding securities of the Company, any transfer of all or part of the portfolio of such funds, including securities of the Company, which is consummated within the framework of a liquidation, dissolution or sale of all or substantially all of the fund's assets in one transaction or in a series of transactions.

(B) With respect to a shareholder who is an individual: (i) a first degree family member of such shareholder or a trust the beneficiaries of which are the shareholder and/or any of its other Permitted Transferees; or (ii) an entity wholly owned by such shareholder, provided that such entity remain wholly owned by such shareholder, such shareholder has provided the Company with a binding undertaking not to transfer its ownership, shares or rights in such entity to any third person and to otherwise be bound by all of the terms of the Articles and all other agreements related to such shares to which the shareholder is a party at the time of the transfer, and further provided that such entity may only transfer the shares of the Company transferred to it back to the original holder of such shares.

(C) With respect to a shareholder which is a trust: to the settlors of the trust and any beneficiary thereof, and any Permitted Transferee of a settlor or beneficiary.

(D) With respect to a shareholder which is subject to regulatory requirements: a transferee to whom a transfer is required under regulatory or other legal requirements applicable to such shareholder.

Person

Any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental authority or other entity of any kind.

Pontifax

Pontifax (Israel) II L.P., Pontifax (Israel) II - Individual Investors L.P and Pontifax (Cayman) II L.P.

Preferred A Shares	As defined in Article 6 below.
Preferred B Shares	As defined in Article 6 below.
Preferred C Shares	Preferred C-1 Shares and Preferred C-2 Shares, collectively.
Preferred C-1 Shares	As defined in Article 6 below.
Preferred C-2 Shares	As defined in Article 6 below.
Preferred D Shares	Preferred D-1 Shares, Preferred D-2 Shares, Preferred D-3 Shares, and Preferred D-4 Shares, collectively.
Preferred D-1 Shares	As defined in Article 6 below.
Preferred D-2 Shares	As defined in Article 6 below.
Preferred D-3 Shares	As defined in Article 6 below.
Preferred D-4 Shares	As defined in Article 6 below.
Preferred E Shares	As defined in Article 6 below, and including, for the avoidance of doubt, the Warrant E Shares.
Preferred Shareholder	A holder of Preferred Shares.
Preferred Shares	Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares and Preferred E Shares, collectively, and if and where applicable in each case as used herein, on an as-converted basis.
QIPO or Qualified IPO	An IPO reflecting a company pre-money valuation of US \$60,000,000 and generating minimum net proceeds to the Company of at least US \$30,000,000 (thirty million U.S. dollars).
Recapitalization Event	Any share split, share subdivision or combination, distribution of a share dividend, recapitalization or similar event relating to the Company's share capital.
Reverse Merger	A reverse merger of the Company into an entity which is listed on an internationally-recognized stock exchange, in which the Company shareholders do not receive consideration except for the shares of the surviving entity and as a result of which the Company shareholders obtain control of the surviving entity.
Series A SPA	The Share Purchase Agreement for the purchase of Preferred A Shares dated March 20, 2006.
Series B SPA	The Share Purchase Agreement for the purchase of Preferred B Shares dated October 28, 2009.

Series C SPA	The Share Purchase Agreement for the purchase of Preferred C Shares dated July 26, 2011.
Series D SPA	The Share Purchase Agreement for the purchase of Preferred D Shares dated September 24, 2013.
Series E SPA	The Securities Purchase Agreement for the purchase of Preferred E Shares and the Preferred E Warrants, dated July 14, 2014.
Shareholders Agreement	The Fourth Amended and Restated Shareholders Agreement by and between the Founder and the rest of the shareholders of the Company executed at the closing of the Series E SPA and attached as Schedule 3.2.4 to the Series E SPA.
The Shareholders Register	The register of Company's shareholders to be kept in accordance with Section 130 of the Companies Law.
TIFT	The Technological Incubator Founded by the Technion Research and Development Foundation Ltd.
TRDF	Technion Research and Development Foundation Ltd.
Trigger Shares	As defined in the Series E SPA.
in writing	refers to written, printed, photocopied, typed, sent via facsimile, e-mail or produced by any visible substitute for writing, or partly one and partly another, and "signed" shall be construed accordingly.
Preferred E Warrants	The Warrants granted by the Company to the Investors as defined in and pursuant to the Series E SPA.
Warrant E Shares	The Series E Shares issuable or issued upon the exercise of the Preferred E Warrants.
Vitalife	SCP Vitalife Partners II, L.P. and/or SCP Vitalife Partners (Israel) II, L.P., and their Permitted Transferees.
Vitalife Director	The member of the Board appointed by Vitalife.
Vitalife I	Each of: Vitalife Partners (Israel) L.P., Vitalife Partners (D.C.M.) L.P., and Vitalife Partners (Overseas) L.P and their Permitted Transferees.
Yaskawa	Yaskawa Electric Corporation and its Permitted Transferees.
Yaskawa Director	The member of the Board appointed by Yaskawa.
Year	refers to 12 consecutive Months.

1.2. The titles and headings appearing in these Articles are for ease of reference only and shall not be deemed to be part thereof.

1.3. In these Articles, unless defined otherwise, expressions defined in the Companies Law, or any modification thereof in force on the date on which these Articles become binding upon the Company, shall have the meanings so defined. Words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include the female gender, and words importing persons shall include bodies corporate.

Limitation of Liability

2. The liability of shareholders for the Company's obligations is limited to the unpaid portion of the nominal value of the Company's shares, all subject to Section 304 of the Companies Law.

Purposes of the Company

3. Subject to any limitations contained herein and to any applicable law, the Company shall engage in any legal occupation and/or business.

Office

4. The Office of the Company shall be at such place as the Board shall determine from time to time.

Private Company

5. The Company is a private company and accordingly:

5.1. The number of shareholders of the Company (exclusive of persons who are in the employment of the Company and of former employees of the Company who became shareholders of the Company while so employed) shall not exceed fifty (50), *provided that* where two (2) or more persons hold one (1) or more share(s) in the Company jointly, they shall, for the purposes of these Articles, be treated as a single shareholder;

5.2. Any invitation to the public to subscribe for any shares, debentures, debenture stock or any other securities of the Company is hereby prohibited; and

5.3. The right of transfer of shares shall be restricted as hereinafter provided.

Share Capital

6. The share capital of the Company is NIS 100,000 (one hundred thousand New Israeli Shekels), divided into: (i) 9,067,323 (Nine Million, Three Hundred and Sixty Seven Thousand, and Three Hundred and Twenty Three) Ordinary A Shares of NIS 0.01 nominal value each ("**Ordinary A Shares**"); (ii) 100,000 (One Hundred Thousand) non-voting Ordinary B Shares of NIS 0.01 nominal value each ("**Ordinary B Shares**"); (iii) 11,000 (Eleven Thousand) Series A Preferred Shares of NIS 0.01 nominal value each ("**Preferred A Shares**"); (iv) 100,000 (One Hundred Thousand) Series B Preferred Shares of NIS 0.01 nominal value each ("**Preferred B Shares**"); (v) 200,000 (Two Hundred Thousand) Series C-1 Preferred Shares of NIS 0.01 nominal value each ("**Preferred C-1 Shares**"); (vi) 40,000 (Forty Thousand) Series C-2 Preferred Shares of NIS 0.01 nominal value each ("**Preferred C-2 Shares**"); (vii) 100,000 (One Hundred Thousand) Series D-1 Preferred Shares of NIS 0.01 nominal value each ("**Preferred D-1 Shares**"); (viii) 69,387 (Sixty Nine Thousand, and Three Hundred and Eighty Seven) Series D-2 Preferred Shares of NIS 0.01 nominal value each ("**Preferred D-2 Shares**"); (ix) 10,323 (Ten Thousand, Three Hundred and Twenty Three) Series D-3 Preferred Shares of NIS 0.01 nominal value each ("**Preferred D-3 Shares**"); (x) 1,967 (One Thousand, Nine Hundred and Sixty Seven) Series D-4 Preferred Shares of NIS 0.01 nominal value each ("**Preferred D-4 Shares**"); and (xi) 300,000 (Three Hundred Thousand) Series E Preferred Shares of NIS 0.01 nominal value each ("**Preferred E Shares**").

Shares

7. The holders of Ordinary A Shares shall have the following rights:

7.1. to receive notices of General and Extraordinary General Meetings;

7.2. to attend the Company's General and Extraordinary General Meetings and vote thereat, either in person or by a proxy;

7.3. to receive Dividends in such cases where the Board has lawfully decided to distribute dividends in accordance with the provisions of Articles 97 through 106 below;

7.4. to participate in the distribution of the Company's assets remaining after liquidation or winding up, in accordance with the provisions of Article 16 below; and

7.5. to examine and receive copies of any register, document, report, or account of the Company according to the rights conferred by the Companies Law.

8. Rights of the Ordinary B Shares.

8.1. The holders of Ordinary B Shares shall have the same rights as the Ordinary A Shares *other than*, until their conversion into Ordinary A Shares, the right to (i) receive notices of General and Extraordinary General Meetings; and (ii) attend the Company's General and Extraordinary General Meetings and vote thereat, either in person or by a proxy.

8.2. Each of the Ordinary B Shares shall automatically be converted into such number of fully paid and non-assessable Ordinary A Shares immediately prior to the consummation of an IPO or Reverse Merger.

9. The holders of Preferred Shares shall have all the rights accruing to holders of Ordinary A Shares in the Company, and in addition shall have all the additional rights set forth in these Articles with respect to the Preferred A Shares, Preferred B Shares, Preferred C Shares, Preferred D Shares and/or Preferred E Shares (as applicable) and the holders thereof.

10. Subject to the rights of the Preferred Shareholders and of the Preferred Shares, and without prejudice to any special rights previously conferred by the issued outstanding shares in the Company, the Company may issue shares with such preferred or deferred rights of redemption or other special rights or such restrictions, whether concerning dividends, voting, repayment of share capital or otherwise, as may be determined by the Company from time to time.

11. Subject to the rights attached to the Preferred Shares under these Articles:

11.1. (I) If at any time the Company's share capital is divided into different classes of shares (unless otherwise provided for in these Articles or by the terms of issue of the shares of that class), the Company may change or convert the rights, advantages, restrictions, and provisions attached at that time to any class, after receipt of the written consent of the holders of more than 50% of the issued shares of the class so affected; *provided, however*, that (I) any conversion of the Preferred B Shares to Ordinary A Shares, or the change of any rights advantages, restrictions or provisions attached to the Preferred B Shares, will require the written consent of Vitalife (and to the extent such conversion or change of right does not apply to all Preferred Shares - one additional holder of Preferred B Shares), (II) any conversion of the Preferred C Shares to Ordinary A Shares, or the change of any rights advantages, restrictions, or provisions attached to the Preferred C Shares, will require the written consent of IHCV, (III) any conversion of the Preferred D Shares to Ordinary A Shares, or the change of any rights, advantages, restrictions or provisions attached to the Preferred D Shares will require the written consent of Yaskawa, and (IV) any conversion of the Preferred E Shares to Ordinary A Shares, or the change of any rights, advantages, restrictions or provisions attached to the Preferred E Shares will require the written consent of the holders of more than 50% of the issued Preferred E Shares.

(II) Any amendments to Articles 16 (“*Liquidation Preference*”) and 20 (*Co-Sale*) hereto shall require the consent of Vitalife, IHCV, Yaskawa and each Lead E Investor.

(III) It is hereby made clear and agreed that the following shall not be deemed or considered a change of the rights of Preferred Shares and will not require any class vote (and for avoidance of doubt this Article 11.1 will override any other Article herein): (a) the creation of any class of shares having rights which are superior or more favorable than, but do not otherwise amend, the rights attached to the Preferred Shares, (b) an IPO, (c) a Reverse Merger and (d) a carve out plan for the benefit of the officers and employees of the Company, in each case only if such action has been approved by Preferred Shareholders holding at least 70% of all outstanding Preferred Shares, in accordance with Article 89.

(IV) The provisions of these Articles relating to General Meetings shall apply, *mutatis mutandis*, to every such class meeting.

11.2. Without derogating from Article 11.1 above and Article 89 below, the Company may from time to time amend these Articles by Ordinary Resolution, *provided, however*, that if such amendment affects the Founder’s rights granted to him under the Shareholders Agreement, such amendment shall require the consent of the Founder.

11.3. The provisions of Article 48 below with regard to a quorum at General Meetings shall apply to a class meeting held pursuant to Article 11.1 above, *mutatis mutandis*.

11.4. For the purpose of these Articles, and notwithstanding the provisions of Section 20(c) of the Companies Law which are specifically excluded: (i) the holders of the Preferred C-1 Shares and the Preferred C-2 Shares shall be considered, together, as one class and will vote as a single class, on an as converted basis, on all matters requiring class vote, in accordance with the provisions of Article 11 above and subject to Article 48 hereto, (ii) the holders of the Preferred D-1 Shares, the Preferred D-2 Shares, the Preferred D-3 Shares and the Preferred D-4 Shares shall be considered, together, as one class and will vote as a single class, on an as converted basis, on all matters requiring class vote, in accordance with the provisions of Article 11 above and subject to Articles 48 and 55(C), and (iii) unless specifically provided herein, all shareholders of the Company shall vote together and not as a separate class on any matter presented to the shareholders.

11A. Anything else in these Articles notwithstanding, including but not limited to Articles 11, 55, and 89, but subject to Article 11.1(III), each of the following shall require, and the following may not be effected by the Company or otherwise without, the written consent of the holders of more than 50% of the issued Preferred E Shares:

(I) the conversion of the Preferred E Shares to Ordinary A Shares, and/or any change, waiver or amendment to the rights of the Preferred E Shares set forth in this Article 11A, and/or in Articles 15.9 (*Adjustment of Preferred E Shares Conversion Price upon Issuance of New Issues*), 15.10 (*Adjustment of Protected Shares Conversion Price upon Issuance of New Securities*), 16 (*Liquidation Preference*), and/or 20 (*Co-Sale*) hereto, and/or in any other provision hereof in which a right is granted to the “Lead E Investor(s)” or to any of them by name – all of which matters under this clause (I) will also require the consent of each Lead E Investor; and

(II) any change, waiver or amendment to any other rights, advantages, restrictions or provisions attached to the Preferred E Shares which change is not an Equal Change (as defined in Article 55(A)(ii)).

Aggregation of Stock

12. All shares held by two or more shareholders, who are Permitted Transferees, shall be aggregated together for the purpose of determining the availability of any rights under these Articles for such shareholders, including rights which are conditioned on the relevant shareholder holding shares representing a minimum percentage, etc.

13. Subject to the provisions of Articles 14 and 89 below and to the rights of the Preferred Shareholders and of the Preferred Shares, and without derogating from the provisions of these Articles and of the Companies Law, the un-issued share capital of the Company shall be under the control of the Board, which shall have the authority and power to issue shares or otherwise dispose of such share capital to such persons, on such terms and conditions (including, inter alia, terms relating to calls on shares as set forth in Articles 29 through and including 36 below), at such price (either at a premium or at nominal value, or, subject to the provisions of the Companies Law, at a discount), and at such times as the Board may deem fit. Subject to the provisions of Article 14 below and to the rights of the Preferred Shareholders by virtue of holding Preferred Shares as set forth herein, and without derogating from the provisions of these Articles and of the Companies Law, the Board shall also have the authority and power to grant any person or entity the option to acquire from the Company any shares of the Company, either for the nominal value of such underlying shares or for a premium, or, subject to the aforesaid, at a discount, at such time and for such consideration as the Board may deem fit.

14. **Preemptive Rights**

Until the consummation of an IPO or Reverse Merger, and unless the right to receive such offer has or shall have been waived in writing by a shareholder who would otherwise be entitled thereto, the following provisions shall govern the issuance of any New Securities by the Company:

14.1. Any New Securities to be issued by the Company (the “**Offered Securities**”) shall first be offered by the Company - on equivalent terms of issuance - to Major Shareholders, in proportion to their respective holdings of the total outstanding share capital of the Company, on an as-converted basis held by the Major Shareholders, *provided* such Major Shareholders are not in default of payment due from them in respect of the shares held by them.

14.2. Such offer to the Major Shareholders is to be made by providing them with a written notice identifying the proposed purchaser(s) and describing the terms of the proposed issuance (the “**Offer Notice**”). At the request of any Major Shareholder, the Company shall also provide additional reasonably requested information as to the identity of the proposed purchaser or the terms of the proposed transaction. Any such Major Shareholder may accept such offer as to all or any part of the portion of the Offered Securities so offered to it so as to maintain the same percentage in the Company’s holdings as such Major Shareholder held immediately prior to the proposed issuance of said Offered Securities, by giving the Company written notice of acceptance within fourteen (14) days following the date on which such Offer Notice was given; *provided, however*, that Major Shareholders who are also Preferred Shareholders (in this Article 14, “**Major Preferred Shareholders**”) shall have an over-allotment right with respect to the Offered Securities offered to the other Major Shareholders who decline to accept such offer in full, which over allotment right shall be calculated based on their full pro rata share of the Offered Securities (for the purposes of this Article 14, such Offered Securities with respect to which Major Shareholders have declined to exercise their preemptive right under this Article 14.2 are referred to as the “**Declined Offered Securities**”).

14.3. Following the consummation of the pre-emptive procedure detailed above, the Offered Securities shall be sold under the terms specified in the Offer Notice as follows: (i) Each Major Shareholder who elected to exercise its pre-emptive rights (fully or partially) will purchase its pro-rata portion of the Offered Securities (or, if so chosen by the applicable Major Shareholder, such part of its pro-rata portion indicated by him/her/it); (ii) The Declined Offered Securities will be reallocated among those Major Preferred Shareholders who both elected to purchase their entire respective pro-rata portions of the Offered Securities as provided in Article 14.2 above and wish to

purchase Declined Offered Securities, such allocation being effected among such shareholders on a pro-rata basis based on their respective shareholdings of Preferred Shares, (the balance of any remaining Declined Offered Securities shall thereafter be reallocated according to this sub-Article 14.3(ii) until all Declined Offered Securities have been allocated or all participating Major Preferred Shareholders have purchased the maximum number of Offered Securities they wish to purchase); and (iii) any remaining Offered Securities shall be under the control of the Board as aforesaid and may be subsequently issued to the proposed purchaser(s) without regard to this Article 14, except that said re-offered Offered Securities may not be issued in exchange for consideration less than or on terms more favorable to the purchaser than those offered pursuant to Sub-Article 14.2. If any of the Offered Securities are not acquired by the expiration of a three (3) month period following the first written notice under this Article, then such shares may not be issued except by compliance with the provisions of this Article 14.

Additional Rights of the Company's Preferred Shares

15. Conversion of Preferred Shares

The Preferred Shares shall have conversion rights as follows:

15.1. Right to Convert

15.1.1. Each Preferred Share shall be convertible, without payment of any consideration, by the holder thereof and at the option of the holder thereof, at any time after the issuance of such share at the Office or any transfer agent for the shares, into such number of fully paid and non-assessable Ordinary A Shares of the Company at the Conversion Rate then in effect for such Preferred Share.

15.1.2. The initial Conversion Price for each of the Preferred Shares shall be its respective Original Issue Price. The Conversion Prices for the Preferred Shares shall be subject to adjustment, including as set forth in Sub-Articles 15.4, 15.5, 15.6 and 15.7 and 15.8 and 15.9 and 15.10 below.

15.2. Automatic Conversion

15.2.1. Each Preferred Share shall automatically be converted into Ordinary A Shares at the applicable Conversion Price then in effect, immediately prior to, and conditioned upon, the earlier of (A) the closing of a QIPO, or (B) the consummation of an IPO or Reverse Merger with respect to which the written consent of Preferred Shareholders holding at least 70% of all outstanding Preferred Shares was obtained.

15.2.2. Anything to the contrary in this Article 15 notwithstanding, it is clarified that the applicable Conversion Rate at which the Preferred Shares are to be converted as of immediately prior to:

(A) a QIPO or IPO shall be deemed the applicable Conversion Rate as it would have been adjusted in accordance with this Article 15 upon an issuance by the Company of shares (in this Article 15.2.2(A), the "**Exit Shares**") at the price per share at which the Company issues its securities in such QIPO or IPO, as provided in Article 15.3 below, as if such Exit Shares were issued prior to such automatic conversion, regardless of the fact that such automatic conversion is deemed to occur immediately prior to such transaction;

(B) a Reverse Merger shall be deemed the applicable Conversion Rate as it would have been adjusted in accordance with this Article 15 upon an issuance by the Company of shares (in this Article 15.2.2(B), the "**Exit Shares**") at the price per share paid by the surviving or acquiring entity in such transaction, as provided in Article 15.3 below, as if such Exit Shares were issued by the Company prior to such automatic conversion, regardless of the fact that such automatic conversion is deemed to occur immediately prior to such transaction.

15.3. Mechanism of Conversion

15.3.1. Before any holder of Preferred Shares shall be entitled to convert the same into Ordinary A Shares, he shall surrender the certificate(s) therefor, duly endorsed, to the Company at its Office or the office of any transfer agent for the Preferred Shares, and shall give written notice by mail, postage prepaid, to the Company at its Office of the election to convert the same, and shall state therein the name(s) of any nominee(s) for such holder in which the certificate(s) for Ordinary A Shares are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver to such holder of Preferred Shares, or to the nominee(s) of such holder, a certificate(s) for the number of Ordinary A Shares to which such holder shall be entitled as aforesaid. 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(s) entitled to receive the Ordinary A Shares issuable upon such conversion shall be treated for all purposes as the record holder(s) of such Ordinary A Shares as of such date.

15.3.2. If the conversion is in connection with the Company's IPO, the conversion will, unless otherwise designated by any holder tendering Preferred Shares for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Ordinary A 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 sale of securities, and subject to the occurrence of such closing.

15.3.3. Notwithstanding the aforesaid in this Article 15.3 above: if the conversion is automatic pursuant to the provisions of Article 15.2.1 above, then the conversion shall be deemed made immediately prior to the closing of such QIPO, IPO, or Reverse Merger, as the case may be, 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 A Shares received upon such conversion and the right to receive a certificate for such Ordinary A Shares, and the person(s) entitled to receive the Ordinary A Shares issuable upon such conversion shall be treated for all purposes as the record holder(s) of such Ordinary A Shares as of such date.

15.4. Adjustments for Splits and Combinations. If the Company should at any time or from time to time after the applicable Original Issue Date of each Preferred Share fix a record date for the effectuation of a split or subdivision of the outstanding Ordinary Shares, then, as of such record date (or the date of such split or subdivision if no record date is fixed), the applicable Conversion Price of each Preferred Share shall be appropriately decreased so that the number of Ordinary A Shares issuable on conversion of each share shall be increased in proportion to such increase of the aggregate of Ordinary Shares outstanding. If the number of Ordinary Shares outstanding at any time after the applicable Original Issue Date of each Preferred Share is decreased by a combination of the outstanding Ordinary Shares or reverse stock split, then, as of the record date of such combination or reverse stock split, the applicable Conversion Price for each Preferred Share shall be appropriately increased so that the number of Ordinary A Shares issuable upon conversion of each share of such series shall be decreased in proportion to such decrease of the aggregate of outstanding Ordinary Shares.

15.5. Recapitalization Events. If at any time or from time to time there shall be a recapitalization of the Ordinary Shares (other than a subdivision or combination provided for elsewhere in this Article 15), provisions shall be made so that the holders of Preferred Shares shall

thereafter be entitled to receive, upon conversion of their Preferred Shares and in addition to the Ordinary A Shares into which such Preferred Shares are convertible, such number of Ordinary A Shares, or other securities or property of the Company or otherwise, which a holder of such number of Ordinary A Shares deliverable upon conversion immediately prior to such recapitalization would have been entitled to receive upon such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 15 with respect to the rights of the Preferred Shareholders and of the Preferred Shares after the recapitalization, to the end that the provisions of this Article 15 (including adjustment of the Conversion Price then in effect and the number of shares issuable upon conversion of the Preferred Shares) shall be applicable after that event in a manner as nearly equivalent as may be practicable.

15.6. Adjustments for Dividends. If the Company at any time declares or pays a dividend with respect to its Ordinary Shares only, payable in additional shares of Ordinary Shares or other securities or rights convertible into, or entitling the holder thereof to receive, directly or indirectly, additional Ordinary Shares, without any comparable payment or distribution to the holders of Preferred Shares, then the Conversion Price of the Preferred Shares shall be proportionately adjusted as at the date the Company fixes as a record date for the purpose of receiving such dividend (or if no such record date is fixed, as at the date of such payment).

15.7. Other Distributions. If the Company shall declare a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred elsewhere in this Article 15, or if the Company at any time shall pay a dividend payable in additional Ordinary Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Ordinary A Shares, then, in each such case, and without derogating from the provisions of these Articles, for the purposes of this Article 15, the holders of Preferred Shares shall be entitled to receive such distribution in respect of their holdings on an as-converted basis as of the record date for such distribution.

15.8. Deemed Issuance of New Securities. In the event that the Company at any time or from time to time after the Original Issue Date of any Preferred Share shall issue any Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Convertible Securities, then the maximum number of Ordinary A Shares issuable upon the exercise of such Convertible Securities, the conversion or exchange of such Convertible Securities, shall be deemed to be New Securities 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; provided, that in any such case in which New Securities are deemed to be issued:

15.8.1. no further adjustment in the applicable Conversion Price shall be made upon the subsequent issue of Convertible Securities or shares upon the exercise, conversion or exchange of such Convertible Securities, in each case, pursuant to their originally contemplated consideration and respective terms;

15.8.2. if such Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase in the consideration payable to the Company, or decrease in the number of shares issuable, upon the exercise, conversion or exchange thereof, the applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects the rights of exercise, conversion or exchange under such Convertible Securities;

15.8.3. upon the expiration of any rights of exercise, conversion or exchange under such Convertible Securities which shall not have been exercised, the applicable Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect

thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if: (i) in the case of Convertible Securities, only New Securities actually issued upon the exercise, conversion or exchange of such Convertible Securities were issued, and (ii) the consideration received therefor was the consideration actually received by the Company for the issue of all such Convertible Securities, whether or not exercised, plus the consideration actually received by the Company upon such exercise, or for the issue of all such Convertible Securities which were actually converted or exchanged.

15.8.4. no readjustment shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Original Issue Price of such Preferred Share, as applicable, or (ii) the applicable Conversion Price that would have resulted from other issuances of New Securities after the applicable Original Issue Date; and

15.8.5. in the case of an option which expires by its terms not more than thirty (30) days after the date of issue thereof, no adjustment of the Conversion Price shall be made until the expiration or exercise of such Convertible Security, whereupon such adjustment shall be made in the same manner provided in Article 15.3 above.

For the avoidance of doubt, any Milestone Shares and Trigger Shares shall not be deemed to be New Securities.

15.9. Adjustment of Preferred E Shares Conversion Price upon Issuance of New Issues

15.9.1. In this Article 15.9:

(A) “**Adjusted E Conversion Price**” means a new Conversion Price for the Initial Preferred E Shares (calculated to the nearest cent) equal to a discount on the New Price equal to the Applicable Percentage.

(B) “**Adjusted Warrant E Shares Conversion Price**” means a new Warrant E Shares Conversion Price (calculated to the nearest cent) equal to 20% more than the Adjusted E Conversion Price.

(C) “**Applicable Percentage**” means (i) if the Issuance is not made pursuant to a Qualifying Round: 30%, and (ii) if the Issuance is made pursuant to a Qualifying Round, (a) until and including the Final Round, 30% less the aggregate Protection Used, if any, prior to such Qualifying Round and (b) during the Extension Period, the Applicable Percentage in the Final Round.

(D) “**Extension Period**” means the period which is six (6) months following the Final Round.

(E) “**Final Round**” means the Qualifying Round as a result of which the aggregate Protection Used in all Qualifying Rounds equals at least 30%.

(F) “**Issuance**” means as defined in Article 15.9.2 below;

(G) “**New Issues**” means New Securities issued by the Company, including for this purpose (but not limited to) New Securities: (i) deemed to be issued pursuant to Article 15.8 and New Securities, (ii) issued (whether by the Company itself or by the acquiring or surviving entity in the transaction, which shall be deemed an Issuance by the Company) as part of (a) an IPO or QIPO (notwithstanding that such securities are generally included in the definition of “Exempted Securities” in these Articles), and/or (b) a Deemed Liquidation and/or Reverse Merger, and (iii) which have been declared to be “Exempted Securities” pursuant to clause (G) of the definition of such term herein; *provided however* that New Issues shall not include any Securities issued (or deemed issued) in a particular transaction if each Lead Investor, each in its sole discretion, agrees that such Securities shall not be New Issues.

(H) “**New Price**” means the price per share of the New Issues.

(I) “**Protection Period**” means the period commencing on the Original Issue Date of the Preferred E Shares until and including the Termination Event.

(J) “**Protection Used**” means with respect to a particular Qualifying Round (and, for the avoidance of doubt, only with respect to Qualifying Rounds), the difference, on a percentage basis, between the pre-Issuance Conversion Price and the Adjusted E Conversion Price resulting therefrom.

(K) “**Qualifying Round**” means an equity investment in the Company in which at least \$10,000,000 is raised, including at least \$8,000,000 from external, unaffiliated investors.

(L) “**Termination Event**” means the earliest to occur of (i) the IPO, (ii) the last day of the Extension Period, or (iii) a Reverse Merger.

(M) “**Then Current E Conversion Price**” means the Conversion Price for each of the Initial Preferred E Shares as of immediately prior to the Issuance.

(N) “**Then Warrant E Shares Conversion Price**” means the Conversion Price of the Warrant E Shares (the “**Warrant E Shares Conversion Price**”) as of immediately prior to the Issuance.

15.9.2. If at any time during the Protection Period, the Company issues, or pursuant to Article 15.8 is deemed to have issued, New Issues (“**Issuance**”) at a New Price, and if the Adjusted E Conversion Price resulting from such Issuance is lower than the Then Current E Conversion Price, the Then Current E Conversion Price shall be reduced (and for the avoidance of doubt in no event increased), concurrently with such issuance, for no consideration, to the Adjusted E Conversion Price, and the Then Warrant E Shares Conversion Price shall be reduced (and for the avoidance of doubt in no event increased), concurrently with such issuance, for no consideration, to the Adjusted Warrant E Shares Conversion Price.

For example: If the Then Current E Conversion Price equals the Original Issue Price of the Preferred E Shares, which, solely for the sake of this example is US \$0.40, and if the Issuance is a Qualifying Round in which the New Price is US\$ 0.50, then, as of immediately following such Issuance, (A) the Adjusted E Conversion Price shall be US\$ 0.35 (30% discount on US \$0.50), and (B) the Protection Used shall equal 12.5% ($87.5\% \times 0.40 = 0.35$), such that with respect to the following Qualifying Round, the Applicable Percentage shall be 17.5% ($30\% - 12.5\%$), and (C) the Adjusted Warrant E Shares Conversion Price shall be US \$0.42 ($\$0.35 \times 120\%$).

15.9.3. Trigger Event Adjustment. In the event that, prior to the close of business on December 31, 2014, the consummation of the Company’s IPO which reflects a Company pre-money valuation of at least \$180 million, has not occurred (the “**Trigger Event**”), then at such time the Conversion Price for the Initial Preferred E Shares and the Warrant E Shares Conversion Price shall be adjusted in accordance with the provisions of the Series E SPA.

15.10. Adjustment of Protected Shares Conversion Price upon Issuance of New Securities. If following the respective Original Issue Date of any Preferred B Share, Preferred C Share, or Preferred D Share and the Preferred E Share (each such share, in this Article 15.10, a “**Protected Share**”), the Company issues New Securities (including New Securities deemed to be issued pursuant to Article 15.8), without consideration or for a consideration per share (the “**Reduced Price**”) less than the respective Conversion Price for such Protected Share in effect on the date of and immediately prior to such issuance, then and in such respective event, the

Conversion Price for each of the Protected Shares (entitled to such protection, it being clarified that no Preferred E Share shall be entitled to such protection so long as it is entitled to and receives protection regarding such issuance pursuant to Article 15.9 above) shall be reduced, concurrently with such issuance, for no consideration, to a new Conversion Price (calculated to the nearest cent) determined in accordance with the following formula:

$$NCP = \frac{(N * CP) + (n * p)}{N + n}$$

where:

15.10.1. **NCP** is the adjusted Protected Share Conversion Price;

15.10.2. **CP** is the applicable Protected Share Conversion Price immediately prior to the relevant issuance of the New Securities;

15.10.3. **N** is the total number of the Preferred Shares outstanding (on an as converted basis) immediately prior to the relevant issuance of the New Securities;

15.10.4. **n** is the number of New Securities issued; and

15.10.5. **p** is the Reduced Price.

15.11. **No Adjustment of Conversion Price.** For the purposes of Article 15.10 only (and not, for the avoidance of doubt, Article 15.9), no adjustment in the Conversion Price shall be made in respect of the issuance of New Securities unless the consideration per New Security issued or deemed to be issued by the Company is less than the respective Protected Share Conversion Price in effect on the date of, and immediately prior to such issue.

15.12. **Determination of Consideration.** For purposes of Articles 15.8, 15.9 and 15.10 above, the consideration received by the Company for the issuance of any New Securities shall be computed as follows:

15.12.1. *Cash and Property.* Such consideration shall:

(I) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest or accrued dividends and discounts or commissions paid or incurred by the Company for any underwriting or otherwise in connection with the issuance and sale thereof;

(II) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue if publicly traded or, if not as determined by the Company's Auditors (*provided* such Auditors are members of one of the "big four" accounting firms), or if the Company's Auditors are precluded from making such determination, as determined by the Board in good faith; and

(III) in the event New Securities are issued together with other shares or securities or other assets of the Company ("**Related Securities**") for consideration which covers both, the proportion of such consideration so received, shall be determined in good faith by the Board, based on the total monetary consideration actually paid less the fair market value of the Related Securities.

15.12.2. *Convertible Securities.* The consideration per share received by the Company for New Securities deemed to have been issued pursuant to Article 15.8, relating to Convertible Securities, shall be determined by *dividing* (i) the total amount, if any, received or receivable by the Company as consideration for the issuance of such Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Company upon the

exercise, conversion or exchange of such Convertible Securities, or in the case of any right to Convertible Securities, the exercise of Convertible Securities and the conversion or exchange of such Convertible Securities by (ii) the maximum number of shares issuable upon the exercise, conversion or exchange thereof as determined in Article 15.8 hereof.

15.13. No Impairment. The Company shall 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 15, but will at all times in good faith assist in the carrying out of all the provisions of this Article 15 and take all such actions as may be necessary or appropriate in order to protect the conversion rights specified in this Article 15 of the holders of the Preferred Shares against impairment.

15.14. No Fractional Shares. No fractional shares shall be issued upon conversion of the Preferred Shares, and the number of Ordinary A Shares to be issued shall be rounded to the nearest whole share.

15.15. Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any applicable Conversion Price pursuant to this Article 15, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each 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 Company shall furnish or cause to be furnished to each Preferred Shareholder a like certificate setting forth (i) the details of such adjustment and readjustment, (ii) the applicable Conversion Price then in effect, and (iii) the number of Ordinary A Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Preferred Share.

15.16. Reservation of Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary A Shares, solely for the purpose of effecting the conversion and/or reclassification of the Preferred Shares, such number of its Ordinary A Shares as shall from time to time be sufficient to effect the conversion and/or reclassification of all issued and outstanding Preferred Shares. If at any time the number of authorized but unissued Ordinary A Shares shall be insufficient to effect the conversion and/or reclassification of all then issued and outstanding Preferred Shares, then in addition to such other remedies as shall be available to the holders of such Preferred Shares, the Company will take such corporate actions as may, in the opinion of its counsel, be necessary or expedient in order to increase its authorized but unissued Ordinary A Shares to such number of shares as shall be sufficient for such purposes, and each of the Company's shareholders shall be obligated to co-operate with the Company in taking such corporate actions.

15.17. Notices of Record Date. If the Company wishes to determine a record date to determine the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (including a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall mail to each holder of Preferred Shares, at least fifteen (15) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

15.18. Notices. Any notice required by the provisions of this Article 15 to be given to the holders of Preferred Shares shall be deemed given pursuant to Article 115 below.

15.19. Issue Taxes. The Company shall pay any and all issue and other taxes that may be payable in respect of any issuance or delivery of Ordinary A Shares upon conversion of Preferred Shares pursuant hereto; *provided, however*, that the Company shall not be obligated to pay any transfer taxes resulting from any transfer requested by any holder in connection with any such conversion.

16. Liquidation Preference

Upon an Exit Event, the Distributable Proceeds shall be distributed among the Shareholders pursuant to the following order of preference:

16.1. Unless the Founder had earlier exercised the right set forth in Article 22 hereto - First, to the Founder such that:

16.1.1. The Founder shall be entitled to receive, prior to and in preference over all other classes of equity securities, an amount equal to 1% of the Distributable Proceeds (the "**Exit Payment**");

16.1.2. Notwithstanding the above, if the total of: (i) the Exit Payment; and (ii) the Founder's pro rata portion of the Distributable Proceeds, assuming distribution pursuant to Articles 16.2 to 16.7 below ((i) and (ii) collectively, "**Founder's Total Distributions**") is less than the Agreed Percentage (as defined in the Shareholders Agreement) of the total Distributable Proceeds (the "**Target Amount**"), then the Founder shall first be entitled to receive the Target Amount (which includes, for the avoidance of doubt, the Exit Payment set out in Article 16.1.1). All of the equity securities held by the Founder following payment of the Target Amount, pursuant to this Article 16.1.2, shall be excluded from participating in the distribution of the remaining Distributable Proceeds (pursuant to Articles 16.2 through 16.7 below). For the avoidance of doubt, if the Founder's Total Distributions pursuant to Articles 16.1 through 16.7, without this Article 16.1.2, shall equal or exceed the Target Amount, the provisions of this Article 16.1.2 shall not apply. The Provisions of Article 16.1.1 and this Article 16.1.2 shall be subject to the terms set forth in the Shareholders Agreement.

16.2. Second (or first – if the Founder had earlier exercised the right set forth in Article 22 hereto), after payment in full of the Exit Payment, the remaining Distributable Proceeds shall be distributed among the holders of Preferred E Shares such that:

16.2.1. they shall be entitled to receive, on a pro rata basis among themselves (on an as converted basis), for each Preferred E Share held thereby, prior to and in preference over all other classes of equity securities, an amount per each Preferred E Share then held equal to (I) *the product of* (A) (i) the Original Issue Price for such Preferred E Share (as may be adjusted in accordance with the provisions hereof), plus (ii) a rate of return equal to eight percent (8%) annually compounded thereupon, calculated from the Original Issue Date of each such Preferred E Shares, *multiplied by* (B) 1.3, plus (II) an amount equal to the declared but unpaid dividend on such Preferred E Share (Collectively: the "**Preference E Amount**"); and

16.2.2. if the Company's Distributable Proceeds remaining after distribution in full of the Exit Payment are not sufficient to pay the full Preference E Amount to all holders of Preferred E Shares, then the entire Distributable Proceeds remaining after the distribution in full of the Exit Payment shall be distributed among the holders of the Preferred E Shares on a pro-rata basis in proportion to their respective shareholdings of the Preferred E Shares.

16.3. Third (or second – if the Founder had earlier exercised the right set forth in Article 22 hereto), after payment in full of the Exit Payment and the Preference E Amount, the remaining Distributable Proceeds, shall be distributed among the holders of Preferred D Shares such that:

16.3.1. they shall be entitled to receive, on a pro rata basis among themselves (on an as converted basis), for each Preferred D Share held thereby, prior to and in preference over all other classes of equity securities junior thereto, (i) an amount per each Preferred D Share equal to the Original Issue Price for each Preferred D Share then held (as may be adjusted in accordance with the provisions hereof), plus (ii) a rate of return equal to eight percent (8%) annually compounded thereupon, calculated from the Original Issue Date of each such Preferred D Share, plus (iii) an amount equal to the declared but unpaid dividend on such Preferred D Share (Collectively: the “**Preference D Amount**”); and

16.3.2. if the Company’s Distributable Proceeds remaining after distribution in full of the Exit Payment and the Preference E Amount are not sufficient to pay the full Preference D Amount to all holders of Preferred D Shares, then the entire Distributable Proceeds remaining after the distribution in full of the Exit Payment and the Preference E Amount shall be distributed among the holders of the Preferred D Shares on a pro-rata basis in proportion to their respective shareholdings of the Preferred D Shares.

16.4. Fourth (or third – if the Founder had earlier exercised the right set forth in Article 22 hereto), after payment in full of the Exit Payment, the Preference E Amount and the Preference D Amount, the remaining Distributable Proceeds, shall be distributed among the holders of Preferred C Shares such that:

16.4.1. they shall be entitled to receive, (A) on a pro rata basis among themselves (on an as converted basis), for each Preferred C Share held thereby, prior to and in preference over all other classes of equity securities junior thereto, (i) an amount per each Preferred C Share equal to the respective Original Issue Price for each Preferred C Share then held (as may be adjusted in accordance with the provisions hereof), plus (ii) a rate of return equal to eight percent (8%) annually compounded thereupon, calculated from the Original Issue Date of each such Preferred C Share, plus (iii) an amount equal to the declared but unpaid dividend on such Preferred C Share; plus (B) for each outstanding Preferred C-2 an additional amount of US \$10.58 (which constitutes a total additional amount to be paid to the Preferred C-2 shares of US \$208,193) plus eight percent (8%) annually compounded thereupon (collectively: the “**Preference C Amount**”); and

16.4.2. if the Company’s Distributable Proceeds remaining after distribution in full of the Exit Payment, the Preference E Amount and the Preference D Amount are not sufficient to pay the full Preference C Amount to all holders of Preferred C Shares, then the entire Distributable Proceeds remaining after the distribution in full of the Exit Payment, the Preference E Amount and the Preference D Amount shall be distributed among the holders of the Preferred C Shares on a pro-rata basis in proportion to portion of the Preference C Amount payable with respect to each of the Preferred C Shares, taking into account Article 16.4.1(B) above.

16.5. Fifth (or fourth – if the Founder had earlier exercised the right set forth in Article 22 hereto), after payment in full of the [Exit Payment], the Preference E Amount, the Preference D Amount and the Preference C Amount, the remaining Distributable Proceeds, if any, shall be distributed among the holders of Preferred B Shares such that:

16.5.1. they shall be entitled to receive, on a pro rata basis among themselves (on an as converted basis), for each Preferred B Share held thereby, prior to and in preference over all other classes of equity securities junior thereto, (i) an amount per each Preferred B Share equal to the Original Issue Price for each Preferred B Share then held (as may be adjusted in accordance with the provisions hereof), plus (ii) a rate of return equal to eight percent (8%) annually compounded thereupon, calculated from the Original Issue Date of each such Preferred B Shares (Collectively: the “**Preference B Amount**”); and

16.5.2. if Distributable Proceeds remaining after the distribution in full of the Exit Payment, the Preference E Amount, the Preference D Amount and the Preference C Amount are not sufficient to pay the full Preference B Amount to all holders of Preferred B Shares, then the entire Distributable Proceeds remaining after the distribution in full of the Exit Payment, the Preference E Amount, the Preference D Amount and the Preference C Amount shall be distributed among the holders of the Preferred B Shares on a pro-rata basis in proportion to their respective shareholdings of the Preferred B Shares.

16.6. Sixth after payment in full of the Exit Payment, the Preference E Amount, the Preference D Amount, the Preference C Amount and the Preference B Amount, the remaining Distributable Proceeds, if any, shall be:

16.6.1. distributed among the holders of the Preferred A Shares, on a pro rata basis among themselves (on an as converted basis), such that they will be entitled to receive prior and in preference over all other classes of equity securities junior thereto, (i) an amount per each Preferred A Share then held equal to the applicable Original Issue Price of such Preferred A Share (as may be adjusted in accordance with the provisions hereof), plus (ii) a rate of return equal to eight percent (8%) annually compounded thereupon, calculated from the Original Issue Date of each such Preferred A Shares (the “**Preference A Amount**”); and

16.6.2. if the Distributable Proceeds remaining after the distribution in full of the Exit Payment, the Preference E Amount, the Preference D Amount, the Preference C Amount and the Preference B Amount are not sufficient to pay the full Preference A Amount to all holders of Preferred A Shares, then the entire Distributable Proceeds remaining after the distribution in full of the Exit Payment, the Preference E Amount, the Preference D Amount, the Preference C Amount and the Preference B Amount shall be distributed among the holders of the Preferred A Shares on a pro-rata.

16.7. Seventh, after payment in full of the Exit Payment, the Preference E Amount, the Preference D Amount, the Preference C Amount, Preference B Amount and Preference A Amount, respectively, the remaining Distributable Proceeds available for distribution, if any, shall be distributed pro-rata among all Shareholders of the Company (Ordinary and Preferred), on a pro-rata basis among them, according to their respective holdings in the Company’s share capital, calculated on an outstanding and on an as-converted basis.

16.8. If the consideration received by the Company in the Exit Event is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

16.8.1. Securities not subject to investment letters or other similar restrictions on free marketability shall be valued as follows: (i) If traded on a securities exchange, or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the thirty (30) day period ending three (3) days prior to the closing; (ii) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and (iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board.

16.8.2. Securities subject to investment letters or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder’s status as an affiliate or former affiliate) shall be valued in such a manner as to make an appropriate discount from the market value determined in good faith as set forth in Article 16.8.1 above to reflect the approximate fair market value thereof, as determined by the Board.

16.9. Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation, if any portion of the consideration payable to the Shareholders is payable 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 this Article 16 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 this Article 16 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Article 16.9, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation shall be deemed to be Additional Consideration.

Transfer, Transmission and Sale of Shares in the Company

17. Any transfer of shares in the Company shall be subject to the following provisions:

17.1. (A) Until an IPO or Reverse Merger, the Board shall have the authority to refuse registering a transfer of shares only in case of a transfer by a shareholder to a direct competitor of the Company.

(II) 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. If the Board makes use of its powers under this Article 17.1 and refuses to register a transfer of shares, it must provide written notice to the contemplated transferee of such refusal within fourteen (14) days from the date the deed of transfer was furnished to the Company.

17.2. Each transfer of shares shall be made in writing in the form appearing below, or in a similar form, or in any form as may be determined by the Board from time to time. Such form of transfer shall be delivered to the Office together with the transferred share certificates and any other reasonable proof the Board shall require.

Instrument of Transfer of Shares

I, _____ of _____ (the “**Transferor**”) do hereby transfer to _____, of _____ (the “**Transferee**”) _____ share(s) having nominal value of NIS _____ each one in **ReWalk Robotics Ltd.**, to hold unto the Transferee, his executors, administrators, and assigns, subject to the several conditions on which I held the same at the time of the execution hereof; and I, the Transferee, do hereby agree to take said share(s) subject to the conditions aforesaid. As witness we have hereunto set our hands the _____ day of _____ 20____.

Transferee

Transferor

Address & Profession

Address & Profession

Witness to Transferee’s Signature

Witness to Transferor’s Signature

Address of Witness

Address of Witness

17.3. The instrument of share transfer shall be executed by both the transferor and the contemplated transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered into the Shareholders Register in respect thereof.

17.4. (A) The Board of Directors of the Company or whomever the Board of Directors shall appoint for this purpose, shall maintain a Shareholders Register. The ownership of the shares of the Company shall be in accordance with that appearing in the Shareholders Register.

(II) The Shareholders Register may be closed at such dates and for such other periods as determined by the Board from time to time, *provided that* the Shareholders Register shall not be closed for more than thirty (30) days per year.

17.5. Notwithstanding Article 18, upon the death of a shareholder, the remaining holders (in the event that the deceased was a joint holder of a share) or the administrators or executors or heirs of the deceased (in the event the deceased was the sole holder of the share or was the only one of the joint holders of the share to remain alive) shall be recognized by the Company as the sole holders of any title to the shares of the deceased. However, nothing aforesaid shall release the estate of a joint holder of a share from any obligation with respect to the share that the deceased held jointly with any other holder.

17.6. Any person becoming entitled to a share in consequence of the death or bankruptcy or liquidation of a shareholder shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be registered as a shareholder in respect of such share upon the consent of the Board (which has the authority to refuse pursuant to Article 17.1 above) or, instead of being registered himself, to transfer such share to another person, subject to the provisions contained in Article 17.1 above and elsewhere in these Articles with respect to transfers.

17.7. A person becoming entitled to a share in consequence of the death of a shareholder shall not be entitled to receive notices with respect to General (or class) Meetings, or to participate or vote therein with respect to that share, or aside from the aforesaid, to exercise any right of a shareholder, until such person has been entered in the Shareholders Register as the registered holder of such shares.

17.8. Additionally, no transfer of shares shall be permitted unless the transferee undertakes in writing and in advance to be bound by such terms of any contractual obligations of the transferor with respect to the shares transferred under agreements to which the Company is also a party, and the Company shall not register nor otherwise give any force or effect to any transfer made not in compliance with this Article 17.8.

18. Right of First Refusal

18.1. Prior to an Exit Event or an IPO and subject to the provisions of Article 17 above and Articles 19 and 20 below, any sale, transfer, grant or disposition of shares in the Company by any shareholder (a “**Transfer**”) shall be subject to rights of first refusal of the Preferred Shareholders as set forth in this Article 18 below.

18.1.1. If, at any time, a shareholder (the “**Transferring Holder**”) proposes to Transfer any or all of the shares held by it (including options, warrants or other rights to acquire shares) to one or more third parties or other shareholders which are not Permitted Transferees of such Transferring Holder, then the Transferring Holder shall submit to the Company a written notice (the “**Offer**”) of the proposed Transfer of such shares (the “**Offered Shares**”), setting forth in reasonable detail the terms and conditions of the Offer, including (i) a description of the Offered Shares, (ii) the identity of the prospective transferee(s) and (iii) the consideration and the material terms and conditions upon which the proposed Transfer is to be made, all such terms being identical to those proposed by such third party or other shareholder (the terms of the Offer are referred to herein as the “**Proposed Terms**”). The Company shall promptly thereafter send each of the Preferred Shareholders (collectively, the “**Offerees**”) a copy of the Proposed Terms (hereinafter the “**Sale Notice**”). It shall be the sole responsibility of the Transferring Holder to provide the Company with the required contents of the Sale Notice and any additional information as may reasonably be requested by the Company.

18.1.2. Any Offeree may accept such Offer in respect of all or any of the Offered Shares by giving the Company written notice to that effect (the “**Response Notice**”), with a copy to the Transferring Holder, within fourteen (14) days after being served with the Offer. Any Offeree who has not delivered a Response Notice as aforesaid by the lapse of said 14-day period shall be deemed to have declined to purchase any of the Offered Shares.

18.1.3. If the acceptances, in the aggregate, are in respect of all of, or more than, the Offered Shares, then the accepting Offerees shall acquire the Offered Shares, on the terms specified in the Offer, pro-rata in proportion to their respective holdings, on an as-converted basis (taking into account only the holdings of the Preferred Shareholders); *provided that* no Offeree shall be required to acquire under the provisions of this Article 18 more than the number of Offered Shares initially accepted by such Offeree, and upon the allocation to him/her/it of the full number of shares so accepted, he/she/it shall be disregarded in any subsequent computations and allocations hereunder. Any shares remaining after the computation of such respective entitlements shall be re-allocated among the accepting Offerees (other than those to be disregarded as aforesaid), pro-rata in accordance with their respective shareholdings on an as-converted basis, until one hundred per cent (100%) of the Offered Shares have been allocated as aforesaid.

18.1.4. If the acceptances, in the aggregate, are in respect of less than the number of Offered Shares, then Transferring Holder, at the expiration of the aforementioned fourteen (14) day period, shall be entitled to transfer all (but not less than all) of the Offered Shares to the proposed transferee(s) identified in the Offer; *provided, however*, that in no event shall the Offeror (i) transfer any of the Offered Shares to any transferee other than such proposed transferee(s), or (ii) transfer the same on terms more favorable to the buyer(s) than those stated in the Offer. If the Offered Shares are not so transferred within ninety (90) days after the expiration of such fourteen (14) day period, the transfer thereof shall again be subject to the provisions of this Article 18.

18.1.5. The Transferring Holder and Offerees exercising their right of first refusal shall each have all the remedies for breach of contract against each other available under any applicable laws in connection with the transaction set forth in this Article 18.

18.2. Any attempted transfer of shares or rights in breach of the provisions of Articles 17, 18 and 20 of these Articles shall be null and void.

18.3. **Exceptions to Rights of First Refusal**

18.3.1. Notwithstanding the aforesaid in sub-Article 18.1 above, and subject to the provisions of Articles 19 and 20 below, each shareholder shall have the right to transfer its shares to its Permitted Transferee(s), without regard to the rights of first refusal set forth in these Articles, *provided, however*, that such Permitted Transferee shall undertake in writing towards the Company and all shareholders, as a condition precedent to the transfer thereto, to abide by all the provisions of these Articles and any other applicable agreement relating to such shares.

18.3.2. In addition to and without derogating from the above, a transfer of shares held by any trustee pursuant to the Company’s employee stock option plan(s) for the benefit of employees, consultants or service providers of the Company, or underlying outstanding and valid options granted in the framework of such plan to any such person (except those of the Founder), provided, that, such transfer is to the beneficiary of such shares, shall not be subject to the rights of first refusal set forth in these Articles.

19. **No Sale**

19.1. Subject to the provisions of Article 20.7, and until the earlier of (i) the consummation of an IPO; or (ii) the lapse of a period of 12 months from Original Issue Date of Preferred C Shares (the “**No Sale Period**”), all the shares of the Company owned by a Founder shall not be transferable in any manner and for any reason, whether voluntarily or not, other than in an Exit Event or to Permitted Transferees or to his respective legal heirs in the event of the demise of the respective Founder.

19.2. In the event that any of the Vitalife entities sell any of their securities under any circumstances, including an Exit Event, the Founder shall have the option in his sole discretion to sell to any third party, subject to the limitations of Articles 18 and 20 hereto, an amount of his shares in the same proportion to the Founder’s total holdings in the Company as the amount of securities sold by the specific Vitalife entity in proportion to its total holdings.

20. **Right of Co-Sale.** Notwithstanding any provision to the contrary herein, until an Exit Event or IPO, upon any Transfer of the Company’s shares by any shareholder of the Company (a “**Transferring Holder**”) to the extent that the rights of first refusal with respect to the Offered Shares are not exercised under Article 18 above, and as a result the Transferring Holder intends to effect, in one or more related transactions, a Transfer of the Offered Shares, then the Preferred Shareholders shall be entitled to participate in such Transfer on a pro-rata basis, according to the following provisions:

20.1. (A) If the Offered Shares intended to be sold by the Transferring Holder are not acquired pursuant to the rights of first refusal set forth in these Articles, the Preferred Shareholders (hereinafter the “**Offerees**”), shall have the right, exercisable by written notice to the Transferring Holder within the same period provided for the exercise of the right of first refusal under Article 18 above (i.e., within fourteen (14) days of receipt of the Offer), to require the Transferring Holder to provide as part of the proposed sale that such Offeree shall be given the right to participate in the sale in a pro rata proportion (the “**Offeree Pro-Rata Share**”) equal to the product obtained by *multiplying* (i) the aggregate number of shares covered by the sale, *by* (ii) a fraction, the numerator of which is the number of shares of stock owned by such Offeree at the time of the sale or transfer and the denominator of which is the Offered Shares plus the total number of shares owned by the holders of Preferred Shares (other than the Transferring Holder) at the time of sale or transfer, on the same terms and conditions as the Transferring Holder. If any Offeree exercises its rights hereunder, the Transferring Holder must cause the purchaser of the Offered Shares (the “**Buyer**”) to purchase, as part of the sale agreement, the Offeree Pro Rata Share (or any part thereof chosen by such Offeree to be sold, if it gave notice with respect to less than its Offeree Pro-Rata Share), and the Transferring Holder shall not proceed with such sale unless such Offeree is given the right to so participate in the sale.

(II) If an Offeree does not respond to the Offer within the aforesaid time period stating its wish to participate in the sale, it shall be deemed to have declined to participate in such transfer.

20.2. The Transferring Holder shall be entitled to sell or transfer all, or the appropriate pro rata portion (together with the participating participants’ shares), as applicable, of the Offered Shares, to the Buyer at any time within ninety (90) days after the lapse of the 14-day period mentioned above. Any such transfer shall not be on more favorable terms and conditions to the Buyer than those specified in the Offer. Any of the Transferring Holder’s shares in the Company not so sold within such 90-day period shall continue to be subject to the requirements of this Article 20.

20.3. The exercise or non-exercise of the right to participate hereunder with respect to a particular sale by a Transferring Holder shall not adversely affect the right of the Preferred Shareholders to participate in subsequent sales by the Transferring Holders pursuant to this Article 20.

20.4. Notwithstanding the aforesaid, if any Transfer proposed to be made by one or more of the Transferring Holders, in one or more related transactions, shall result in a change in Control of the Company, then the Transferring Holders shall, prior to effecting such Transfer, notify the Offerees of same, and the Offerees shall be entitled to participate in such transaction(s) and effect a Transfer of all of their securities in the Company (on an as-converted basis) in accordance with the provisions of this Article 20.

20.5. For the removal of doubt, a Transfer by a Transferring Holder to his Permitted Transferee in accordance with the provisions of these Articles shall not trigger the application of this Article 20.

20.6. If a Transferring Holder purports to effect a Transfer of any securities in contravention of the provisions of these Articles (a “**Defaulting Holder**” and a “**Prohibited Transfer**”, respectively), then (i) the Company shall not register in its Shareholders Register nor otherwise give any force or effect to such Prohibited Transfer, and (ii) in addition to the Company’s obligation in 20.6(i) herein, the Offerees may proceed to protect and enforce their rights herein by suit in equity or by action at law against the Defaulting Holder, whether for the specific performance of any provision contained herein or for an injunction against the breach of any such provision, or to enforce any other legal or equitable right of the Offerees.

20.7. The provisions of this Article 20 shall cease applying for transfer of Preferred A Shares as of the date of October 28, 2012.

21. **Bring Along**

21.1. Subject to Article 89 below, in the event that any third party makes a bona fide, arm’s length offer to purchase all or substantially all the issued share capital of the Company, and either (A) the shareholders holding, as of such time, 80% of the Company’s issued share capital on an as-converted basis accept such offer, or (B) (i) such offer is at a price per share that is equal to or greater than the Original Issue Price with respect to the Preferred D-1 Shares, and (ii) the shareholders holding, as of such time, 70% of the Company’s issued share capital accept such offer, then all of the other shareholders (the “**Remaining Holders**”) will be required to sell all of their shares in the Company to the offeror at the closing of such transaction, under the same terms and conditions; and in addition, in the event that such offeror requested to purchase all the securities of the Company (including warrants, options and other rights to purchase or convertible into the Company’s shares), all the holders of the Company’s securities will be required to sell all of their securities in the Company to the offeror at the closing of such transaction, under the terms of the offeror’s offer (*provided that* the price to be paid by the offeror for warrants, options and other convertible securities shall be reduced by the amount of the applicable exercise or conversion price therefor); all *provided, however*, that the distribution of the proceeds of such purchase will be effected in accordance with the Liquidation Preference provisions contained in Article 16 above.

21.2. The aforesaid shareholding requirement is hereby determined also for the purposes of Section 341 of the Companies Law to constitute the sufficient shareholdings requirements thereunder, such that no further consent of any other shareholders shall be required for the purposes of such Section 341.

21.3. Limitations on Indemnification, Etc. Notwithstanding anything to the contrary in these Articles, the obligation of any Remaining Holder to take any action whatsoever including without prejudice to the generality of the foregoing (A) voting shares held by it in favor of any Exit Event; (B) selling or transferring its shares in the Company pursuant to such Exit Event; and (C) the timely delivery of documents and instruments to facilitate such Exit Event, shall be subject to the satisfaction of each of the following conditions:

21.3.1. Limitations on Representations, Warranties and Indemnities. The only representations, warranties or indemnities that a Remaining Holder shall be required to make in connection with the Exit Event are representations, warranties or indemnities with respect to its own ownership of the Company's shares to be sold by it and its ability to convey title thereto free and clear of liens, encumbrances or adverse claims (the "**Required Obligations**"). The Required Obligations shall be in the same form for all Preferred Shareholders of the Company and shall be given by each Remaining Holder only on a several but not joint basis. Notwithstanding any other provisions of this clause, the maximum aggregate liability of any Remaining Holder for its personal Required Obligations shall be limited to the amount of consideration actually received in cleared funds by such Remaining Holder in such Exit Event. The liability of any Remaining Holder with respect to any representation, warranty, indemnity or covenant made by the Company in connection with the Exit Event (A) shall be several and not joint with any other person, and (B) shall be limited to a pro rata share of an escrow account which (unless the cash or cash equivalent component of the consideration per share is at least equal to the Original Issue Price with respect to the Preferred D-1 Shares, in which case the following limitations shall not apply) (i) does not exceed 10% of the aggregate of the consideration payable to all shareholders of the Company, and (ii) is for a period that does not exceed one year from the date of closing (as that term is defined in the document for the Exit Event giving rise to the escrow).

21.3.2. Other Agreements. No Remaining Holder shall be required to amend, extend or terminate any contractual or other relationship with the Company, the acquirer or their respective affiliates or subsidiaries.

21.3.3. Covenants. No Remaining Holder shall be required to agree to any covenants other than reasonable covenants regarding confidentiality and publicity.

21.3.4. Consideration. Upon the consummation of the Exit Event, Yaskawa will receive the same form and amount of consideration per Preferred D-1 Share as other holders of Preferred Shares (not including, as to the amount of consideration, the Preference E Amount per share to be paid to the holders of Preferred E Shares in respect thereof), taking into account any preference to which Yaskawa is entitled in accordance with these Articles as in effect immediately prior to the Exit Event, and if any holder of Preferred Shares or Ordinary Shares is given an option as to the form or amount of consideration to be received, Yaskawa will be given the same option (not including, as to the amount of consideration, the Preference E Amount per share to be paid to the holders of Preferred E Shares in respect thereof); *provided however* that the foregoing shall not apply if any Shareholder shall agree to increase the amount receivable by any other Shareholder, without adversely affecting Yaskawa's preference to which it is entitled in accordance with these Articles as in effect immediately prior to the Exit Event. In addition, no Remaining Holder shall be required to accept consideration in an Exit Event other than cash and/or freely-tradable equity securities (if US securities, registered under the Securities Exchange Act 1934) listed on the New York Stock Exchange, the Nasdaq Stock Market, the Official List of the Financial Conduct Authority acting in its capacity as the competent authority for the purpose of Part VI of the Financial Services and Market Act 2000, Euronext, Frankfurt Stock Exchange, Tokyo Stock Exchange, Shanghai Stock Exchange, Hong Kong Stock Exchange, Korea Exchange, or the Taiwan Stock Exchange, provided that a Remaining Holder may also be required to accept equity securities of a private company if the Exit Event for which such securities are to be received is an arms' length transaction in which the acquiring company does not control, is not controlled by, or under common control with any shareholder, substantial lender or member of the Board of the Company.

21.3.5. **Out of Pocket Expenditures.** No Remaining Holder shall be obligated to incur any out of pocket expenditure prior to the completion of the Exit Event or obligated to pay any expenses incurred in connection with an Exit Event, except indirectly and to the extent that such costs are incurred for the benefit of all of the Company's shareholders and are paid by the Company or the acquiring party. Costs incurred by or on behalf of a Remaining Holder for its sole benefit will not be considered costs of the Exit Event hereunder.

This Article 21.3 shall not be amended or waived without the prior written consent of Preferred Shareholders holding at least 80% of all outstanding Preferred Shares.

Special Rights to the Founder Upon IPO

22. Unless the Founder had earlier exercised the right set forth in Article 16.1 hereto - if, immediately prior to the consummation of an IPO, the value of the Founder's total holdings in the Company (on a fully diluted basis) ("**The Founder's Total Value**") is less than the Agreed Percentage (as defined in the Shareholders Agreement) of the Company's valuation set for the IPO (the "**Target Value Threshold**"), then immediately prior to the consummation of the IPO, the Founder, at his sole option, shall be issued by the Company either (i) options exercisable into Ordinary Shares of the Company, via cashless exercise, with immediate vesting, or (ii) an amount of Ordinary Shares of the Company, via cashless exercise with immediate vesting, at an amount that shall bring The Founder's Total Value to the Target Value Threshold.

Modification of Capital

23. Subject to the rights of the Preferred Shareholders and further subject to the provisions of Article 11 above and Article 89 below, the Company may, from time to time, by Ordinary Resolution:

23.1. consolidate and divide all or any of its issued or un-issued share capital into shares of larger nominal value than its existing shares;

23.2. by sub-division of its existing shares, or any of them, divide the whole, or any part of its share capital into shares of smaller amounts than is fixed in Article 6 above;

23.3. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person;

23.4. reduce its share capital and any fund reserved for capital redemption in the manner that it shall deem appropriate, subject to any consent required by law;

23.5. reclassify all or any part of its share capital, regardless if such shares are issued or not.

Registered Holder

24. (A) If two (2) or more persons are registered as joint holders of a share, they shall be jointly and severally liable for any calls or any other liability with respect to such share. However, with respect to voting, powers of attorney and furnishing notices, the joint holder registered first in the Shareholders Register shall be deemed to be the sole owner of the share, unless all the registered joint holders of such share shall notify the Company in writing that another one of them is to be treated by the Company as the sole owner of such share, as aforesaid.

(B) If two (2) or more persons are registered together as holders of a share, each one of them shall be permitted to give receipts binding all the joint holders for dividends or other monies and distributions made in connection with such share(s), and the Company shall be permitted to pay all dividends, distributions or other amounts due with respect to the share(s) to one (1) or more of the joint holders, as it shall deem fit.

(C) If, by the terms of issuance of any share, the whole or any part of the price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the then registered holder of the share or by his administrators.

(D) Save as otherwise provided herein, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

Share Certificates

25. Each share certificate evidencing title to shares shall carry the signature of at least one (1) Director or of any other person(s) authorized thereto by the Board, together with the rubber stamp or printed name of the Company.

26. A shareholder shall be entitled to receive from the Company, without payment, one (1) certificate for each class of shares held by such shareholder, containing the number of shares registered in the name of such shareholder, their class and serial numbering. Shares of different classes may not be included in the same certificate. A shareholder who has transferred a portion of his/her/its shares shall be entitled to a certificate representing the balance of his/her/its shares, without charge.

27. For joint holders of a share(s), the Company shall not be obligated to issue more than one (1) certificate to all such joint holders, and the delivery of such a certificate to one (1) of the joint holders shall be deemed to be a delivery to all of the joint holders. Delivery of the share certificate to the person first named on the Shareholders Register in respect of such co-ownership shall be deemed delivery to all joint holders.

28. If a share certificate is defaced, lost or destroyed, it may be replaced upon payment of such fee, if any, and on such terms as to evidence and indemnity, if any, as the Board may deem fit.

Calls

29. A shareholder shall be entitled neither to receive dividends nor to exercise any rights of a shareholder, until such time as such shareholder has paid all the calls that shall have been made from time to time if the date of payment under such call has occurred, with respect to amounts unpaid on all of its shares, whether it is the sole holder or holds jointly with another, in addition to interest and expenses accrued on such unpaid calls (if any).

30. The Board may, from time to time and subject to the provisions of these Articles, make calls as it determines is proper, upon the shareholders in respect of all amounts unpaid on their shares, and which amounts have not, by the terms of issuance of such shares been set as payable at fixed times. The Board shall give at least fourteen (14) days advance notice on every call, and each shareholder shall be obligated to pay the total amount requested from it, or an installment on account of the call (if so provided in such call) at the times and places to be determined by the Board.

31. The calls for payment shall be deemed made as of the date upon which the Board shall have resolved to make such calls for payment.

32. Subject to any other agreement between the Company and its shareholders or any part thereof in connection with the issuance of shares, any amount that must, under the terms of issuance of a share, be paid at the time of such share's issuance or at a fixed date, whether on account of the nominal value of the share or as premium, shall be deemed for the purposes of these Articles a call for payment duly made by the Board, and the date of payment shall be the date designated for payment under such terms of issuance. In the event of non-payment of this amount, all of the

Articles herein dealing with payment of interest, expenses, forfeiture, lien and the like, and all the other Articles connected therewith, shall apply as if such amount had been duly requested and notice had been given, as aforesaid.

33. Joint holders of a share shall be jointly and severally liable to pay all calls for payment in full and any installments on account, in connection with such calls.

34. Subject to any other agreement between the Company and its shareholders or any part thereof in connection with the issuance of shares, if an amount called in respect of a share is not paid by the holders of such share or the person to whom it has been issued on or before the date designated for payment thereof, such person shall pay interest and/or linkage differentials (hereinafter “**Interest**”) accrued upon the amount of the call or the payment on account, as determined by the Board, from the day designated for the payment thereof until the time of actual payment. The Interest shall not exceed the maximum rate then permissible under Israeli law. Notwithstanding the foregoing, the Board may in its sole discretion waive payment of the Interest, in whole or in part.

35. The Board may, if it so resolves, accept an advance payment from a shareholder of any amount due on account of such shareholders’ shares, and if such advance payment has been made, the Board may pay such shareholder interest on the advance payment at a rate agreed upon between the Board and such shareholder. Such a shareholder shall be entitled to receive dividends for that portion of the shares he/she/it has paid for in advance.

36. The Board may make different arrangements at the times of issuance of shares to different shareholders, with respect to the amount of calls to be paid, the times of payment, and the applicable rate of Interest.

Forfeiture of Shares

37. Subject to the provisions of Section 181 of the Companies Law:

37.1. If a shareholder fails to pay any call or installment of a call or any other payment owed to the Company in respect of shareholder loans or other shareholder financing, the Board may, on or before the day designated for payment thereof, or at any time thereafter and for so long as any part of such call, installment or payment remains unpaid, serve notice on such shareholder requiring payment of the call, installment or payment, together with any Interest which may have accrued and any expenses that were incurred by the Company as a result of such non-payment.

37.2. The notice shall state a date, not earlier than the fourteenth (14th) day after the date of the notice, and a place(s), at which the payment of such call, installment, Interest and expenses are to be made. The notice shall also state that in the event of non-payment, at or before the time and place so designated, the shares in respect of which the call was made will be subject to forfeiture.

37.3. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which notice has been given may, at any time thereafter, before the payment required by such notice has been made, be forfeited by a resolution of the Board to that effect. The forfeiture shall include those dividends that were declared but not yet distributed with respect to the forfeited shares.

37.4. A share so forfeited shall be deemed the property of the Company, and can be sold or otherwise disposed of, on such terms and in such manner as the Board may deem fit. At any time before a sale or disposition the forfeiture may be canceled on such terms as the Board may deem fit.

37.5. Any person or entity whose shares have been forfeited shall cease to be a shareholder with respect to the forfeited shares, but shall, notwithstanding the above, remain liable to the

Company for all amounts which, at the date of forfeiture, were presently payable by it to the Company with respect to the forfeited shares. However, such liability shall cease when the Company receives payment in full of all outstanding amounts with respect to the forfeited shares.

37.6. The forfeiture of a share shall, at the time of forfeiture, eliminate all interest in and all claims and demands against the Company with respect to such share, and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except for those rights and liabilities as are expressly reserved by these Articles, or in the case of past shareholders, as are given or imposed by the Companies Law or by any other applicable law.

37.7. The provisions of these Articles regarding forfeiture shall apply in the case of non-payment of any amounts which, by the terms of issuance of a share, become payable at a fixed time, whether on account of the nominal value amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Lien

38. The Company shall have a first and paramount lien over all the shares not fully paid, registered in the name of any shareholder (whether registered in the name of a single shareholder or jointly with others), for any amount still outstanding with respect to that share, whether presently payable or not. Such lien shall exist whether the dates of payment, fulfillment, execution or discharge of the obligations, debts or commitments have become due or not, and shall apply to all dividends that may from time to time be declared in connection with such shares. However, the Board may declare at any time with respect to any such share, that it is released, in whole or in part, temporarily or permanently, from the provisions of this Article.

39. For the purpose of enforcing such lien, the Company may sell, in such manner and at such time as the Board may deem fit, any of the shares subject to the lien. However, no such sale shall be made unless there is an outstanding amount payable in respect for which the lien exists, nor until the expiration of fourteen (14) days after written notice, stating and demanding payment of the outstanding amount or any part thereof and stating the intention to sell in default, shall have been given to the then registered shareholder of such share, or the person entitled to such share by reason of bankruptcy or death. Such sale shall be subject to the pre-emptive rights described in Article 14 above.

40. The net proceeds of any such sale shall be applied in payment of the outstanding amount due to the Company or towards the fulfillment of the obligation or commitment, and the balance (if any), subject to any other agreement the Company and such shareholder, shall be paid to the shareholder or to the person who was entitled to such shares immediately prior to such sale.

41. To give effect to such sale, the Board shall be permitted to appoint someone to sign an instrument of transfer for the shares being sold and to register the buyer as the owner of such shares in the Shareholders Register. It shall not be the obligation of the buyer to supervise the application of the proceeds of the sale, nor will the buyer's right in the shares be affected by any defect or illegality in the sale proceedings after his name has been registered in the Register with respect to such shares. The sole remedy of any person aggrieved by the sale shall be in damages only, and against the Company exclusively.

Borrowing Powers

42. The Board may, from time to time, at its discretion, borrow or secure the payment of any amounts for the purposes of, or in connection with, the Company's business affairs.

43. The Directors may raise or secure the repayment of such amounts in such manner, at such times and upon such terms and conditions in all respects as they deem fit, and, in particular, by the

issue of bonds, perpetual of redeemable debentures, debenture stock, or any mortgages, charges, or other securities on the undertaking of the whole or any part of the property of the Company, both present and future, including its then uncalled capital and its then called but unpaid capital.

General Meetings

44. The Company shall hold an Annual General Meeting at such time and place as prescribed by the Board. The Company shall hold Extraordinary General Meetings and class meetings if and when called.

45. The Annual General Meetings shall take those actions required to be taken by the shareholders at an Annual General Meeting in accordance with the provisions of the Companies Law. At an Annual General Meeting the shareholders may also transact such other business which under these Articles and/or the Companies Law may be transacted at General Meetings, as shall be determined by the Board from time to time.

46. The Board may convene an Extraordinary General Meeting when it deems fit, and shall convene an Extraordinary General Meeting upon the requisition in writing of such members of the Board or other persons or entities entitled to do so in accordance with Section 63 of the Companies Law. Each such requisition made in accordance with Section 63 of the Companies Law shall include the objects for which a meeting should be convened, shall be signed by the requisitioners and shall be sent to the Office. If the Board fails to convene a meeting within twenty-one (21) days from the date of the submission of the requisition as aforesaid, the requisitioners may convene a meeting, in accordance with the provisions of Section 64 of the Companies Law, *provided, however*, that such meeting is convened within three (3) months from the date of the submission of the requisition.

Notice of General Meetings

47. The Company shall provide its shareholders with not less than seven (7) days and not more than forty-five (45) days prior written notice of General Meetings. Such notice shall state the place, date and hour of the meeting so called, and provide a description of the general nature of each item to be acted upon at such meeting with such other information as may be required by the Companies Law from time to time. The notice shall be given as provided for herein to the shareholders of the Company entitled to receive notice in conformity with these Articles. If in good faith, notice is not properly sent to or received by a shareholder, such defect in notice shall not disqualify any resolution passed at such a meeting nor disqualify any proceedings held at such a meeting. The Company may, upon receiving the written consent of all the shareholders who are entitled at such time to receive notices, convene a General Meeting upon shorter notice or without any notice, and in such manner as it deems fit.

Proceedings at General Meetings

48. *Quorum.* (A) No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Without derogating from the rights of the Preferred Shareholders, a quorum for a General Meeting or a class meeting shall be formed when there are present in person or by proxy at least three (3) non-affiliated shareholders, who hold or represent together at least 70% of the voting rights of the issued and outstanding share capital of the Company (treating all Preferred Shares on an as-converted basis), *provided that* the majority in interest of the Preferred Shares holders shall be present, or, in the case of a class meeting, at least a majority of the voting rights of the issued and outstanding shares of such class.

(B) If within half an hour from the time appointed for a meeting a quorum is not present, the meeting shall stand adjourned to the following business day, at the same place and time, or any other day, hour or place as the Board shall notify the shareholders. If at such

adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, then any two (2) shareholders present personally or by proxy shall constitute a quorum, and shall be entitled to deliberate and to resolve in respect of the matters for which the meeting was convened. However, if the meeting was convened upon a requisition made in accordance with Sections 63 and 64 of the Companies Law, then the adjourned meeting shall only be held if the number of shareholders participating in such meeting constitute the minimum number of shareholders as required in accordance with the provisions of Sections 63 and 64 of the Companies Law. No business shall be transacted at any adjourned meeting, other than business that lawfully may have been transacted at a meeting as originally called.

(C) The shareholders may participate by means of telephone conference call or other similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in the meeting shall constitute attendance in person at the meeting.

49. Chairman. Subject to the Companies Law, the Chairman shall preside as chairman at all General Meetings. If there is no Chairman, or he/she is not present within fifteen (15) minutes from the time appointed for the meeting, or if he/she shall refuse to preside at the meeting, the shareholders present shall elect one of the Directors to act as chairman; and if only one (1) Director is present, such Director shall act as chairman. If all Directors refuse to preside at the meeting, the shareholders present shall elect one of the shareholders present to preside at the meeting. The Chairman of the meeting shall have no special rights or privileges and shall not carry a casting vote.

50. Power to Adjourn. The Chairman of the meeting may, with the consent of any General Meeting at which a quorum is present, and shall if so directed by the General Meeting, adjourn the General Meeting from time to time and from place to place, as the shareholders shall decide. If the General Meeting shall be adjourned for ten (10) days or more, a notice shall be given of the adjourned meeting in the same manner as that of the original General Meeting. Except as aforesaid, no shareholder shall be entitled to receive any notice of an adjournment or of the business to be transacted at the adjourned meeting. At an adjourned meeting no matters shall be discussed except for those permissible to be discussed at that meeting which decided upon the adjournment.

51. Resolutions. (A) At every General and/or class meeting, a resolution put to the vote of the meeting shall be decided upon by a show of hands, unless before or upon the declaration of the result of the show of hands a secret ballot in writing is demanded by the Chairman (if he is entitled to vote) or by any shareholder present in person or by proxy and entitled to vote at the General Meeting. Unless a secret ballot is demanded as aforesaid, the declaration by the Chairman that the resolution has been passed, either unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be final, and an entry to that effect in the minute books of the Company shall be prima facie evidence of the fact without the necessity of proving the number or proportion of the votes recorded in favor or against such a resolution. Except where a higher percentage is otherwise required by the Companies Law or in these Articles, including the provisions of Articles 11 and 15 above and Article 89 (*Restrictive Provisions*) below, a resolution shall be deemed to be passed at a General Meeting if it received the majority required to pass an Ordinary Resolution.

(B) If a secret ballot is duly demanded, it shall be taken in such manner as the Chairman directs, whether immediately or after an adjournment or in a postponed manner or otherwise, but in any case not more than twenty-eight (28) days after the meeting at which the secret ballot was demanded; and the results of the secret ballot shall be deemed a resolution of the General Meeting wherein the secret ballot was demanded. Those demanding a secret ballot may withdraw their request at any time before the secret ballot is held, but in such case the Chairman (if he is entitled to vote) or any other shareholder present in person or by proxy and entitled to vote at the meeting may demand a secret ballot. A secret ballot demanded on the election of a Chairman or

on a question of adjournment shall be taken forthwith. A secret ballot demanded on any other question shall be taken, subject to the aforesaid, at such time as the chairman of the meeting directs. A demand for a secret ballot shall not prevent the continuation of the meeting with respect to the transaction of any other business, except for the matter with respect to which the secret ballot was demanded.

Voting Rights and Votes of Shareholders

52. Subject to the provisions of these Articles, the holder of each Preferred Share shall have the right to one (1) vote for each Ordinary Share into which such Preferred Share could then be converted (with any fractional share determined on an aggregate conversion basis being rounded to the nearest whole share), and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Ordinary Shares, and shall be entitled, notwithstanding any provision hereof, to notice of any General or class meeting, as applicable, in accordance with these Articles, and to vote, together with holders of Ordinary Shares, with respect to any question upon which holders of Ordinary Shares have the right to vote.

53. Subject to and without derogating from the rights or preference rights or restrictions then existing, including the increased voting rights of the Preferred Shares as provided in Article 52 above, with respect to any certain class of shares of the Company, each shareholder present at a General Meeting, personally or by proxy, shall be entitled, whether at a vote by show of hands or by secret ballot, to one (1) vote for each share held by such shareholder, *provided that* a shareholder shall not be permitted to vote at a General Meeting or to appoint a proxy to vote thereat with respect to any share if it has not paid all calls for payment then due with respect to such share or has not paid all amounts then due to the Company with respect to such shares.

54. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for the purpose of this Article 54, seniority shall be determined by the order in which the names stand in the Shareholders Register. Joint holders of a share of which one is present at a meeting shall not vote by proxy. The appointment of a proxy to vote on behalf of a jointly held share shall be executed by the signature of the senior of the joint holders.

55. (A) (i) Each class of Preferred Shares shall be entitled to a class vote if there is a resolution proposed which increases or decreases the number of authorized shares in that class or amends or changes to adversely affect the rights, preferences and privileges or powers attached to such class of shares under these Articles, or if such class vote is prescribed under applicable law, and for such class vote the provisions of Article 89 (*Restrictive Provisions*) below shall apply, *mutatis mutandis*. (ii) Without derogating from Article 89 and subject to Articles 11.1(II), 11.1(III), and 11A, it is hereby clarified that a waiver or a change, in whole or in part, with respect to a right, preference, privilege or power of a class of Preferred Shares set forth in these Articles, whether applied on a one-time or permanent basis and whether applied in connection with a current or a future event, which waiver or change is applied in the same manner to all classes of Preferred Shares which hold such right and therefore to which such waiver or change may be applicable, regardless of whether the economic effect of such change affects classes of Preferred Shares differently (an “**Equal Change**”), shall not be deemed to be a direct change to the rights attached to any one class of Preferred Shares; *provided, however*, that all classes which hold such right shall be deemed to be one class and the vote of such class shall be required.

(B) For the purpose hereof, any class vote by the Preferred C-1 Shares and Preferred C-2 Shares, shall be deemed as one class of shares.

(C) For the purpose hereof, any class vote by the Preferred D-1 Shares, the Preferred D-2 Shares, the Preferred D-3 Shares and the Preferred D-4 Shares shall be

deemed as one class of shares, *provided that* a resolution proposed which increases or decreases the number of authorized Preferred D Shares or changes to adversely affect the rights, preferences and privileges or powers attached to the Preferred D Shares under these Articles, or if a class vote of Preferred D Shares is prescribed under applicable law, will require the written consent of Yaskawa.

Proxies

56. A shareholder of the Company that is a corporation or partnership shall be entitled by decision of its board of directors or by a decision of a person or other body, according to its charter, articles of association or other formative documents, to appoint a person who it shall deem fit to be its representative at any meeting of the shareholders of the Company. The representative, appointed as aforesaid, shall be entitled to use, on behalf of the corporation he/she represents, all the powers that the corporation itself holds as a shareholder.

57. A shareholder shall be entitled to vote either personally or by proxy. A proxy holder present at a meeting shall also be entitled to request a secret ballot. A proxy holder need not be a shareholder of the Company.

58. (A) A vote pursuant to an instruction appointing a proxy shall be valid notwithstanding (i) the death of the appointor; (ii) the appointor becoming mentally incapable; (iii) the cancellation or expiration of the proxy in accordance with any law; or (iv) the transfer of the shares with respect to which the proxy was given, unless a notice in writing was given of any of the circumstances detailed in 58(A)(i) through 58(A)(iv) herein, and such notice was received at the Office before the meeting took place.

(B) A shareholder is entitled to vote by a separate proxy with respect to each share held by it, *provided that* each proxy as aforesaid shall have a separate letter of appointment containing the serial number of the shares with respect to which the proxy is entitled to vote. If a specific share is included by the holder thereof in more than one letter of appointment dated as of the same date, that share shall not entitle any of the holders of such instruments to a vote. If a specific share is included by the holder thereof in more than one letter of appointment dated as of different dates, that share shall entitle the holder of the proxy, dated as of the later date, to a vote.

Instrument of Appointment of Proxy

59. A letter of appointment of a proxy or power of attorney or other similar certificate pursuant to which an appointee is acting shall be in writing signed by the appointor, and the signature of the appointor shall be confirmed by an advocate or public notary or in any other manner acceptable to the Board, and such instrument or a copy thereof confirmed as aforesaid shall be deposited in the Office or in such other place in Israel or abroad as the Board shall direct from time to time generally or with respect to a particular case, no later than twenty-four (24) hours prior to the commencement of the meeting or adjourned meeting wherein the person referred to in the instrument is appointed to vote; otherwise that person shall not be entitled to vote that share. Where an appointment is made for a limited period, the instrument shall be valid for the period contained therein. A facsimile transmission of the letter of appointment or power of attorney or other certificate shall be sufficient for the purpose of the meeting for which it is intended.

60. An instrument appointing a proxy (whether for a specific meeting or otherwise) may be in the following form or in any other similar form acceptable to the Board that the circumstances shall permit:

Form of Proxy

I, _____, of _____, a holder of Ordinary Shares and/or Series _____ Preferred Shares of **ReWalk Robotics Ltd.** and entitled to _____ votes, hereby appoint _____, of _____, or in his/her place _____, of _____, to vote in my name and in my place at the General Meeting (Annual General Meeting, Extraordinary General Meeting, as the case may be) and/or class meeting of the Company to be held on the _____ day of _____ 20____ and at any adjournment thereof.

In Witness Whereof, I have hereby affixed my signature the _____ day of _____ 20____.

Appointer's Signature

I hereby confirm that the foregoing instrument was signed by the appointor

(Name, profession and address)

Shareholders Resolutions in Writing

61. A resolution in writing signed by all shareholders of the Company then entitled to attend and vote at a General or Class Meeting or to which all such shareholders have given their written consent (by letter, facsimile or electronic mail) shall be deemed to have been unanimously adopted by a General or class meeting duly convened and held, as applicable. This Article shall not be construed as requiring that persons signing a resolution under this Article sign the same document containing the resolution; *provided, however*, where two or more counterpart documents are used for the purpose of obtaining signatures under this Article with respect to any resolution, each such counterpart document shall be certified in advance by the Chairman to contain the correct version of the proposed resolution.

The Board of Directors

62. The number of Directors shall consist of up to nine (9) directors, to be appointed and/or nominated as follows:

62.1. one (1) shall be appointed by the Founder;

62.2. one (1) director shall be appointed by Pontifax;

62.3. two (2) directors shall be appointed by Vitalife;

62.4. one (1) director and one (1) observer shall be appointed by IHCV;

62.5. two (2) directors shall be appointed by Yaskawa;

62.6. one (1) director shall be the CEO of the Company's United States wholly owned subsidiary;

62.7. one (1) director shall be an industry expert, who shall be approved by two of the following entities: Vitalife, IHCV and Yaskawa.

63. Until the IPO, and thereafter to the extent permitted by applicable law, Gabriel shall have the right (but not the obligation) to appoint an observer to the Board.

64. The Chairman shall be appointed by the appointed Directors then in office.

65. Any representative serving as a director on the Board pursuant to the provisions of Article 62 above may be designated, replaced and/or removed only by a written notice delivered to the Company (which will contain the identity of the representative director) by the party or parties authorized to make such designation, in any event without the need for any further action including but not limited to a resolution at a General Meeting. Notwithstanding the provisions of Sections 59 and 230(a) of the Companies Law, the General Meeting of the Company shall not be entitled to appoint or remove from his office any director of the Company.

66. Any observer shall be entitled to receive, at the same time as the Directors, all notices, written documents and materials provided to the Directors and attend all meetings of the Board in a non-voting capacity, *provided that* the Company reserves the right to withhold any information from or to exclude an observer if the Company in consultation with the Board, in its reasonable discretion, determines that the Companies Law would exclude an officer or director in such circumstances. An observer shall have a duty to advise the Board of any issue giving rise to a conflict of interest at the earliest possible time but not later than the beginning of the first meeting of the Board in which the potentially conflicting issue is discussed or expected to be discussed. Each observer shall execute a confidentiality agreement in a customary form approved by the Board for such purpose. For the avoidance of doubt, observers shall not be liable toward the Company or any shareholder with respect to any action or inaction of the Board. Observers shall not be entitled to any remuneration and/or reimbursement of expenses.

67. Subject to the provisions of Section 112(a) of the Companies Law, the Board may delegate any of its powers to committees, *provided that* the director appointed by Vitalife, the director appointed by IHVC and the director appointed by Yaskawa shall have the right to serve as a member of each such committee. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed upon it by the Board and shall be governed by the provisions of these Articles regulating the proceedings and meetings of the Board.

68. A person who has ceased to be a Director shall be eligible for re-appointment.

69. (A) The Directors shall be appointed or elected as set forth in Articles 62 and 64 above and shall be removed and vacancies only as specified in Articles 62 and 64 above. The appointment, removal or replacement of a Director under Articles 62 and 64 shall be made by the provision by the persons and/or entities entitled under these Articles to so appoint, remove, or replace such Director, of a written notice to such effect to the Company. Notice of appointment or removal shall become effective on the date fixed in the notice of appointment or removal, or upon delivery thereof to the Office, whichever is later. Delivery of such notice of appointment or removal via facsimile shall suffice. If a seat of the Board is vacated, and no one is entitled to replace such vacated seat, then such vacated seat shall be filled by a vote of a majority of the remaining Directors.

(B) If the office of any Director is vacated, the other Directors may act in every way and manner so long as their number does not fall below the quorum for a Board meeting. If, pursuant to the provisions herein and in the Companies Law concerning the quorum at Board meetings, the number of Directors falls below such quorum, the Directors shall be prohibited from acting except to fill the vacant places in the Board pursuant to Sub-Article 69(A) above or to convene a General Meeting of the Company.

Alternate Director

70. (A) A Director may, by a written notice to the Company, appoint any person to serve as a substitute director (the “**Alternate Director**”) *provided that* the Alternate Director is qualified pursuant to the Companies Law, to be appointed as a director. A person who already serves on the Board as a Director or an Alternate Director may be appointed as an Alternate Director.

(B) An Alternate Director shall have, subject to the provisions of the instrument by which he/she was appointed, all the powers and authorities of the director for whom he/she is serving as director, *provided, however*, that he/she may not in turn appoint an Alternate Director for him/herself, and shall have no standing at any meeting of the Board or any committee thereof while the director who appointed him/her is present.

(C) The provisions of these Articles with respect to the appointment of a director shall apply with respect to an appointment of an Alternate Director.

(D) The office of an Alternate Director shall be automatically vacated if his/her appointment is terminated by the Director and/or shareholder who appointed him/her in accordance with these Articles, or upon the occurrence of one of the events described in sub-Articles 71.1, 71.2, 71.3 or 71.5 below, if the office of the Director for whom he/she serves as an Alternate Director shall be vacated for any reason whatsoever.

(E) An Alternate Director may participate in and vote at a meeting of the Board only if the Director appointing such Alternate Director is absent from such meeting.

71. Subject to the provisions of these Articles and of the Companies Law, the tenure of office of a Director shall automatically be terminated upon the occurrence of any of the following events:

71.1. if he/she was declared bankrupt, or, if the Director is a corporate body – if it has voluntarily decided to wind itself up, or if a liquidation order has been issued against it;

71.2. if he/she is declared mentally incompetent;

71.3. if he/she has resigned by an instrument in writing delivered to the Company;

71.4. if his/her successor is appointed or his/her appointment is terminated pursuant to Article 69 above;

71.5. upon his/her death;

71.6. upon the liquidation of the Company;

71.7. if the shareholder who appointed such Director is no longer entitled to appoint a director as set forth in the provisions of Article 62 above.

72. A Director shall not be required to hold any qualifying shares.

73. *Conflict of Interest*. Subject to any necessary approvals from the Preferred Shareholders as specified in these Articles, a Director shall not be prohibited from fulfilling his/her rights and duties under these Articles or from entering into contracts with the Company whether as a seller, buyer or otherwise, and no such contract or arrangement which shall be made on behalf of the Company or in its name wherein the Director is or will be an interested party, either directly or indirectly, shall be void solely by reason of such Director's interest therein; *provided, however*, that:

73.1. any transaction between a Director and the Company must be approved in accordance with the provisions of Sections 268 through 284 of the Companies Law;

73.2. under certain circumstances, all as described in Section 278 of the Companies Law, the interested director may not participate or vote at the Board meeting at which approval is sought; and

73.3. the interested Director must disclose all information as required under Section 269 of the Companies Law in connection with the substance of his interest in the transaction for which approval is sought, and must further disclose any material facts and documents relating thereto, all as set forth in the Companies Law.

The provisions of this Article 73 shall also apply to an Alternate Director.

74. Subject to any restrictions in the Companies Law, a Director may hold another paid position or function (except an auditor) in the Company or in any other company or entity in which the Company is a shareholder or in which it has some other interest, together with his/her position as a Director, upon such terms with respect to salary and other matters as may be resolved by the Board and approved by the General Meeting, to the extent such approval is required under the Companies Law.

75. Remuneration of Directors. Subject to the provisions of these Articles, a Director shall not receive a salary from the Company for his/her service as a Director, unless the General Meeting has so decided, and then in such amounts and under such terms as the General Meeting shall approve. If a Director is required to perform additional services for the Company, other than his/her regular duties as a director, the Board may decide, upon obtaining the necessary approvals and recommendations stipulated by the Companies Law, to pay him/her a special wage in addition to his/her regular salary, and the Board shall further determine the form and manner of such payment. The Directors shall be entitled to reimbursement of reasonable expenses made within the framework of their position as directors of the Company, against proper invoices.

Proceedings of the Board of Directors

76. (A) The Directors may meet in order to transact business, to adjourn their meetings or to organize themselves otherwise as they shall deem fit.

(B) A meeting of the Board at which a quorum is present may exercise all the authorities, powers and discretion vested in or exercisable by the Board under these Articles or under the Companies Law.

77. The quorum necessary for the transaction of the business by the Board shall be the majority of the Directors (present in person or represented by an Alternate Director), which majority includes at least the director appointed by Vitalife, the director appointed by IHVC and one of the directors appointed by Yaskawa, provided that with respect to each such Preferred Director such director is then appointed and serving. If within one (1) hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the following business day, at the same place and time, or any other day, hour or place as the Chairman may determine, provided that not less than three (3) business days' written notice shall have been provided to each of the Directors. At the adjourned meeting, if within one (1) hour from the time appointed for such second adjourned meeting, a quorum is not present, then a quorum shall be constituted if the majority of the Directors are present in person or represented by an Alternate Director. No business shall be transacted at any adjourned meeting except business that might lawfully have been transacted at the meeting as originally called.

78. (A) The Board may from time to time elect one of the Directors to be Chairman of the Board, and without derogating from these Articles as to appointment and removal of Directors, decide upon the period of time he/she shall hold such an office. Such Chairman shall preside at Board meetings. However, if no Chairman is so designated or elected, or if he/she is not present at any meeting, the Board may choose another Director to serve as Chairman of that meeting. If the Chairman is no longer a Director, the appointment as Chairman shall automatically cease.

(B) The Chairman shall have no rights or privileges other than those granted to him/her as a director and shall not have an additional or casting vote.

79. Subject to any contrary resolution of the Board, any one Director may at any time call a Board meeting, and the Chairman shall be required on the request of such Directors to convene a Board meeting.

80. (A) Any notice of a Board meeting shall be given to all Directors and observers in writing and may be sent by electronic mail or facsimile, *provided that* the notice is given ten (10) days before the time appointed for the meeting, unless all Directors, having received a shorter notice, agree to such shorter notice or waive prior notice altogether. Such notice shall include items and subjects on the agenda in reasonable detail. Except with respect to an adjournment specified in Article 77 above and without derogating from Article 77 above, notice for adjourned meetings shall be three (3) days and written, unless all the members of the Board at that time agree to a shorter notice or waive notice altogether.

(B) Unless otherwise provided by these Articles, including in particular the provisions of Article 89, all acts and determinations of the Board shall be determined by a simple majority of those attending.

(C) Directors may participate in a Board or committee meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute attendance in person at the meeting.

81. (A) A resolution in writing signed by all the Directors or members of a committee or to which all such members have given their written consent (by letter, facsimile or electronic mail) shall be deemed to have been unanimously adopted by a meeting of the Board or any committee thereof, duly convened and held.

(B) In place of a Director, any resolution may be signed and delivered by his/her Alternate Director.

(C) This Article shall not be construed as requiring that persons signing a resolution under this Article 81 sign the same document containing the resolution; *provided, however*, where two or more counterpart documents are used for the purpose of obtaining signatures under this Article 81 with respect to any resolution, each such counterpart document shall be certified in advance by the Chairman to contain the correct version of the proposed resolution.

Delegation of Power of Board

82. For delegation of powers of the Board, see Article 67 above.

83. Subject to the Companies Law, all actions performed in a bona fide fashion by the Board or by any committee thereof, or by any person acting as a Director or as an Alternate Director, shall be as valid, even if at a later date a defect shall be discovered in the appointment of such Director or such person acting as aforesaid, or that all or some of them were unfit, as if each and every one of those persons shall have been duly appointed and fit to serve as a Director or Alternate Director, as the case may be.

Powers of the Board of Directors

84. The management of the business of the Company shall be vested in the Board. The Board shall be entitled to exercise all the powers and authorities that the Company has and to perform in its name all the acts that it is entitled to do according to these Articles and/or any applicable law, except for those powers that pursuant to the Companies Law or these Articles are expressly vested in the General Meeting(s). No resolution adopted by the General Meeting shall affect the legality of any prior act of the Board or any Director that would have been legal and valid, but for such resolution.

Local Management

85. The Board may, from time to time, provide for the management and transaction of the Company's affairs in any specified locality, whether in Israel or abroad, in such manner as it deems fit, and the provisions of Article 86 below shall be without prejudice to the general powers conferred by this Article on the Board.

86. The Board may, from time to time and at any time, establish any local board or agency for managing any of the Company's affairs in any such specified locality, and may appoint any person to be a member of such local board, or any manager or agent, and may fix their remuneration. The Board may, from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being of any such local board to continue in his office notwithstanding any vacancy which may occur, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may deem fit, and the Board may, at any time remove any person so appointed and may annul or vary the terms of any such delegation.

President and/or CEO and/or General Manager

87. Subject to the requirements of the Companies Law and of these Articles, including in particular the provisions of Article 89:

(A) The Board may, from time to time, appoint one (1) or more persons, whether or not he/she is a Director, to serve as the President and/or CEO and/or General Manager and/or Managing Director of the Company (each an "**Executive**" and collectively the "**Executives**"), either for a fixed period of time or without limiting the time that each such Executive will stay in office, and may from time to time (subject to any provisions of any contract between such Executive(s) and the Company) dismiss such Executive(s) from their office and appoint another or others in his/her or their place.

(B) The Board may from time to time grant and bestow upon the Executive(s) those powers and authorities that it exercises pursuant to these Articles, as it shall deem fit, and may (i) grant those powers and authorities for such period, and to be exercised for such objectives and purposes and in such time and conditions, and on such restrictions, as it shall determine; (ii) grant such authorities, whether or not overlapping with the Board's authorities in such area; and (iii) from time to time revoke, repeal, or modify any one or all of those authorities.

(C) Subject further to obtaining any approvals as required by the Companies Law, the Board may from time to time determine the Executive's remuneration and its form and manner of payment.

Minutes

88. (A) The Board shall cause minutes to be taken of all General Meetings, of the appointments of officials of the Company, of Board meetings and of committee meetings that shall include the following items, if applicable:

(i) the names of the Directors, other members or the shareholders present, as applicable;

(ii) the matters discussed at the meeting;

(iii) the results of the vote;

(iv) resolutions adopted at the meeting;

(v) directives given by the meeting to the committees;

(vi) if requested, any reservation of a shareholder or Director with regard to a matter discussed or resolution passed.

(B) The minutes of any meeting shall serve as *prima facie* proof as to the facts in the minutes if the minutes are reviewed and approved at the next succeeding meeting and are signed by the chairman of that next succeeding meeting.

Restrictive Provisions

89. (A) Until the consummation of a QIPO, none of the shareholders of the Company, nor the Company and/or any of its subsidiaries, shall take or effect any of the following actions and/or adopt any resolution with respect thereto, without the affirmative vote or written consent of Preferred Shareholders holding at least 70% of all outstanding Preferred Shares:

(i) amending the Articles of the Company;

(ii) authorize the issuance of any equity security (or security convertible into or exercisable or exchangeable for any equity security) whose rights, preferences and privileges will rank senior to or pari passu with the Preferred B Shares, Preferred C Shares, Preferred D Shares or the Preferred E Shares;

(iii) undergo an Exit Event, effect a sale of all of the outstanding share capital of the Company or enter into an agreement with respect thereto, or sell, transfer, merge or otherwise dispose of any controlled or affiliated Company;

(iv) increase or decrease the size/composition of the Board;

(v) approving or effecting an IPO or an Exit Event, and the terms and conditions thereof;

(vi) the transfer or sale of a material portion of the Company's intellectual property or grant of exclusive license thereof in the amount of more than US\$50,000; *provided, however*, that in the event such transfer or sale is not part of an Exit Event, such transfer or sale shall also require the prior affirmative vote or written consent of Yaskawa;

(vii) any material change in the nature or character of the business conducted or proposed to be conducted by the Company; *provided, however*, that in the event such material change is neither part of an Exit Event nor occurs simultaneously with an IPO, such material change shall also require the prior affirmative vote or written consent of Yaskawa; and

(viii) the appointment, the removal, and the determination or modification of terms of compensation of the CEO and other senior executives.

(ix) the declaration or payment of dividends or other distribution of cash, shares, or other assets or redemption or repurchase of any securities of the Company (other than pursuant to employee benefits plans approved by the Board);

(x) appointment or removal of the Company's Auditors.

(xi) any transaction with any shareholder, director or officer or any affiliate thereof (except for employment agreement approved in compliance with the law and the protective provisions otherwise set forth in these Articles);

(xii) increase the Company's reserve for employee equity base plans and the grant of options or other equity based award to any employee, officer director, consultant or advisor of the Company outside of the scope of a previously approved employee equity based plan;

(B) Major Decisions of the Board

Notwithstanding the above, and until the consummation of a QIPO or a Reverse Merger, the Company, and any of its subsidiaries, shall not take any of the following actions and/or adopt any resolution with respect thereto, without the affirmative vote or written consent of at least 2/3 (two thirds) of all Directors:

(i) any change of trade/business plan and annual budget in excess of US\$50,000 or any material agreement other than in ordinary course of business;

(ii) introduce or effect any change in the nature of its business (including launch of any new product line (meaning for this purpose entering into a new business model)) except as provided in the business plan;

(iii) any hiring, termination, agreement, determination or variation in remuneration or making any payment, other than payments paid in accordance with his/her agreements with the Company, to or for the direct or indirect benefit of any Company's director, senior employee with a compensation higher than Euro 100,000 per annum, including the CEO and any controlled or affiliated company;

(iv) any resolution concerning the exit strategy (i.e. IPO and/or other sale); and

(v) initiation or settling of litigation.

(C) The provisions of this Article 89 shall apply, respectively, also to each subsidiary of the Company.

Branch Registers

90. The Company may, subject to and in accordance with the provisions of the Companies Law and these Articles, keep in every other country where those provisions shall apply, branch register(s) of shareholders living in that other country as aforesaid, and exercise any other powers referred to in the Companies Law with respect to such branch registers.

Stamp and Signatory Rights

91. The Company shall have at least one (1) rubber stamp. The Board shall ensure that such stamp is kept in a safe place.

92. Subject to the provisions of Article 89 above, the Board may designate and authorize (and revoke such authorization) any person(s) (even if they are not Directors) to act and to sign in the name of the Company, and the acts and signatures of such person(s) shall bind the Company, insofar as such person(s) have acted and signed within the limits of their aforesaid authority.

93. The Company may exercise the powers conferred by Article 90 above with respect to keeping a rubber stamp for use abroad, and such powers shall be vested in the Board.

94. The printing of the name of the Company by a typewriter or by hand next to the signatures of the authorized signatories of the Company, pursuant to Article 92 above, shall be valid as if the rubber stamp of the Company was affixed.

The Secretary, Officers and Attorneys

95. (A) The Board may, from time to time, appoint a secretary of the Company upon such conditions that it deems fit. The Board may also, from time to time, appoint an associate secretary who shall be deemed to be the secretary for the period of his/her appointment, and set the compensation for such persons.

(B) Subject to the provisions of Article 89 above, the Board may, from time to time, appoint to the Company, officers, employees, agents and consultants to, permanent, temporary or special positions, as it shall, from time to time, deem fit and determine the powers and duties and set the compensation for such persons.

96. Subject to the provisions of the Companies Law, the Board may, from time to time and at any time, authorize any company, firm, person or group of people, whether such authorization is made by the Board directly or indirectly, to be the attorneys of the Company for those purposes and with those powers, authorities and discretion that shall not exceed those conferred upon the Board or that the Board can exercise pursuant to these Articles and the Companies Law. Any such appointment shall be for such period of time and upon such conditions as the Board may deem proper, and every such authorization may contain such directives as the Board deems proper.

Dividends and Reserve Fund

97. (A) Notwithstanding anything to the contrary herein, no dividend shall be distributed by the Company without the prior written consent of the holders of the majority of the then outstanding Preferred Shares in accordance with Article 89(A) above.

(B) Dividends distributed to the holders of the Ordinary Shares and the Preferred Shares (calculated on an as-converted basis), if any, shall be distributed on a pro-rata basis.

98. (A) Subject to the provisions of Article 89 above and of the Companies Law, and without derogating from any rights or preferences of any class of shares set forth in these Articles, the profits of the Company shall be distributed to the shareholders of the Company according to the proportion of the nominal value paid up on account of the shares held by such shareholder at the date so appointed by the Company, without regard to the premium paid in excess of the nominal value. The actual distribution, setting aside or declaration of dividend shall be made by a resolution of the Board and approved by the General Meeting.

(B) Subject to these Articles, the Board may issue any share upon the condition that a dividend shall be paid at a certain date or that a portion of the declared dividend for a certain period shall be paid, or that the period for which a dividend shall be paid shall commence at a certain date, or a similar condition, all as may be determined by the Board. In every such case, subject to the provisions of sub-Article 98(A) above, the dividend shall be paid in respect of such a share in accordance with such a condition.

99. At the time of declaration of a dividend, the Company may decide that such a dividend shall be paid in part or in whole, by way of distribution of certain properties, especially by way of distribution of fully paid up shares or debentures or debenture stock of the Company, or by way of distribution of fully paid up shares or debentures or debenture stock of any other company or in one or more of the aforesaid ways. For purposes of any such distribution, the outstanding Preferred Shares shall be deemed to have been converted into Ordinary Shares in accordance with the then applicable Conversion Rate of each class of Preferred Shares, as of the record date designated by the Company, for the purpose of determining entitlement to participate in such distribution.

100. Subject to the provisions of Articles 89 and 97(A) above, the Board may, from time to time, pay to the shareholders on account of a forthcoming dividend such interim dividend as shall be deemed just with regard to the situation of the Company, subject to and in accordance with the provisions of Sections 301 through 307 of the Companies Law.

101. The Board may place or impose a lien on any dividend on which the Company has a charge, and it may use it to pay any debts, obligations or commitments with respect to which the charge exists.

102. A transfer of shares shall not transfer the right to a dividend that has been declared after the transfer but before the registration of the transfer. The person registered in the Shareholders Register as a shareholder on the record date appointed by the Company for that purpose shall be the one entitled to receive a dividend.

103. Without derogating from the provisions of Articles 16, 89 and 97(A) above, and upon the recommendation of the Board, the General Meeting may declare a dividend to be paid to the shareholders entitled to dividends pursuant to these Articles according to their rights and benefits in the profits and to determine the time of such payment. A dividend in excess of that proposed by the Board shall not be declared. However, the General Meeting may declare a smaller dividend or that no dividend shall be paid.

104. A notice of the declaration of a dividend, whether an interim dividend or otherwise, shall be given to the shareholders registered in the Shareholders Register, in the manner provided for in these Articles.

105. If no other provision is given, the dividend may be paid by check or payment order to be mailed to the registered address of a shareholder or person entitled thereto in the Shareholders Register or, in the case of registered joint owners, to the addresses of one (1) of the joint owners as registered in the Shareholders Register. Every such check shall be made out to the person it is sent to. The receipt of the person who, on the date of declaration of dividend, is registered as the holder of any share or, in the case of joint holders, of one of the joint holders, shall serve as a release with respect to payments made in connection with that share.

106. Subject to the provisions of Articles 89 and 97(A) above and the provisions of the Companies Law relating to the distribution of dividends:

106.1. In order to give effect to any resolution in connection with distribution of dividends, or distribution of property, fully paid-up shares or debentures, the Board may resolve any difficulty that shall arise with distribution as it shall deem necessary, especially with respect to the settlement of fractional shares and the determination of the market value of certain property for purposes of distribution, and to decide that payment in cash shall be made to the shareholder on the basis of the value determined for that purpose, or that fractions of less than one New Israeli Shekel shall not be taken into account for the purpose of coordinating the rights of all the parties. The Board shall be permitted, in this regard, to grant cash or property to trustees in escrow for the benefit of persons entitled thereto, as the Board shall deem beneficial. Wherever required by the Companies Law, an agreement shall be submitted to the Israeli Registrar of Companies, and the Board may appoint a person to execute such an agreement in the name of the persons entitled to a dividend, property, fully paid up shares or debentures as aforesaid, and such an appointment shall be valid.

106.2. The Company shall not be obligated to pay interest on a dividend.

106.3. The Board may, with respect to all dividends not collected within one year after their declaration, invest or use them in another way for the benefit of the Company, until they shall be demanded. The Company shall not pay interest for dividends or interest not collected.

Books of Account, Accounts and Audit

107. The Board shall cause correct and accurate accounts to be kept in accordance with the provisions of the Companies Law or any other applicable law, including accounts:

107.1. of the assets and liabilities of the Company;

107.2. of any amount of money received or expended by the Company and the matters for which such amount is expended or received; and

107.3. of all purchases and sales made by the Company.

The account books shall be kept in the Office or at such other place as the Board may deem fit. Such books shall also be open for inspection by the Board.

108. The Board shall determine from time to time, in any specific case or type of case, or generally, whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open for inspection by the shareholders; and no shareholder, unless such shareholder is also a Director, shall have any right of inspecting any account book or document of the Company, except as conferred by law or authorized by the Board or by the Company in a General Meeting. The aforesaid shall in no way derogate from the information and inspection rights granted by the Company under any agreement of the Company with any shareholder or prospective shareholder of the Company, including under the Series A SPA, and any such agreement shall constitute authorization of the Board and the General Meeting of such information and/or inspection rights granted thereunder.

109. The Company shall prepare annual financial reports that shall include a balance sheet, a profit and loss account and cash flow statement for the period after the preceding financial year.

110. Auditors shall be appointed and their function shall be set out in accordance with the Companies Law or any other applicable law.

Notices

111. A notice or any other document may be served by the Company upon any shareholder either personally or by sending it by first class mail, facsimile or electronic mail, addressed to such shareholder at its address, wherever situated, as appearing in the Shareholders Register.

112. All notices directed to be given to the shareholders shall, with respect to any shares to which persons are jointly entitled, be given to one of the joint holders, and any notice so given shall be sufficient notice to the holders of such share.

113. Subject to the Companies Law and these Articles, at least seven (7) days prior notice of convening a General Meeting shall be given to each shareholder, wherever situated, at the last address provided by the shareholder. Any shareholder registered in the Shareholders Register who shall, from time to time, furnish the Company with an address at which notices may be served, shall be entitled to receive all notices that such shareholder is entitled to receive according to these Articles at such address.

114. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a shareholder by sending it by first class mail, postage prepaid, by facsimile or electronic mail, addressed to them by name, at the address, if any, in Israel furnished for the purpose by the persons claiming to be so entitled or, until such an address has been so furnished, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

115. Any notice or other document if (i) served or sent by post shall be deemed to have been served or delivered ten (10) days after the time when the letter was deposited in the Israeli mail, postage prepaid for first class mail or airmail, as applicable, and addressed to each holder of record at its address appearing in the Shareholders Register; or (ii) sent via facsimile or electronic mail — shall be deemed to have been served or delivered on the first business day following the date that the electronic mail or facsimile was sent and addressed to each holder of record at its address appearing in the Shareholders Register, provided that if, in the case of notice via electronic mail, no written or electronic mail confirmation is delivered by the recipient of such notice to the sender thereof within 24 hours following the delivery of such notice, such notice shall be resent via facsimile and shall be deemed to have been served or delivered on the first business day following the date that such notice was resent via facsimile. Without derogating from the special requirements

regarding confirmation of receipt of facsimile notices detailed above, in proving such service it shall be sufficient to prove that the letter, facsimile or electronic mail containing the notice was properly addressed and delivered at the post office or sent by facsimile or electronic mail.

116. (A) In any case where it is necessary to give prior notice of a certain number of days or a notice valid for a certain period, the date of delivery shall be taken into account in the number of days or period.

(B) In addition to furnishing a notice pursuant to the above Article, and without derogating from such obligation, the Company may furnish a notice to the shareholders entitled to receive notice, or to part of them, by publication of a notice in a newspaper distributed in the area wherein the Office is located, or any other place, in Israel or abroad, as the Board shall determine from time to time.

Exemption, Insurance and Indemnity

117. **Indemnification.** Subject to the provisions of the Companies Law, including the receipt of all approvals as required therein or under any other applicable law, the Company may (i) indemnify any Officer to the fullest extent permitted by the Companies Law retrospectively; and (ii) undertake, in advance, to indemnify its Officer to the fullest extent permitted by the Companies Law, with respect to an obligation or expense imposed upon him as a result of an action taken by virtue of him being an Officer as follows:

117.1. a monetary liability imposed on an Officer pursuant to a judgment in favor of another person, including a judgment imposed on such Officer in a compromise or in an arbitration decision approved by a competent court, *provided that* the undertaking to indemnify will be limited to (i) such events, which in the opinion of the Board, are to be expected in the light of the Company's actual activities at the time the undertaking to indemnify is given, and (ii) such amounts or criteria which the Board determines as being reasonable under the circumstances; and *further provided* that the undertaking to indemnify shall state the events, amounts and criteria referred to in 116.1(i) and 116.1(ii) above;

117.2. reasonable litigation expenses, including attorney's fees, which the Officer has incurred in consequence of an investigation or procedure conducted against him by an authority competent to conduct an investigation or procedure, and which was concluded without an indictment against him and without any monetary obligation imposed on him in lieu of a criminal proceeding, or which ended without an indictment against him, but with a monetary obligation imposed on him in lieu of a criminal proceeding for an offense that does not include a *mens rea* element;

117.3. reasonable litigation expenses, including attorneys' fees, which the Officer has incurred or was imposed on him by a court, in a proceeding instituted against him by the Company or on its behalf or by another person, or in a criminal charge from which he was acquitted, or a criminal charge for which he was convicted but which does not include a *mens rea* element, or in connection with a financial sanction.

117.4. a payment which the Officer is obligated to make to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law, 5728-1968 (the "Securities Law"), and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

118. **Insurance:** Subject to the provisions of the Companies Law, including the receipt of all approvals as required therein or under any other applicable law, the Company may enter into an agreement to insure an Officer for any liability that may be imposed upon such Officer in connection with an act performed by him/her by virtue of his/her office, with respect to each of the following:

118.1. a breach of the duty of care of the Officer towards the Company or towards another person;

118.2. a breach of the fiduciary duty to the Company, *provided that* the Officer acted in good faith and with reasonable grounds to assume that the action in question would not cause harm to the Company;

118.3. a monetary obligation imposed upon the Officer for the benefit of another person.

118.4. a payment which the Officer is obligated to make to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law and expenses that the Officer incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

119. The Company may procure insurance for or indemnify any person who is not an Officer, including any employee, agent, consultant or contractor; *provided, however*, that any such insurance and/or indemnification is executed and procured in accordance with the provisions of these Articles and the Companies Law.

120. Subject to the provisions of the Companies Law, the Company shall exempt an Officer from all or part of his/her responsibility and/or liability for damages that may be caused due to a breach of such Officer's duty of care towards the Company.

Reorganization of the Company

121. Subject to the provisions of Articles 16 and 89 above and subject to the rights of the Preferred Shareholders and of the Preferred Shares:

121.1. At the time of a sale of the Company's material assets the Board may, or at the time of liquidation the liquidators may, if authorized by an Ordinary Resolution, receive shares paid in full or in part, debentures or other securities of any other company, whether already existing at that time or whether about to be established for the purpose of acquiring the property of the Company, or a part thereof;

121.2. The Board (if the profits of the Company so permit) or the liquidators (at the time of liquidation) may distribute among the shareholders the shares or aforesaid securities or any other property of the Company without realizing them, or deposit them with trustees for the shareholders.

Contributions by the Company

122. The Company may make contributions of reasonable sums and/or issue securities of the Company representing up to one percent (1%) of its issued and outstanding share capital to worthy purposes, even if such contributions are not made on the basis of business considerations.

Interpretation

123. In the event that a Hebrew version of these Articles is filed with any regulatory or governmental agency, including the Israeli Registrar of Companies, then whether or not such Hebrew version contains signatures of Shareholders, such Hebrew version shall be considered solely a convenience translation and shall have no binding effect, as between the Shareholders of the Company and with respect to any third party. The English version shall be the only binding version of these Articles, and in the event of any contradiction or inconsistency between the meaning of the English version and the meaning of the Hebrew version of these Articles, the Hebrew version shall be disregarded, shall have no binding effect and shall have no impact on the interpretation of these Articles or any provision hereof.

THE ISRAELI COMPANIES LAW
A COMPANY LIMITED BY SHARES
SECOND AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
ReWalk Robotics Ltd.
GENERAL PROVISIONS

1. Definitions

a) In these Articles the following terms shall bear the meaning ascribed to them below:

“**Alternate Director**” is defined in Article 41.

“**Annual General Meeting**” shall have the meaning assigned to such term in the Companies Law.

The “**Articles**” shall mean these Articles of Association of the Company, as amended from time to time.

“**Audit Committee**” shall mean the Audit Committee of the Board of Directors.

“**Board of Directors**” shall mean Board of Directors of the Company.

The “**Company**” shall mean ReWalk Robotics Ltd.

The “**Companies Law**” shall mean the Israeli Companies Law, 1999, as amended from time to time.

A “**Director**” shall mean a member of the Board of Directors.

“**External Director**” shall have the meaning assigned to such term in the Companies Law.

“**Extraordinary General Meeting**” shall mean any General Meeting other than the Annual General Meeting.

“**General Counsel**” shall mean the General Counsel of the Company.

“**General Manager(s)**” is defined in Article 46.

“**General Meeting**” shall mean a general meeting of the shareholders of the Company, which may be an Annual General Meeting or an Extraordinary General Meeting.

“**NIS**” shall mean New Israeli Shekel.

“**Office**” means the registered office of the Company.

“**Ordinary Majority**” shall mean a simple majority of the votes cast by shareholders at a General Meeting in person or by means of a proxy.

“**Ordinary Shares**” shall mean the ordinary shares of the Company, par value NIS 0.01 per share.

“**Person**” shall mean any individual or firm, corporation, partnership, association, trust or other entity.

“**Register of Shareholders**” shall mean a register of the shareholders of the Company.

The “**Secretary**” shall mean the corporate secretary of the Company.

“**Shareholders Resolution**” shall mean a resolution adopted by votes of shareholders of the Company at a General Meeting.

- b) 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.
- c) Unless the subject or the context otherwise requires, words and expressions not defined herein shall have the respective meanings set forth in the Companies Law in force on the date when these Articles or any amendment thereto, as the case may be, first became effective; words and expressions importing the singular shall include the plural and vice versa; and words and expressions importing the masculine gender shall include the feminine gender.

2. Object and Purpose of the Company

- (a) The object and purpose of the Company shall be to engage in any lawful activity.

(b) In accordance with Section 11(a) of the Companies Law, the Company may donate reasonable amounts to any cause it deems worthy. The Board of Directors or an authorized Committee of the Board of Directors may from time to time determine the policy and amounts within which such donations may be made by the Company, and the Person or Persons authorized to approve any such specific donation.

3. Limitation of Liability

The liability of the shareholders is limited to the payment of the nominal value of the shares in the Company issued to them and which remains unpaid, and only to that amount. If the Company's share capital shall include at any time shares without a nominal value, the shareholders' liability in respect of such shares shall be limited to the payment of up to NIS 0.01 for each such share issued to them and which remains unpaid, and only to that amount.

SHARE CAPITAL

4. Authorized Share Capital

The authorized share capital of the Company is Two Million and Five Hundred Thousand New Israeli Shekels (NIS 2,500,000) divided into Two Hundred and Fifty Million (250,000,000) Ordinary Shares, par value NIS 0.01 per share.

5. Increase of Authorized Share Capital

(a) The Company may, from time to time, by Shareholders Resolution, 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 authorized share capital by the creation of new shares through amending these Articles. Any such increase shall be in such amount and shall be divided into shares of such nominal amounts (or no nominal amounts), and such shares shall confer such rights and preferences, and shall be subject to such restrictions, as such resolution shall provide.

(b) Except to the extent otherwise provided in such resolution, such new shares shall be subject to all the provisions applicable to the shares prior to such resolution.

6. Rights of the Ordinary Shares

The Ordinary Shares confer upon the holders thereof all rights accruing to a shareholder of the Company, as provided in these Articles, including, *inter alia*, the right to receive notices of, and to attend meetings of shareholders; for each share held, the right to one vote at all meetings of shareholders; and to share equally, on a per share basis, in such dividend and other distributions to shareholders of the Company as may be declared by the Board of Directors in accordance with these Articles and the Companies Law, and upon liquidation or dissolution of the Company, in the distribution of assets of the Company legally available for distribution to shareholders in accordance with the terms of applicable law and these Articles. All Ordinary Shares rank *pari passu* in all respects with each other.

7. Special Rights; Modifications of Rights

(a) The Company may, from time to time, by Shareholders Resolution, provide for shares with such preferred or deferred rights or rights of redemption or other special rights and/or such restrictions, whether in regard to dividends, voting, repayment of share capital or otherwise, as may be stipulated in such resolution.

(b) (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class, unless otherwise provided by these Articles and subject to applicable law, may be modified or abrogated by the Company, by Shareholders Resolution, subject to an approval by a resolution passed by the holders of a simple majority of the shares of such class voting at a separate General Meeting of the holders of the shares of such class.

(ii) The provisions of these Articles relating to General Meetings shall, *mutatis mutandis*, apply to any separate General Meeting of the holders of the shares of a particular class.

(iii) Unless otherwise provided by these Articles, the enlargement of an existing class of shares, or the issuance of additional shares thereof, shall not be deemed, for purposes of this Article 7(b), to modify or abrogate the rights attached to the previously issued shares of such class or of any other class.

8. Consolidation, Subdivision, Cancellation and Reduction of Share Capital

(a) The Company may, from time to time, by Shareholders Resolution (subject, however, to the provisions of Article 7(b) hereof and to applicable law):

(i) consolidate and divide all or any of its issued or unissued share capital into shares of larger nominal value than its existing shares;

(ii) subdivide its shares (issued or unissued) or any of them, into shares of smaller nominal value than is fixed by these Articles (subject, however, to the provisions of the Companies Law), and the Shareholders 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;

(iii) cancel any shares which, at the date of the adoption of such resolution, have not been taken or agreed to be taken by any Person, and diminish the amount of its share capital by the amount of the shares so cancelled; or

(iv) reduce its share capital in any manner, and with and subject to any consent required by law.

(b) With respect to any consolidation of issued shares into shares of larger nominal value, and with respect to any other action which may result in fractional shares, the Board of Directors may settle any difficulty which may arise with regard thereto, as it deems fit, including, *inter alia*, resort to one or more of the following actions:

(i) determine, as to the holder of shares so consolidated, which issued shares shall be consolidated into each share of larger nominal value;

(ii) issue, in contemplation of or subsequent to such consolidation or other action, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(iii) redeem, in the case of redeemable preference shares, and subject to applicable law, such shares or fractional shares sufficient to preclude or remove fractional share holdings;

(iv) subject to applicable law, cause the transfer of fractional shares by certain shareholders of the Company to other shareholders 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 of Directors is hereby authorized to act as agent for the transferors and transferees with power of substitution for purposes of implementing the provisions of this sub-Article 8(b)(iv); or

(v) cause the aggregation of fractional shares and the sale thereof so as to most expediently preclude or remove any fractional shareholding and cause the proceeds thereof, less expenses, to be paid to the former holders of the fractional shares.

(c) Notwithstanding the foregoing, if a class of shares has no nominal value, then any of the foregoing actions may be taken with respect to such class without regard to nominal value.

SHARES

9. Issuance of Share Certificates; Replacement of Lost Certificates

(a) Share certificates shall be issued under the seal or stamp of the Company and shall bear the signature of any two (2) Directors or any two (2) of the following: the General Manager, the Chief Financial Officer, the General Counsel, the Secretary, the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors, or of any other Person or Persons authorized thereto by the Board of Directors. For the avoidance of doubt, any transfer agent designated by the Company may issue share certificates on behalf of the Company even if the signatories on the share certificate no longer serve in the relevant capacities at the time of such issuance.

(b) The Company may issue un-certificated shares, provided, however, that each holder of shares shall be entitled to one numbered certificate for all the shares of any class registered in his name, and if reasonably requested by such holder, to several certificates, each for one or more of such shares.

(c) A share certificate registered in the names of two or more Persons shall be delivered to the Person first named in the Register of Shareholders in respect of such co-ownership.

(d) 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 affidavit and indemnity or security, as the Company's Secretary may deem fit.

10. Issuance of Shares; Registered Holders of Shares

(a) The unissued shares from time to time shall be under the control of the Board of Directors, who shall have the power to issue 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 11(f) hereof), and either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, and at such times, as the Board of Directors may deem fit, and the power to give to any Person the option to acquire from the Company any shares, either at par or at a premium, or, subject to the provisions of the Companies Law, at a discount, during such time and for such consideration as the Board of Directors may deem fit.

(b) Except as otherwise provided in these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and, accordingly, shall not, except as ordered by a court of competent jurisdiction, or as required by statute, be bound to recognize any trust or equitable or other claim to, or interest in such share on the part of any other Person.

(c) Subject to and in accordance with the provisions of the Companies Law and to all orders and regulations issued thereunder, the Board of Directors may elect to maintain one or more Registers of Shareholders outside of Israel in addition to its principal Register of Shareholders, and each such register shall be deemed a Register of Shareholders for purposes of these Articles, and, subject to all applicable requirements of law, the Board of Directors may from time to time adopt such rules and procedures as it may think fit in connection with the keeping of such branch registers.

11. Calls on Shares

(a) The Company may, from time to time, make such calls as the Board of Directors may determine upon holders of shares in respect of any sum unpaid for shares held by such holders which is not, by the terms of issuance thereof or otherwise, payable at a fixed time, and each such holder 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 of Directors, 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 of Directors (and in the notice hereafter referred to), 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.

(b) Notice of any call shall be given in writing to the holder(s) in question 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 Company upon approval of the Board of Directors may, by notice in writing to such holder(s), revoke such call in whole or in part, extend such time, or alter such Person and/or place. In the event of a call payable in installments, only one notice thereof need be given.

(c) If, by the terms of issuance 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 Company and of which due notice had been given, and all the provisions herein contained with respect to such calls shall apply to each such amount.

(d) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof and all interest payable thereon.

(e) 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 of Directors may prescribe.

(f) Upon the issuance of shares, the Board of Directors may provide for differences among the holders of such shares as to the amount of calls and/or the times of payment thereof.

(g) With the approval of the Board of Directors, any holder of shares may pay to the Company any amount not yet payable in respect of his shares. The Board of Directors may at any time cause the Company to repay all or any part of the money so advanced, without premium or penalty.

12. Forfeiture and Surrender

(a) If any holder fails to pay any amount payable in respect of a call, or interest thereon as provided for herein, on or before the day fixed for payment of the same, the Company, by resolution of the Board of Directors, may at any time thereafter, so long as the said amount or interest remains unpaid, forfeit all or any of the shares in respect of which said call had been made. 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.

(b) Upon the adoption of a resolution of forfeiture, the Board of Directors shall cause notice thereof to be given to such holder, 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 Company with the approval of the Board of Directors), such shares shall be *ipso facto* forfeited, provided, however, that, prior to the expiration of such period, the Board of Directors may nullify such resolution of forfeiture, but no such nullification shall estop the Board of Directors from adopting a further resolution of forfeiture in respect of the non-payment of the same amount.

(c) Whenever shares are forfeited as herein provided, all dividends theretofore declared in respect thereof and not actually paid shall be deemed to have been forfeited at the same time.

(d) The Company, by resolution of the Board of Directors, may accept the voluntary surrender of any share.

(e) Any shares forfeited or surrendered as provided herein shall become Dormant Shares and the property of the Company, and the same, subject to the provisions of these Articles, may be sold, re-issued or otherwise disposed of as the Board of Directors deems fit.

(f) Any holder whose shares have been forfeited or surrendered shall cease to be a holder 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 11(e) above, and the Company, 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 of Directors, may accelerate the date(s) of payment of any or all amounts then owing by the holder in question (but not yet due) in respect of all shares owned by such holder, solely or jointly with another.

(g) The Board of Directors may at any time, before any share so forfeited or surrendered shall have been sold, re-issued or otherwise disposed of, nullify the forfeiture or surrender on such conditions as it deems fit, but no such nullification shall estop the Board of Directors from re-exercising its powers of forfeiture pursuant to this Article 12.

13. Lien

(a) Except to the extent the same may be waived or subordinated in writing, to the extent permitted by applicable law, the Company shall have a first and paramount lien upon all the shares (other than shares which are fully paid up) registered in the name of each holder (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 and liabilities, solely or jointly with another, to the Company in respect of such shares, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise provided, the registration by the Company of a transfer of shares shall be deemed to be a waiver on the part of the Company of the lien (if any) existing on such shares immediately prior to such transfer.

(b) The Board of Directors may cause the Company to sell any shares subject to such lien when any such debt or liability has matured, in such manner as the Board of Directors may deem fit, but no such sale shall be made unless such debt or liability or has not been satisfied within fourteen (14) days after written notice of the intention to sell shall have been served on such holder, his executors or administrators.

(c) The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or toward satisfaction of such debts or liabilities of such holder (whether or not the same have matured), or any specific part of the same (as the Company may determine), and the residue (if any) shall be paid to the holder, his executors, administrators or assigns.

14. 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 of Directors may appoint some Person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of such shares, and the purchaser shall not be bound to see to the propriety of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Shareholders 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.

15. Redeemable Shares

The Company may, subject to applicable law, issue redeemable shares and redeem the same upon the conditions and terms determined by the Board of Directors.

TRANSFER OF SHARES

16. Effectiveness and Registration

(a) No transfer of shares shall be registered in the Register of Shareholders unless a proper instrument of transfer (in form and substance satisfactory to the Secretary) has been submitted to the Company or its agent, together with any share certificate(s) and such other evidence of title as the Secretary may reasonably require, and unless such transfer complies with applicable law and these Articles. Until the transferee has been registered in the Register of Shareholders in respect of the shares so transferred, the Company may continue to treat the transferor as the owner thereof. The Board of Directors may, from time to time, prescribe a fee for the registration of a transfer.

(b) The Company shall be entitled to refuse to recognize a transfer deed until the certificate of the transferred share is attached to it together with any other evidence which the Board of Directors or the Secretary shall require as proof of the transferor's right to transfer the share and payment of any transfer fee determined by the Board of Directors. Registered transfer deeds shall remain with the Company, but any transfer deed which the Company refused to register shall be returned to the transferor upon demand.

(c) The Board of Directors may close the Register of Shareholders for a period of up to thirty (30) days in each year.

TRANSMISSION OF SHARES

17. Decedents' Shares

(a) In case of a share registered in the names of two or more holders, the Company may recognize the survivor(s) as the sole owner(s) thereof unless and until the provisions of Article 17(b) have been effectively invoked.

(b) Any Person becoming entitled to a share in consequence of the death of any individual, upon producing evidence of the grant of probate or letters of administration or declaration of succession (or such other evidence as the Board of Directors or the Secretary may reasonably deem sufficient of the capacity in which he proposes to act under this Article), shall be registered as a holder in respect of such share, or may, subject to the regulations as to transfer herein contained, transfer such share.

18. Receivers and Liquidators

(a) The Company may recognize the receiver or liquidator or similar official of any corporate shareholder in winding-up or dissolution, or the receiver or trustee or similar official in bankruptcy or in connection with the reorganization of any shareholder, as being entitled to the shares registered in the name of such shareholder.

(b) The receiver or liquidator or similar official of a corporate shareholder in winding-up or dissolution, or the receiver or trustee or similar official in bankruptcy or in connection with the reorganization of any shareholder, upon producing such evidence as the

Board of Directors or the Secretary may deem sufficient of the capacity in which he proposes to act under this Article, shall with the consent of the Secretary, be registered as a shareholder in respect of such shares, or may, subject to the provisions as to transfer herein contained, transfer such shares.

RECORD DATE WITH RESPECT TO OWNERSHIP OF SHARES

19. Record Dates

(a) Notwithstanding any provision to the contrary in these Articles, for the determination of the holders entitled to receive notice of and to participate in and vote at a General Meeting or to express consent to or dissent from any corporate action in writing, the Board of Directors may fix, in advance, a record date which shall neither be earlier nor later than is permitted under applicable law. No Persons other than holders of record of Ordinary Shares as of such record date shall be entitled to notice of and to participate in and vote at such General Meeting, or to exercise such other right, as the case may be. A determination of holders of record with respect to a General Meeting shall apply to any adjournment of such meeting, provided that the Board of Directors may fix a new record date for an adjourned meeting.

(b) Subject to the applicable law, the holders entitled to receive payment of any dividend or other distribution or issuance of any rights, shall be the shareholders on the date upon which it was resolved to distribute the dividend or at such later date as shall be determined by, or pursuant to a resolution of, the Board of Directors.

GENERAL MEETINGS

20. Annual General Meeting

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 place either within or without the State of Israel as may be determined by the Board of Directors.

21. Extraordinary General Meetings

The Board of Directors may, whenever it deems fit, convene an Extraordinary General Meeting at such time and place, within or without the State of Israel, as may be determined by the Board of Directors, and shall be obliged to do so upon a demand in writing in accordance with Section 63(b) of the Companies Law, if the proposed resolution is suitable for determination by shareholders.

22. Notice of General Meetings

(a) The Company is required to give such prior notice of a General Meeting as required by applicable law, but in any event not less than fourteen (14) days. The Company is not required to deliver personal notice to every shareholder except to the extent required by

applicable law. In any event, the accidental omission to give notice of a meeting to any shareholder or the non-receipt of notice by any of the shareholders shall not invalidate the proceedings at any meeting.

(b) The notice of the meeting shall set forth the agenda of the meeting.

(c) Any Shareholder or Shareholders of the Company holding at least one percent (1%) of the voting rights of the Company (the “Proposing Shareholder(s)”) may request, subject to the Companies Law, that the Board of Directors include a matter on the agenda of a General Meeting, provided that the matter is appropriate to be considered in a General Meeting (a “Proposal Request”). In order for the Board of Directors to consider a Proposal Request and whether to include the matter stated therein in the agenda of a General Meeting, notice of the Proposal Request must be timely delivered under any applicable law and stock exchange rules and regulations and the Proposal Request must comply with the requirement of these Articles (including this Article 22) and any applicable law and stock exchange rules and regulations. The Proposal Request must be in writing, signed by all of the Proposing Shareholder(s) making such request, delivered, either in person or by certified mail, postage prepaid, and received by the Secretary (or, in the absence thereof by the Chief Executive Officer of the Company). The announcement of an adjournment or postponement of a General Meeting shall not commence a new time period (or extend any time period) for the delivery of a Proposal Request as described above. The Proposal Request must include the following: (i) the name, address, telephone number, fax number and email address of the Proposing Shareholder (or each Proposing Shareholder, as the case may be) and, if an entity, the name(s) of the person(s) that controls or manages such entity; (ii) the number of Ordinary Shares held by the Proposing Shareholder(s), directly or indirectly (and, if any of such Ordinary Shares are held indirectly, an explanation of how they are held and by whom), which shall be in such number no less than as is required to qualify as a Proposing Shareholder, accompanied by evidence satisfactory to the Company of the record holding of such Ordinary Shares by the Proposing Shareholder(s) as of the date of the Proposal Request, and a representation that the Proposing Shareholder(s) intends to appear in person or by proxy at the meeting; (iii) the matter requested to be included on the agenda of a General Meeting, all information related to such matter, the reason that such matter is proposed to be brought before the General Meeting, the complete text of the resolution that the Proposing Shareholder proposes to be voted upon at the General Meeting and, if the Proposing Shareholder wishes to have a position statement in support of the Proposal Request, a copy of such position statement that complies with the requirement of any applicable law; (iv) a description of all arrangements or understandings between the Proposing Shareholders and any other Person(s) (naming such Person or Persons) in connection with the matter that is requested to be included on the agenda and a declaration signed by all Proposing Shareholder(s) of whether any of them has a personal interest in the matter and, if so, a description in reasonable detail of such personal interest; (v) a description of all Derivative Transactions (as defined below) by each Proposing Shareholder(s) during the previous twelve (12) month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions; and (vi) a declaration that all of the information that is required under the Companies Law and any other applicable law and stock exchange rules and regulations to be provided to the Company in connection with such matter, if any, has been provided to the Company. The Board of Directors, may, in its discretion, to the extent it deems necessary, request that the Proposing Shareholder(s) provide additional information necessary so as to include a matter

in the agenda of a General Meeting, as the Board of Directors may reasonably require. A “Derivative Transaction” means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proposing Shareholder or any of its affiliates or associates, whether of record or beneficial: (i) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the Company, (ii) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the Company, (iii) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or (iv) which provides the right to vote or increase or decrease the voting power of, such Proposing Shareholder, or any of its affiliates or associates, with respect to any shares or other securities of the Company, which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proposing Shareholder in the securities of the Company held by any general or limited partnership, or any limited liability company, of which such Proposing Shareholder is, directly or indirectly, a general partner or managing member.

The information required pursuant to this Article 22(c) shall be updated as of (i) the record date of the General Meeting, (ii) five business days before the General Meeting, and (iii) as of the General Meeting, and any adjournment or postponement thereof.

(d) Notwithstanding anything to the contrary in these Articles, unless otherwise provided by applicable law, notice by the Company of a General Meeting which is published in one (1) daily newspaper in the State of Israel, if at all, shall be deemed to have been duly given on the date of such publication to any shareholder whose address as registered in the Register of Shareholders (or as designated in writing for the receipt of notices and other documents) is located in the State of Israel or whose shares of the Company are registered with a transfer agent, or listed for trade on a stock exchange, that is located in the State of Israel.

(e) Notwithstanding anything to the contrary in these Articles, unless otherwise provided by applicable law, notice by the Company of a General Meeting or any other matter which is published via one international wire service shall be deemed to have been duly given on the date of such publication to any shareholder whose address as registered in the Register of Shareholders (or as designated in writing for the receipt of notices and other documents) is located outside the State of Israel or whose shares of the Company are registered with a transfer agent, or listed for trade on a stock exchange that is located outside the State of Israel.

PROCEEDINGS AT GENERAL MEETINGS

23. Quorum

(a) Two or more holders of Ordinary Shares (not in default in payment of any sum referred to in Article 12(a) hereof), present in person or by proxy and holding shares conferring in the aggregate at least twenty-five percent (25%) of the voting power of the Company shall constitute a quorum at General Meetings. Except as set forth in this Article 23, no business shall be transacted at a General Meeting, or at any adjournment thereof, unless the requisite quorum is present when the meeting proceeds to business.

(b) If within an hour from the time set for the meeting a quorum is not present, in person or by proxy, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or, if not set forth in the notice of the meeting, to such day and at such time and place as the Chairman may determine with the consent of the holders of a majority of the voting power represented at the meeting in person or by proxy and voting on the question of adjournment. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. At such adjourned meeting, if a quorum is not present, in person or by proxy, within a half hour from the time set, any two holders of Ordinary Shares (not in default as aforesaid) present in person or by proxy shall constitute a quorum. Notwithstanding anything in this Article 23 to the contrary, if the meeting was convened upon requisition pursuant to Section 63 or 64 of the Companies Law, the quorum requirement at any adjournment thereof shall be governed by the provisions of the Companies Law.

24. Chairman of Meetings

The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time fixed for the meeting or is unwilling to act as Chairman or has notified the Company that he will not attend such meeting, the holders of Ordinary Shares present (or their proxies) shall choose someone else to be Chairman. The office 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 holder of Ordinary Shares or proxy of a shareholder if, in fact, he is also a shareholder or a proxy).

25. Adoption of Resolutions at General Meetings

(a) Subject to Article 35(a), unless otherwise indicated herein or required by applicable law any Shareholders Resolution shall be deemed adopted if approved by an Ordinary Majority, including without limitation, a Merger of the Company or an amendment to these Articles, to the extent permitted by applicable law.

(b) Every question submitted to a General Meeting shall be decided by a show of hands, without derogating from voting by written ballot to the extent permitted, pursuant to applicable law.

(c) A declaration by the Chairman of the meeting that a resolution has been carried unanimously, or carried by a particular majority, or defeated, and an entry to that effect in the minutes book of the Company, shall be conclusive evidence of the fact without need of proof of the number or proportion of the votes recorded in favor of or against such resolution.

26. Power to Adjourn

The Chairman of a General Meeting at which a quorum is present may, with the consent of the holders of a majority of the voting power represented in person or by proxy and voting on the question of adjournment (and shall if so directed by the meeting), adjourn the meeting from

time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called. In addition, the Chairman shall, if directed by the Board, adjourn a General Meeting (whether prior to or at the General Meeting) from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally called.

27. Voting Power

Subject to applicable law, and subject to any provision hereof conferring special rights as to voting, or restricting the right to vote, every holder of Ordinary Shares shall have one vote for each share registered in his name in the Register of Shareholders upon any resolution put to a vote of the holders of Ordinary Shares.

28. Voting Rights

(a) The shareholders entitled to vote at a General Meeting shall be the shareholders listed in the Company's Register(s) of Shareholders on the record date, as specified in Article 19.

(b) A company or other entity which is not an individual being a holder of Ordinary Shares of the Company may be represented by an authorized individual at any meeting of the Company. Such authorized individual shall be entitled to exercise on behalf of such holder all the power, which the latter could have exercised if it were an individual shareholder. Upon the request of the Chairman of the meeting, written evidence of such authorization (in form acceptable to the Chairman in his sole discretion) shall be delivered to him.

(c) Any holder of Ordinary Shares entitled to vote at the General Meeting may vote thereat either personally or by proxy (who need not be a shareholder of the Company), or, if the shareholder is a company or other corporate body, by a representative authorized pursuant to Article 28(b).

(d) If two or more Persons are registered in the Register of Shareholders as joint holders of any Ordinary Share, the vote of the senior who tenders a vote, in person or 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 Register of Shareholders, all subject to applicable law.

(e) No shareholders shall be entitled to vote at any General Meeting (or be counted as a part of the quorum thereat), unless all calls and other sums then payable by him in respect of his shares in the Company have been paid.

(f) The Board of Directors may determine, in its discretion, the matters, if any, that may be voted upon by written ballot delivered to the Company (without attendance in person or by proxy) at a General Meeting, in addition to the matters on which shareholders are entitled to do so pursuant to applicable law.

(g) Subject to the provisions of applicable law, the Secretary of the Company may, in his discretion, disqualify proxies, proxy cards, written ballots or any other similar instruments.

PROXIES

29. Instrument of Appointment

(a) The instrument appointing a proxy shall be substantially in the form provided below or any other usual or customary form or such other form as may be approved by the Board of Directors from time to time. It shall be duly signed by the appointer or his duly authorized attorney or, if such appointer is a company or other corporate body, under its common seal or stamp or the hand of its duly authorized agent(s) or attorney(s).

“I, the undersigned, _____, being a
(name of shareholder)

shareholder of **ReWalk Robotics Ltd.** hereby appoint

_____ of _____
(name of proxy) (address of proxy)

as my proxy to attend and vote on my behalf at [any General Meeting of the Company] [the General Meeting of the Company to be held on the day of _____, 20____] and at any adjournment thereof.

Signed this _____ day of _____, 20____.

(signature of shareholder) .”

(b) The instrument appointing a proxy (and the power of attorney or other authority, if any, under which such instrument has been signed) shall be delivered to the Company (at its registered office, or at its principal place of business or at the offices of its registrar and/or transfer agent or at such place as the Board of Directors may specify) not less than forty-eight (48) hours before the time fixed for the meeting at which the Person named in the instrument proposes to vote, unless otherwise determined by the Chairman of the meeting.

(c) The rights of a shareholder who is legally incapacitated to attend and/or vote at a General Meeting may be exercised by his guardian.

30. Effect of Death of Appointer or Revocation of Appointment

A vote cast pursuant to an instrument appointing a proxy shall be valid notwithstanding the previous death of the appointing shareholder (or of his attorney-in-fact, if any, who signed such instrument) or the revocation of the appointment, provided that no written notice of such death or revocation shall have been received by the Company or by the Chairman of the meeting before such vote is cast and provided, further, that the appointing shareholder, if present in person at said meeting, may revoke the authority granted by the execution of a proxy by filing with the Company a duly executed instrument appointing another proxy, on or prior to the deadline for the delivery of proxies, or by voting in person at the General Meeting.

BOARD OF DIRECTORS

31. Powers of Board of Directors

(a) In General

The oversight of the management of the business of the Company shall be vested in the Board of Directors, which may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do, and are not hereby or by law required to be exercised or done by the Company in a General Meeting. The authority conferred on the Board of Directors by this Article 31 shall be subject to the provisions of the Companies Law, of these Articles and any resolution consistent with the Companies Law and these Articles adopted from time to time by a General Meeting, provided, however, that no such resolution shall invalidate any prior act done by or pursuant to a decision of the Board of Directors which would have been valid if such resolution had not been adopted.

(b) Borrowing Power

The Board of Directors 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 also may cause the Company to 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 fit, and, in particular, by the issuance of bonds, perpetual or redeemable debentures, debenture stock, or any mortgages, charges, or other securities 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 share capital for the time being.

(c) Reserves

The Board of Directors 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 of Directors, in its absolute discretion, shall deem fit, and the Company 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 of Directors may from time to time deem fit.

32. Exercise of Powers of Directors

(a) A meeting of the Board of Directors at which a quorum is present (in person, by means of a conference call or any other device allowing each director participating in such meeting to hear all the other directors participating in such meeting) shall be competent to exercise all the authorities, powers and discretions vested in or exercisable by the Board of Directors.

(b) A resolution proposed at any meeting of the Board of Directors shall be deemed adopted if approved by a simple majority of the Directors present and lawfully entitled to vote thereon (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee) and voting thereon.

(c) A resolution may be adopted by the Board of Directors without convening a meeting if all Directors then in office and lawfully entitled to participate in the meeting and vote thereon (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee), have given their written consent (in any manner whatsoever) not to convene a meeting to discuss such matter. Such resolution shall be adopted if approved by a majority of the Directors lawfully entitled to vote thereon (as determined as aforesaid). The Chairman of the Board of Directors shall sign the instrument evidencing any resolutions so adopted, including the decision to adopt said resolutions without a meeting.

33. Delegation of Powers

(a) The Board of Directors may, subject to the provisions of the Companies Law and these Articles, delegate any of its powers to committees, each consisting of two or more Persons (all of whose members must be Directors), and it may from time to time revoke such delegation or alter the composition of any such committee. Any Committee so formed (in these Articles referred to as a “**Committee of the Board of Directors**”), shall, in the exercise of the powers so delegated, conform to any regulations imposed on it by the Board of Directors. The meetings and proceedings of any such Committee of the Board of Directors shall, *mutatis mutandis*, be governed by the provisions herein contained for regulating the meetings of the Board of Directors, so far as not superseded by the Companies Law or any regulations adopted by the Board of Directors under this Article. Notwithstanding the foregoing, the Chairman of a Committee of the Board of Directors shall not have a casting vote. Unless otherwise expressly provided by the Board of Directors in delegating powers to a Committee of the Board of Directors, such Committee shall not be empowered to further delegate such powers.

(b) Without derogating from the provisions of Article 46, the Board of Directors may, subject to the provisions of the Companies Law, from time to time appoint a Secretary to the Company, as well as any officers of the Company, and may terminate the service of any such Person, and also may cause the Company to engage employees, agents and independent contractors and to terminate the service of any such Person, all as the Board of Directors may deem fit. Without derogating from the provisions of Article 46, the Board of Directors may, subject to the provisions of the Companies Law, determine the powers and duties, as well as the compensation terms of all such Persons, and may require security in such cases and in such amounts as it deems fit.

34. Number of Directors

(a) The Board of Directors shall include at least five (5) Directors and cannot be more than thirteen (13) Directors, including two External Directors.

(b) The requirements of the Companies Law applicable to an External Director shall prevail over the provisions of these Articles to the extent that these Articles are inconsistent with the Companies Law, and shall apply to the extent that these Articles are silent.

35. Election and Removal of Directors

(a) Other than External Directors, the directors will be elected in three staggered classes by the vote of a majority of the ordinary shares present and entitled to vote. The directors of only one class will be elected at each annual meeting for a three year term, so that the regular term of only one class of directors expires annually. The directors serving as of the date these Articles become effective will be classified as shall be determined by a resolution of the Board. At the Company's Annual General Meeting to be held in 2015, the term of the first class, consisting of three (3) directors will expire, and the directors elected at that meeting will be elected for a three-year term. At the Company's Annual General Meeting to be held in 2016, the term of the second class, consisting of three (3) directors, will expire and the directors elected at that meeting will be elected for a three-year term. At the Company's Annual General Meeting to be held in 2017, the term of the third class, consisting of three (3) directors, will expire and the director elected at that meeting will be elected for a three-year term. The External Directors will not be assigned a class.

If the number of directors constituting the Board is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors constituting the Board shorten the term of any incumbent director.

The provisions of this Article 35(a) may not be amended without a resolution of the general meeting of the Company approved by shareholders holding 65% or more of the voting power of the issued and outstanding share capital of the Company.

(b) Subject to subsection (a), each Director shall be elected by a Shareholders Resolution at the Annual General Meeting by the vote of the holders of a simple majority of the voting power represented at such meeting in person or by proxy and voting on such election.

(c) Notwithstanding the provisions of subsection (a), External Directors shall be elected in accordance with the Companies Law. An elected External Director shall commence his term from the date of, and shall serve for the period stated in, the resolution of the General Meeting at which he was elected, unless his office becomes vacant earlier in accordance with the provisions of the Companies Law.

(d) A Director may serve for multiple terms, provided, however, that the terms of an External Director shall be limited in accordance with applicable law.

(e) The General Meeting shall be entitled to remove any Director(s) from office by a Shareholder Resolution approved by Shareholders holding 65% or more of the voting power of the issued and outstanding share capital of the Company, subject to applicable law. The Board of Directors shall be entitled to remove from office any Director(s) appointed by the Board of Directors.

36. Qualification of Directors

No Person shall be disqualified to serve as a Director by reason of his not holding shares in the Company.

37. Vacancies in the Board of Directors

(a) Subject to the provisions of Article 35(a), any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board of Directors by resolution of the Board of Directors or from the number of Directors serving being less than the maximum permitted number, may be filled by resolution of the Board of Directors. A Director elected to fill a vacancy shall be elected to hold office until the Annual General Meeting at which the term for the other directors of his class expires, unless his office becomes vacant earlier in accordance with the provisions of these Articles.

(b) In the event of one or more vacancies in the Board of Directors, the continuing Directors may continue to act in every matter, provided, however, that if they number less than the minimum number set forth in Article 34(a) hereof, they may only act in an emergency (as determined in their absolute discretion), may appoint one or more Directors and call one or more General Meetings for any purpose.

38. Vacation of Office

(a) The office of a Director shall be vacated, *ipso facto*, upon his death, or if he be found mentally incapacitated, or upon the conviction of a crime enumerated in the Companies Law or as otherwise provided by applicable law.

(b) The office of a Director shall be vacated by his written resignation. Such resignation shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

39. Remuneration of Directors

No Director shall be paid any remuneration by the Company for his services as Director except as may be approved pursuant to the provisions of the Companies Law. Except as otherwise provided by applicable law, reimbursement of expenses incurred by a Director in carrying out his duties as such shall be made pursuant to the policy in this respect as determined by the Board of Directors and in effect from time to time.

40. Conflict of Interests

(a) Subject to the provisions of the Companies Law, the Company may enter into any contract or otherwise transact any business with any Director in which contract or business such Director has a Personal Interest, directly or indirectly; 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.

(b) A Transaction (other than an Extraordinary Transaction) between the Company and an Office Holder or Controlling Person of the Company, or in which an Office Holder or Controlling Person of the Company has a Personal Interest, may be approved by:

(i) the Audit Committee – without any monetary limit; or

(ii) the Board of Directors – without any monetary limit; or

(iii) the Company's authorized officer(s) or director(s) in accordance with the Company's signatory rights (provided that no such approval may be given by any signatory who has a Personal Interest in the transaction). Any such approval may relate to a specific Transaction or to a general category of Transactions.

41. Alternate Directors

(a) A Director may, subject to the consent of a majority of the members of the Board of Directors excluding such Director, appoint an individual as an alternate for himself ("**Alternate Director**"), remove 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. Unless the appointing Director, by the instrument appointing an Alternate Director or by written notice to the Company, limits such appointment to a specified period of time or restricts it to a specified meeting or action of the Board of Directors, or otherwise restricts its scope, the appointment shall be for an indefinite period and for all purposes.

(b) Any notice given to the Company pursuant to Article 41(a) shall become effective on the date fixed therein, or upon the delivery thereof to the Company, whichever is later.

(c) An Alternate Director shall have all the rights and obligations of the Director who appointed him, provided, however, that he may not in turn appoint an alternate for himself, and provided further that an Alternate Director shall have no standing at any meeting of the Board of Directors or any committee thereof while the Director who appointed him is present at such meeting.

(d) An Alternate Director shall alone be responsible for his own acts and omissions, and he shall not be deemed the agent of the Director who appointed him.

(e) The office of an Alternate Director shall be vacated under the circumstances, *mutatis mutandis*, set forth in Article 38, and such office shall *ipso facto* be vacated if the Director who appointed such Alternate Director ceases to be a Director.

(f) Notwithstanding Article 41(a), (i) no Person shall be appointed as the Alternate Director for more than one Director and (ii) except as otherwise specifically permitted by the Companies Law, (A) no External Director may appoint an Alternate Director and (B) no Director may serve as an Alternate Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

42. Meetings

(a) The Board of Directors may meet and adjourn its meetings according to the Company's needs but at least once in every three (3) months, and otherwise regulate such meetings and proceedings as the Directors think fit. Notice of the meetings of the Board of Directors shall be sent to each Director at the last address that the Director provided to the Company, or via telephone, facsimile or e-mail message, to the last telephone number, fax number or e-mail address, as applicable, that the Director provided to the Company.

(b) Any two (2) Directors may, at any time, convene a meeting of the Board of Directors, but not less than seventy-two (72) hours' notice shall be given of any meeting so convened, provided that the Chairman of the Board of Directors or the Vice Chairman of the Board of Directors may convene a meeting of the Board of Directors upon not less than twenty-four (24) hours written notice, and further provided, that the Board of Directors may convene a meeting without such prior notice with the consent of all of the Directors who are lawfully entitled to participate in and vote at such meeting (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee). The notice of a meeting of the Board of Directors shall describe the agenda for such meeting in reasonable detail, as determined by those convening such meeting. The failure to give notice to a Director in the manner required hereby may be waived by such Director. In urgent situations, a meeting of the Board of Directors can be convened without any prior notice with the consent of a majority of the Directors, including a majority of those who are lawfully entitled to participate in and vote at such meeting (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee).

43. Quorum

Unless otherwise unanimously decided by the Board of Directors, a quorum at a meeting of the Board of Directors shall be constituted by the presence in person or by any other means of communication by which the Directors may hear each other simultaneously, of at least a majority of the Directors then in office who are lawfully entitled to participate in the meeting and vote thereon (as conclusively determined by the Secretary or General Counsel, and in the absence of such determination, by the Chairman of the Audit Committee). No business shall be transacted at a meeting of the Board of Directors unless the requisite quorum is present as aforesaid.

44. Chairman of the Board of Directors

(a) The Board of Directors may from time to time elect one of its members to be the Chairman of the Board of Directors, remove such Chairman from office and appoint another in his place.

(b) The Chairman, if any, of the Board of Directors shall preside at every meeting of the Board of Directors, but if there is no such Chairman, or if at any meeting he is not present within fifteen (15) minutes after the time fixed for the meeting, or is unwilling to act as Chairman or has notified the Company that he will not attend such meeting, the Directors present shall choose one of their number to be the Chairman of such meeting. The office of Chairman shall not, by itself, entitle the holder thereof to vote at any meeting of the Board of Directors nor shall it entitle such holder to a second or casting vote (without derogating, however, from the rights of such Chairman to vote as a Director of the Company).

45. Validity of Acts Despite Defects

Subject to the provisions of the Companies Law, all acts done bona fide at any meeting of the Board of Directors, or of a Committee of the Board of Directors, or by any Person(s) acting as Director(s), shall, notwithstanding that it may afterwards be discovered that there was

some defect in the process or 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 were no such defect or disqualification.

GENERAL MANAGER

46. General Manager

(a) The Board of Directors may from time to time appoint one or more Persons, whether or not Directors, as general managers (the “**General Manager(s)**”) of the Company and may confer upon such Person(s), and from time to time modify or revoke, such title(s) (including Managing Director, President, Chief Executive Officer, Director General or any similar or dissimilar title) and such duties and authorities of the Board of Directors as the Board of Directors may deem fit, subject to such limitations and restrictions as the Board of Directors may from time to time prescribe. Such appointment(s) may be either for a fixed term or without any limitation of time, and the Board of Directors 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 compensation terms, remove or dismiss him or them from office, or assume his or their authorities with respect to a specific matter or period of time.

(b) The General Manager shall have the authority, in his discretion, to appoint any Person to become an Office Holder (other than a Director) and fix his remuneration. The General Manager shall have the authority, in his discretion, to promote or demote, or to increase or decrease any remuneration of, any other Office Holder (other than a Director) who reports directly or indirectly to the General Manager, provided that such matter is not considered an Extraordinary Transaction. Nothing in this Article 46(b) shall derogate from the authority of the Board of Directors.

MINUTES

47. Minutes

(a) Minutes of each General Meeting and of each meeting of the Board of Directors and any Committees thereof shall be recorded and duly entered in books provided for that purpose. Such minutes shall, in all events, set forth the names of the persons present at the meeting and all resolutions adopted thereat.

(b) Any minutes as aforesaid, if purporting to be signed by the Chairman of the meeting, shall constitute *prima facie* evidence of the matters recorded therein.

DIVIDENDS

48. Declaration and Payment of Dividends

(a) Subject to the Companies Law, the Board of Directors may from time to time declare, and cause the Company to pay, such dividend as may appear to the Board of Directors

to be appropriate. Subject to the Companies Law, the Board of Directors shall determine the time for payment of such dividends, and the record date for determining the shareholders entitled thereto.

(b) The Company's obligation to pay dividends or any other amount in respect of shares may be set-off by the Company against any indebtedness, however arising, liquidated or non-liquidated, of the Person entitled to receive the dividend. The provisions contained in this Article shall not prejudice any other right or remedy vested with the Company pursuant to these Articles or otherwise.

49. Amount Payable by Way of Dividends

Subject to the rights of the holders of shares with special rights as to dividends, any dividend paid by the Company shall be allocated among the shareholders entitled thereto in proportion to their respective holdings of the shares in respect of which such dividend is being paid.

50. Interest

No dividend shall carry interest as against the Company.

51. Form of Dividend

Upon the declaration of the Board of Directors, a dividend may be paid, wholly or partly, by the distribution of cash or specific assets of the Company or by distribution of securities of the Company or of any other companies, or in any one or more of such ways.

52. Retention of Dividends

The Board of Directors may retain any dividend or other moneys payable or property distributable in respect of a share in respect of which any Person is, under Articles 17 or 18, 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.

53. Unclaimed Dividends

All unclaimed dividends or other moneys payable in respect of a share may be invested or otherwise made use of by and for the benefit of the Company until claimed. The payment by the Company 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 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 of Directors 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.

FINANCIAL STATEMENTS

54. Financial Statements

The Board of Directors shall cause accurate books of account to be kept in accordance with the provisions of 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 of Directors may think fit, and they shall always be open to inspection by all Directors. No shareholder, not being a Director, shall have any right to inspect any account or book or other similar document of the Company, except as conferred by law or authorized by the Board of Directors or by a Shareholders Resolution. The Company shall not be required to send copies of its financial statements to the shareholders.

AUDITORS

55. Outside Auditor

The outside auditor of the Company shall be recommended by the Audit Committee and elected by Shareholder Resolution at each Annual General Meeting and shall serve until the next Annual General Meeting or its earlier removal or replacement by Shareholder Resolution. The Board of Directors shall have the authority to fix, in its discretion, the remuneration of the auditor for audit and any other services, or to delegate such authority to the Audit Committee.

56. Internal Auditor

The internal auditor of the Company shall be subject to the administrative supervision of the Chairman of the Board of Directors and shall present all its proposed work plans to the Audit Committee, which shall have the authority to approve them subject to any modifications in its discretion.

EXEMPTION, INSURANCE AND INDEMNITY

57. Exemption, Insurance and Indemnity

(a) Insurance of Office Holders:

- i. The Company may insure the liability of any Office Holder therein to the fullest extent permitted by law.
- ii. Without derogating from the aforesaid the Company may enter into a contract to insure the liability of an Office Holder therein for an obligation imposed on him in consequence of an act done in his capacity as an Office Holder therein, in any of the following cases:
 1. A breach of the duty of care vis-à-vis the Company or vis-à-vis another Person;

2. A breach of the duty of loyalty vis-à-vis the Company, provided that the Office Holder acted in good faith and had reasonable basis to believe that the act would not harm the Company;
3. A monetary obligation imposed on him in favor of another Person;
4. Reasonable litigation expenses, including attorney fees, incurred by the Office Holder as a result of an administrative enforcement proceeding instituted against him. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the Office Holder in favor of an injured party as set forth in Section 52(54)(a)(1)(a) of the Israeli Securities Law, 1968, as amended (the "Securities Law") and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees; or
5. Any other matter in respect of which it is permitted or will be permitted under applicable law to insure the liability of an Office Holder in the Company.

(b) Indemnity of Office Holders:

- i. The Company may indemnify an Office Holder therein, retroactively or pursuant to an advance undertaking, to the fullest extent permitted by law. Without derogating from the aforesaid the Company may indemnify an Office Holder in the Company for liability or expense imposed on him in consequence of an action made by him in the capacity of his position as an Office Holder in the Company, as follows:
 1. Any financial liability he incurs or imposed on him in favor of another Person in accordance with a judgment, including a judgment given in a settlement or a judgment of an arbitrator, approved by a court.
 2. Reasonable litigation expenses, including legal fees, incurred by the Office Holder or which he was ordered to pay by a court, within the framework of proceedings filed against him by or on behalf of the Company, or by a third party, or in a criminal proceeding in which he was acquitted, or in a criminal proceeding in which he was convicted of a criminal offense which does not require proof of criminal intent.
 3. Reasonable litigation expenses, including legal fees he incurs due to an investigation or proceeding conducted against him by an authority authorized to conduct such an investigation or proceeding, and which was ended without filing an indictment against him and without being subject to a financial obligation as a substitute for a criminal proceeding, or that was ended without filing an indictment against him, but with the imposition of a financial obligation, as a substitute for a criminal proceeding relating to an offence which does not require proof of criminal intent, within the meaning of the relevant terms in the Companies Law, or in connection with an administrative enforcement proceeding or a financial sanction. Without derogating from the generality of the foregoing, such expenses will include a payment imposed on the Office Holder in favor of

an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law, and expenses that the Office Holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, including reasonable legal expenses, which term includes attorney fees.

- ii. Advance Indemnity. The Company may indemnify an Office Holder therein, except as provided by applicable law. The Company may give an advance undertaking to indemnify an Office Holder therein in respect of the following matters:
 - 1. Matters as detailed in Article 57(b)(i)(1), provided, however, that the undertaking is restricted to events, which in the opinion of the Board of Directors, are foreseeable in light of the Company's actual activity at the time of granting the obligation to indemnify and is limited to a sum or measurement determined by the Board of Directors as reasonable under the circumstances. The indemnification undertaking shall specify the events that, in the opinion of the Board of Directors are foreseeable in light of the Company's actual activity at the time of grant of the indemnification and the sum or measurement, which the Board of Directors determined to be reasonable under the circumstances;
 - 2. Matters as detailed in Article 57(b)(i)(2) and 57(b)(i)(3); and
 - 3. Any matter permitted by applicable law.
- (c) Exemption of Office Holders. The Company may exempt an Office Holder therein in advance and retroactively for all or any of his liability for damage in consequence of a breach of the duty of care vis-à-vis the Company, to the fullest extent permitted by law.
- (d) Insurance, Exemption and Indemnity – General.
 - i. The provisions of this Article 57 with regard to insurance, exemption and indemnity are not and shall not limit the Company in any way with regard to its entering into an insurance contract and/or with regard to the grant of indemnity and/or exemption in connection with a person who is not an Office Holder of the Company, including employees, contractors or consultants of the Company, all subject to any applicable law.
 - ii. Articles 57(a) through 57(d) shall apply mutatis mutandis in respect of the grant of insurance, exemption and/or indemnification for Persons serving on behalf of the Company as Office Holders in companies controlled by the Company, or in which the Company has an interest.
 - iii. An undertaking to insure, exempt and indemnify an Office Holder in the Company as set forth above shall remain in full force and effect even following the termination of such Office Holder's service with the Company.
 - iv. Any amendment to the Companies Law, the Securities Law or any other applicable law adversely affecting the right of any Office Holder to be indemnified or insured pursuant to this Article 57 shall be prospective in effect, and shall not affect the Company's obligation or ability to indemnify or insure an Office Holder for any act or omission occurring prior to such amendment, unless otherwise provided by the Companies Law, the Securities Law or such other applicable law.

NOTICES

58. Notices

(a) Any written notice or other document may be served by the Company upon any shareholder either personally, or by facsimile transmission, or by sending it by prepaid mail (airmail or overnight air courier, if being sent from any country to a destination outside such country) or electronic mail addressed to such shareholder at his address as set forth in the Register of Shareholders or such other address as he may have designated in writing for the receipt of notices and other documents. Any written notice or other document may be served by any shareholder upon the Company by tendering the same in person to the Secretary or the General Manager of the Company at the principal office of the Company, or by facsimile transmission, or by sending it by prepaid registered mail (airmail or overnight air courier if being sent from any country outside Israel) to the Company at its registered office. Any such notice or other document shall be deemed to have been served (i) in the case of mailing, three (3) days after it has been posted, or when actually received by the addressee if sooner than three (3) days, after it has been posted; (ii) in the case of overnight air courier, on the second business day following the day sent; (iii) in the case of personal delivery, on the date such notice was actually tendered in person to such shareholder (or to the Secretary or the General Manager); (iv) in the case of facsimile transmission, on the date on which the sender receives automatic electronic confirmation that such notice was successfully transmitted; or (v) in the case of electronic mail, on the date on which the sender receives telephonic or written confirmation that such notice was received. 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 58(a).

(b) All notices to be given to the shareholders shall, with respect to any share to which Persons are jointly entitled, be given to whichever of such Persons is named first in the Register of Shareholders, and any notice so given shall be sufficient notice to the holders of such share.

(c) Any shareholder whose address is not specified in the Register of Shareholders, 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.

RIGHTS OF SIGNATURE

59. Rights of Signature

The Board of Directors shall be entitled to authorize any Person or Persons (who need not be officers or Directors) to act and sign on behalf of the Company, and the acts and signature of such Person(s) on behalf of the Company with the Company's stamp or printed name shall bind the Company insofar as such Person(s) acted and signed within the scope of his or their authority.

WINDING UP

60. Winding Up

(a) Notwithstanding anything to the contrary in these Articles, a Shareholders Resolution approved by 75% of the voting shares represented at such meeting in person or by proxy is required to approve the voluntary winding up of the Company.

(b) If the Company be wound up, liquidated or dissolved, then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, if any, the assets of the Company legally available for distribution among the shareholders, after payment of all debts and other liabilities of the Company, shall be distributed to the shareholders in proportion to the nominal value of their respective holdings of the shares in respect of which such distribution is being made, provided, however, that if a class of shares has no nominal value, then the assets of the Company legally available for distribution among the holders of such class shall be distributed to them in proportion of their respective holdings of the shares in respect of which such distribution is made.

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SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this “**Agreement**”) is made as of the 26th day of June, 2014, by and between: (a) ReWalk Robotics Ltd., an Israeli private company number 51-312137-6 (the “**Company**”), with principal office at Kokhav Yokneam Building, P.O. Box 161, Yokneam Ilit 20692, Israel, (b) each of the purchasers listed on Schedule B, hereto, including Gabriel Capital Management (GP) Ltd., an Israeli company (the “**Lead Investor**”) with its principal office at Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel (the Lead Investor and the other purchasers, the “**Purchasers**” or the “**Investors**”).

WHEREAS, the Company desires that at the Closing (as defined below), the Purchasers shall invest in the Company the Investment Amount (as defined below), as per the allocation between them set forth in Schedule B, in consideration for the issuance to them by the Company of Series E Convertible Preferred Shares of the Company, par value NIS 0.01 each (the “**Preferred E Shares**”), at such number and at such price per share as set forth below and of warrants to purchase additional Preferred E Shares; and

WHEREAS, the Purchasers desire to invest the Investment Amount in the Company at the Closing upon and subject to the terms and conditions hereof.

NOW THEREFORE, in consideration of the mutual promises, covenants set forth herein it is hereby agreed as follows:

1. Interpretation

1.1. The section and paragraph headings used in this Agreement are inserted for ease of reference only and shall not be used for interpretation purposes.

1.2. References to persons shall include incorporated, unincorporated, associations and partnerships entities, in each case whether or not having a separate legal personality.

1.3. References to those of the parties that are individuals include their respective legal personal representatives.

1.4. References to “*writing*” or “*written*” include any other non-transitory form of visible reproduction of words.

2. Issue and Purchase of Preferred E Shares; Grant of Warrants; Supplemental Closing

2.1. Investment

2.1.1. Certain Definitions. For the purposes hereof, the following terms shall have the following meanings:

(i) “**Amit Agreement**” shall mean the Shareholders Agreement as defined in Section 3.2.3 below.

(ii) “**Fully-Diluted Basis**” shall mean all of the issued and outstanding share capital of the Company, on an as-converted and fully-diluted basis, including the ESOP Increase (as defined below) and (for the avoidance of doubt) including the convertible securities under the Kreos Agreement and the Amit Agreement, and including any “**Milestone Shares**” (as defined in, and pursuant to the Series D SPA (as defined in the Amended Articles)) which may be issued under the Series D SPA, and assuming the exercise of all outstanding options and warrants; provided that with respect to the convertible securities under the Amit Agreement, the calculations made for the purposes of determining the “**Fully-Diluted Basis**” shall assume a fixed Investment Amount of \$10,000,000 hereunder, regardless of the total amount actually invested, and acknowledging that such assumption will not derogate from Amit’s rights under the Amit Agreement.

(iii) “**Kreos Agreement**” shall mean that certain Agreement For The Provision Of A Loan Facility by and between the Company and Kreos Capital IV (Expert Fund) Limited and dated June 19, 2014.

2.1.2. **Investment.** Subject to the terms and conditions hereof, at the Closing, the Company shall issue and allot to each of the Purchasers and each of the Purchasers, separately and not jointly, shall purchase from the Company, such number of Preferred E Shares as set forth next to such Purchaser's name in Schedule B, hereto (collectively, the "**Purchased Shares**"), free and clear of any and all liens, claims, charges, encumbrances, restrictions, or other third party rights (hereinafter "**Encumbrances**"), at a price per Preferred E Share of US \$215.454 (the "**Price Per Share**", and, in aggregate, the "**Investment Amount**"), which Price Per Share the Company represents and warrants reflects a pre-money Company valuation at the Closing of US\$100,000,000, on a Fully-Diluted Basis (the "**Base Valuation**"). The Investment Amount shall be between \$6,000,000 and \$13,000,000 (which minimum and maximum amounts may be adjusted if agreed by the Company and the Lead Investor), of which the Lead Investor (and/or Gabriel Capital Fund (US), L.P.), subject to the terms and conditions hereof, shall invest at least \$2,000,000. The attached Schedule B, sets forth the allocation of the Investment Amount between each of the Purchasers and the number of Preferred E Shares to be issued to each of them respectively at the Closing.

2.1.3. **Current Shareholders.** Unless otherwise agreed by the Lead Investor and the Company, the Investors shall include some or all of the Company Shareholders (as defined below) who (the "**Participating Shareholders**") shall invest an aggregate amount of no less than \$1,000,000 of the Investment Amount at the Closing.

2.1.4. In the event that the Company Shareholders notify the Company prior to July 7, 2014, that they desire and are committed to invest, in the aggregate, an amount which, together with the amounts set forth on Schedule A on the date hereof (as may be updated to include amounts committed to be invested by additional investors approved under Section 2.3 prior to the Closing), exceeds \$13,000,000, then the amounts to be invested by any Investor hereunder (including such Participating Shareholders) shall be limited as may be agreed by the Lead Investor and the Company prior to the Closing.

2.1.5. Each of the above Preferred E Shares issuable at the Closing will be issued and become fully paid upon the payment by the Purchasers of the Investment Amount per the wire instructions to be provided to them by the Company in Schedule 2.1.5 attached hereto, and receipt of payment in the Company's bank account.

2.2. Grant of Warrants.

2.2.1. **Certain Definitions.** For the purposes hereof, the following terms shall have the following meanings:

(i) "**New Investor**" shall mean an Investor who is not a Participating Shareholder, and shall include all Designees.

(ii) "**New Investor Warrant**" shall mean all Warrants other than those granted to Participating Shareholders pursuant to Section 2.2.2.

2.2.2. **Grant of Warrants.** At the Closing, the Company shall issue to the Investors (subject to Section 2.2.3 below) warrants, for no additional consideration and in the form attached hereto as Schedule 2.2.2 (the "**Warrants**"), to purchase an aggregate number of additional Preferred E Shares equal to 50% of the aggregate number of Purchased Shares purchased by such Investors at the Closing (including, upon the occurrence of the Trigger Event, all Trigger Shares issued to such Investor) (the "**Warrant Shares**"); *provided however* that if, prior to the date which is 12 months from the Closing, an IPO which yields net proceeds to the Company of at least \$30,000,000 (an "**Applicable IPO**") has not occurred, then at such time the percentage above shall automatically be adjusted to 65%.

2.2.3. **Allocation of New Investor Warrants.** The allocation of the New Investor Warrants and the Warrant Shares underlying them, shall be as determined by Gabriel Capital Management Ltd. ("**Gabriel Management**") and notified in writing to the Company by Gabriel Management no later than two business days prior to the Closing (the "**Notice of Allocation**"), and which determination and allocation shall be binding upon the Parties. For the avoidance of doubt, Gabriel Management may allocate (subject to approval by the Company's Board of Directors) New Investor Warrants to other parties including those who are not purchasing Preferred E Shares hereunder (each a "**Designee**").

2.2.4. **Exercise Price.** The exercise price per share for the Warrants shall be equal to an amount which is 20% more than the Conversion Price of the Initial Preferred E Shares (as defined in, and as adjusted from time to time in accordance with, the Amended Articles, including but not limited to Article 15.9 thereof (“*Adjustment of Preferred E Shares Conversion Price upon Issuance of New Issues*”) (the “**Warrant Price**”), which Conversion Price, as of the Closing, is equal to the Price Per Share.

2.3. **Additional Investment.** Following the date hereof but prior to the Closing, additional parties may join hereto as Investors, being either (i) Company Shareholders who on the date of this Agreement hold preferred shares of the Company, and/or (ii) new investors, in each case who sign this Agreement or a joinder hereto, *provided* that (A) the Lead Investor and the Company shall have approved such investors in advance, and (B) the aggregate Investment Amount from all Investors hereunder shall not (unless otherwise agreed by the Company and the Lead Investor) exceed US \$13 million. Schedule A hereto, the Capitalization Table, and each other Transaction Document if and as necessary will be updated accordingly as of the Closing, to account for the inclusion of any such additional investors.

2.4. **Trigger Event**

2.4.1. In the event that by December 31, 2014, the Milestone (as defined below) has not been achieved (a “**Trigger Event**”), then the Company agrees that the investment hereunder shall, retroactively at such time, be treated as if it was made at a Company pre-money valuation as at the Closing, on a Fully-Diluted Basis, of \$80,000,000 (the “**Trigger Valuation**”), with the result being the increase (for no additional consideration) of the number of Purchased Shares and Warrants issued and granted to the Investors, retroactive to the Closing, to the numbers thereof as set forth on the Trigger Valuation sheet on the Capitalization Table. Such adjustment will, *inter alia*, be accomplished, upon such Trigger Event (unless otherwise required by the Lead Investor) (i) by (a) the issuance of Trigger Shares to the Investors and/or (b) a reduction (but, for the avoidance of doubt, in no such event any increase) of the Conversion Price applicable to the Initial Preferred E Shares, as set forth in the Amended Articles, to the Trigger Price, and (ii) in the case of the Warrant Shares, an increase in the Base Number under the Warrants to the number of Warrant Shares as set forth on the Trigger Valuation sheet on the Capitalization Table (which Warrant Share increase will be accompanied by a reduction of the Warrant Price, as set forth in the Warrants, and a reduction (but, for the avoidance of doubt, in no such event any increase) of the Conversion Price applicable to the Warrant Shares, as set forth in the Amended Articles, to a price which is 20% more than the Conversion Price of the Preferred E Shares as adjusted in the context of such Trigger Event). The Company hereby represents and warrants that, at the Trigger Valuation, (x) the Price Per Share would have been \$171.946 (the “**Trigger Price**”) and (y) the Company’s post-Closing capitalization on a Fully-Diluted Basis would have been as set out in the Trigger Valuation sheet on the Capitalization Table.

2.4.2. All additional Preferred E Shares issued (if issued) pursuant to this Section 2.4 shall be issued free and clear of any and all Encumbrances, and shall collectively be referred herein as “**Trigger Shares**”. The Trigger Shares shall be issued without the payment of any additional consideration by the Investors and shall be deemed to be Purchased Shares, and the Investment Amount shall be deemed to be allocated between the Trigger Shares and all Preferred E Shares issued to the Investors at the Closing.

2.4.3. “**Milestone**” means the consummation of the Company’s initial public offering of its shares in the United States (an “**IPO**”) which reflects a Company pre-money valuation of at least \$180 million.

2.5. **ESOP.** Upon the lapse of 12 months from the date of the Closing (if, prior to such time, there has been no Applicable IPO), the Company shall increase the number of shares of the Company, par value NIS 0.01 each, available for issuance under its Employees Stock Option Plan (the “**ESOP Shares**” and the “**ESOP**” or “**Plan**”, respectively) by 1,111 ESOP Shares (the “**ESOP Increase**”), such that, had such increase taken place at the Closing (assuming, for this purpose, a fixed Investment Amount hereunder of \$10,000,000, regardless of the total amount actually invested), then consequently, (i) as of the Closing, the total number of ESOP Shares would be 70,208 of which 8,228 ESOP Shares would remain free for future allocation; and (ii) assuming consummation of the Closing and the payment of the Investment Amount in full, immediately following the Closing the total number of ESOP Shares would constitute 12.73% of the Company’s share capital on a fully diluted basis, and the total number of ESOP Shares remaining free for

future allocation would constitute 1.492% of the Company's share capital on a fully diluted basis, all as further set forth in the Capitalization Table (as defined below); provided however that it is clarified for the avoidance of doubt that the ESOP Increase shall be included in the pre-money valuation of the Company for the purposes of the transaction contemplated hereby.

3. Closing

3.1. Closing. The issuance and allotment of the Preferred E Shares and the Warrants to the Purchasers, the transfer to the Company of the Investment Amount by the Purchasers and the registration of the Purchased Shares in the name of each Investor in the shareholder register of the Company shall take place at a closing to be held via remote exchange of documents on July 14, 2014 or on such earlier date as the Company and the Lead Investor shall agree (the "**Closing**" and the "**Closing Date**" respectively), subject to the fulfillment of the closing conditions specified in Sections 7 and 8 of this Agreement.

3.2. Transactions at the Closing. At the Closing, the following transactions shall occur, which transactions shall be deemed to take place simultaneously and no transaction shall be deemed to have been completed nor any document delivered until all such transactions have been completed and all required documents delivered:

3.2.1. The Company shall deliver to each of the Investors the following duly executed documents in form satisfactory to them:

(i) A true and correct copy of the resolutions of the Company's Board of Directors (the "**Board**") adopted at or immediately prior to the Closing, in the form attached hereto as Schedule 3.2.1(i), by which the execution and delivery by the Company of each of this Agreement, the Shareholders Rights Agreement, the Shareholders Agreement, the Warrants and any of the documents listed in this Section 3.2.1, and any and all other documents attached hereto or executed in furtherance of the transactions contemplated hereunder (collectively the "**Transaction Documents**"), and the performance by it of any and all of its obligations hereunder and thereunder, has been approved, including the issuance of the Preferred E Shares (including the Trigger Shares and Capitalization Adjustment Shares (as defined in Section 5.4), if any, and the reservation of such shares for such purpose), grant of the Warrants, the issuance of the Warrant Shares upon proper exercise of the Warrants and the reservation of a sufficient number of Warrant Shares to allow for such exercise (including following the occurrence of a Trigger Event), the issuance to the Investors of any Ordinary A Shares, par value NIS 0.01 each (as defined in the Amended Articles) upon conversion of the Preferred E Shares (including the Trigger Shares and Capitalization Adjustment Shares, if any) in accordance with the terms of the Amended Articles (the "**Ordinary A Shares**", and, together with the Purchased Shares, the Warrants and the Warrant Shares and, if applicable, the Trigger Shares and the Capitalization Adjustment Shares, collectively, the "**Securities**"), and the ESOP Increase. To the extent applicable, such resolution shall also include a specific waiver by the applicable directors of the veto rights set forth in Article 89B of the Articles.

(ii) A true and correct copy of the resolutions of the Company's shareholders adopted at or immediately prior to the Closing, in the form attached hereto as Schedule 3.2.1(ii), by which (a) the execution and delivery by the Company of all Transaction Documents, and the performance by the Company of all of its obligations hereunder and thereunder, has been approved, including, *inter alia*, the creation of Preferred E Shares, the reservation of a sufficient number of (x) Ordinary A Shares to allow the conversion of the Purchased Shares (including the Trigger Shares and Capitalization Adjustment Shares, if any) and the Warrant Shares (sufficient to account for the occurrence of a Trigger Event) and (y) Preferred E Shares to allow for the issuance of the Trigger Shares, the Capitalization Adjustment Shares and the Warrant Shares, and the adoption with immediate effect of the Amended Articles (as defined below) together with a duly completed and signed notice of such changes to the Israeli Registrar of Companies, to be filed with the Israeli Registrar of Companies immediately following the Closing Date; and (b) all the existing shareholders of the Company waive any rights, including, without limitation, preemptive rights (except, in the case of the Participating Shareholders, solely to the extent that they are participating as Investors hereunder), conversion rights, rights of first refusal, rights of first offer, anti-dilution rights, or any similar rights, with respect to the issuance and sale of the Preferred E Shares and Warrants (including the Warrant Shares, Trigger Shares and Capitalization Adjustment Shares, if any) and the Ordinary A Shares to the Purchasers, subject to the terms of this Agreement, the Amended Articles and

other rights and undertakings set forth in the Schedules attached hereto. To the extent applicable, such resolutions shall also include a specific waiver by the applicable shareholders of the rights set forth in Article 89A of the Articles.

(iii) A true and correct copy of the Amended and Restated Articles of Association of the Company (the “**Amended Articles**”) duly adopted, replacing the Articles (as defined below), in the form attached hereto as Schedule 3.2.1(iii), which Amended Articles shall include the Lead Investor’s right to appoint an observer to the Board.

(iv) A true and correct copy of the Company’s shareholders’ register reflecting the issuance of the Preferred E Shares to the Purchasers, stating the number and class of such shares, in the form attached hereto as Schedule 3.2.1(iv)(A), as well as corresponding share certificates, in the form attached hereto as Schedule 3.2.1(iv)(B), duly executed by the Company, in the name of each Investor on account of such Investor’s portion of the Purchased Shares.

(v) A signed opinion from the Company’s counsel in the form attached hereto as Schedule 3.2.1(v), dated as of the Closing Date and addressed to the Investors.

(vi) A compliance certificate, executed by Mr. Larry Jasinski, a director of the Company and the CEO of Argo Medical Technologies Inc., dated as of the Closing Date, in the form attached hereto as Schedule 3.2.1(vi).

(vii) A duly executed Warrant, in the form attached hereto as Schedule 2.2.1, in the name of each respective Investor (or, subject to approval by the Company’s Board of Directors, Designee), in accordance (in the case of the Warrants to the New Investors) with the details provided by Gabriel Management in its Notice of Allocation.

(viii) A notice or consent form to the Office of the Chief Scientist of the Israeli Ministry of Industry, Trade and Labor (“**OCS**”), with respect to the investment contemplated herein in form satisfactory to the Lead Investor, which shall be attached as Schedule 3.2.1(viii) hereto.

(ix) The Budget (as defined below).

(x) A fully executed notice to the Israeli Companies Registrar reflecting the filing of the Amended Articles and report of the changes to the registered share capital.

3.2.2. At the Closing, the Company, the Investors and all remaining shareholders of the Company shall execute and deliver the Amended and Restated Shareholders Rights Agreement substantially in the form set forth as Schedule 3.2.2 (the “**Shareholders Rights Agreement**”).

3.2.3. At the Closing, the Company, the Investors and all remaining shareholders of the Company shall execute and deliver the Fourth Amended and Restated Shareholders Agreement by and between the Founder and the rest of the shareholders of the Company substantially in the form set forth as Schedule 3.2.23.2.3 (the “**Shareholders Agreement**”).

3.3. At the Closing, each Purchaser shall cause the transfer to the bank account designated by the Company of its respective portion of the Investment Amount by wire transfer, banker’s check, or such other form of payment as is mutually agreed by the Company and such Purchaser, and shall deliver to the Company a copy of a transfer form issued by its own bank confirming, without any restriction or reservation of repayment, the transfer of its respective portion of the Investment Amount to the Company’s bank account.

3.4. Post Closing. No later than thirty days after the Closing, the Company shall deliver to the Investors evidence of filing with the Israeli Companies Registrar (the “**Registrar**”) of a duly completed notice of the issuance of the Purchased Shares to the Investors. The Company shall take all actions required for the prompt recording of the above with the Registrar.

4. Representations and Warranties

The Company hereby represents and warrants to the Investors, the following to be true, correct and not misleading as of the date hereof and as of the Closing Date, and acknowledges that the Investors are entering into this Agreement in reliance thereon, subject to and except as specifically stated otherwise in the Schedules to this Section 4 (the representations in this Section 4 shall be read as if made also with respect to each Subsidiary (as defined below) of the Company, to the extent applicable):

4.1. Organization and Corporate Power. The Company is a company duly organized and validly existing under the laws of the State of Israel, and has full corporate power and authority to own, lease and operate its properties and assets, to conduct its business as currently being conducted and as currently proposed to be conducted, and to execute and deliver each of the Transaction Documents and perform any of its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The Company has duly paid all required fees with the Israeli Companies Registrar and has filed the required annual report so as not to be deemed a violating company (as defined by the Israeli Companies Law). Neither the nature of the Company's business as currently conducted nor its ownership or leasing of property require that the Company be qualified to do business in any jurisdiction other than Israel.

4.2. Share Capital

4.2.1. As of the date hereof the Company's authorized share capital is NIS 100,000 and is comprised of 10,000,000 shares, par value NIS 0.01 each, of which (i) as of the date hereof and immediately prior to the Closing: (a) 9,367,323 are Ordinary A Shares of which 10,000 are issued and outstanding, (b) 100,000 are Ordinary B Shares of which 316 are issued and outstanding, (c) 11,000 are Series A Convertible Preferred Shares of which 10,677 are issued and outstanding, (d) 100,000 are Series B Convertible Preferred Shares of which 63,880 are issued and outstanding, (e) 200,000 are Series C-1 Convertible Preferred Shares of which 67,486 are issued and outstanding (f) 40,000 are Series C-2 Convertible Preferred Shares of which 19,675 are issued and outstanding, (g) 100,000 will be Series D-1 Convertible Preferred Shares of which 84,008 will be issued and outstanding and owned by Purchasers, (h) 69,387 will be Series D-2 Convertible Preferred Shares, all of which will be issued and outstanding, (i) 10,323 will be Series D-3 Convertible Preferred Shares, all of which will be issued and outstanding, and (j) 1,967 will be Series D-4 Convertible Preferred Shares, all of which will be issued and outstanding; a complete and correct list of the holdings of the issued share capital of the Company on a Fully Diluted Basis, including all options and any other exercisable or convertible securities of the Company, and of the pre-Closing shareholders of the Company (the "**Company Shareholders**") as of immediately prior the Closing, is set forth in Schedule 4.2.1(A) attached hereto, and (ii) immediately following the Closing: (a) 9,067,323 will be Ordinary A Shares of which 10,000 will be issued and outstanding, (b) 100,000 will be Ordinary B Shares of which 316 will be issued and outstanding, (c) 11,000 will be Series A Convertible Preferred Shares of which 10,677 will be issued and outstanding, (d) 100,000 will be Series B Convertible Preferred Shares of which 63,880 will be issued and outstanding, (e) 200,000 will be Series C-1 Convertible Preferred Shares of which 67,486 will be issued and outstanding, (f) 40,000 will be Series C-2 Convertible Preferred Shares of which 19,675 will be issued and outstanding, (g) 100,000 will be Series D-1 Convertible Preferred Shares of which 84,008 will be issued and outstanding and owned by Purchasers, (h) 69,387 will be Series D-2 Convertible Preferred Shares, all of which will be issued and outstanding, (i) 10,323 will be Series D-3 Convertible Preferred Shares, all of which will be issued and outstanding, (j) 1,967 will be Series D-4 Convertible Preferred Shares, all of which will be issued and outstanding, and (k) 300,000 will be Series E Convertible Preferred Shares, 60,338 of which will be issued and outstanding; a complete and correct list of the holdings of the issued share capital of the Company on a Fully-Diluted Basis, including all options and any other exercisable or convertible securities of the Company, and of the shareholders of the Company (including the Investors), immediately following the Closing is set forth in Schedule 4.2.1(A) attached hereto, which includes separate sheets which assume and reflect, respectively, a Company pre-money valuation in the transactions contemplated hereby, equal to the Base Valuation and the Trigger Valuation) (the "**Capitalization Table**").

4.2.2. All of the shares held by Company Shareholders have been duly authorized, are validly issued, fully paid-up and non-assessable and were issued (if and when issued) in compliance with all applicable laws. The Company Shareholders are the lawful record owners and holders of all of the issued

share capital of the Company and hold such shares free and clear of any and all Encumbrances. None of the Company Shareholders, nor any other third party, holds any other shares, options or other rights to subscribe for, purchase from the Company or from any third party any shares or other securities of the Company that are convertible into, or exercisable or exchangeable for, shares or any other equity of the Company, and no Encumbrances with respect to the Company shares exist, except with respect to 5,237 Series A Preferred Shares, NIS 0.01 par value each, of the Company that are held by the Technological Incubator Founded by the Technion R&D Foundation Ltd. and are pledged for the benefit of the OCS according to Directive 8.3 of the managing director of the Ministry of the Industry, Trade and Labor of the State of Israel and as set forth in the Shareholders Rights Agreement and in the Amended Articles (the “Government Shares”).

4.2.3. Without derogating from the Company’s obligations under Section 2.5, as of the Closing the number of ESOP Shares under ESOP shall be 69,097, constituting 12.527% of Company’s outstanding share capital on a fully diluted basis, of which 7,117 ESOP Shares, constituting 1.29% of the Company’s outstanding share capital on a fully diluted basis, shall remain free for future allocation of options to officers, directors, employees and consultants pursuant to the Plan.

4.2.4. Except as set forth in Schedule 4.2.4, the Shareholders Rights Agreement or in the Amended Articles, there are no share capital, pre-emptive rights, convertible securities, outstanding warrants, options or other rights (including anti-dilution rights or rights of first refusal or similar rights) or agreements, orally or in writing, to subscribe for, purchase or acquire from the Company or, to the best of Company’s knowledge, from any of the Company Shareholders, any share capital of the Company or any rights convertible into, or exercisable or exchangeable for, any share capital of the Company, and there are no contracts, binding commitments or promises providing for the issuance of, or the granting of rights to acquire, any securities of the Company or under which the Company or, to the best of Company’s knowledge (after due inquiry in this regard), any of the Company Shareholders, is or may become obligated to issue or sell any of its securities or rights in the Company. The list of individuals detailed in Schedule 4.2.4 is a complete and accurate list and it specifies with respect to any option granted under the Plan the number of ESOP Shares issuable upon the exercise of such option, the exercise price, date of grant, acceleration provisions, vesting schedule and expiration date thereof and a description whether the options were granted under Section 102 or Section 3(i) of the Israeli Income Tax Ordinance [New Version], 5721-1961 (the “Ordinance”) or under any other applicable arrangement whether by virtue of Israeli law or foreign law, and whether an election was made to treat such option under the capital gain route or ordinary income route and, where relevant, the date on which an option granted pursuant to Section 102(b)(2) of the Ordinance was deposited with the designated trustee appointed under and in accordance with the provisions of Section 102 of the Ordinance, including the date upon which such options were deposited with the designated trustee.

4.2.5. All pre-emptive, anti-dilution and similar rights applicable to the issuance of the Securities have been waived. The Purchased Shares, the Warrant Shares and the Ordinary A Shares, when issued in accordance with the Agreement, will be duly authorized, validly issued, fully paid, and free of any Encumbrances, anti-dilution rights and pre-emptive rights, will have the rights, preferences, privileges, and restrictions set forth in the Amended Articles and will be duly registered in the name of each Investor in the Company’s shareholders’ register. Since its incorporation, there has been no declaration or payment by the Company of dividends, or any distribution by the Company of any assets of any kind to any of its shareholders in redemption of or as the purchase price for any of the Company’s securities. The Company has no obligation (contingent or otherwise) to purchase or redeem any of its share capital. Except as set forth in the Shareholders Rights Agreement, the Company is not under any obligation to register for trading on any securities exchange any of its currently outstanding securities or any of its securities which may hereafter be issued.

4.3. Qualification. The articles of association of the Company as in effect on the date hereof are attached hereto as Schedule 4.3(i) (the “Articles”). The Company has not taken any action or failed to take any action, which action or failure would preclude or prevent the Company from conducting its business after the Closing in the manner as currently being conducted or as currently contemplated to be conducted. Except as set forth in Schedule 4.3(ii), the Company has all franchises, permits, licenses, and any similar authority necessary for the conduct of its business as currently being conducted or as currently contemplated to be conducted. The Company is not in default under any such franchises, permits, licenses, or other similar authority.

4.4. Subsidiaries. The Company does not own or control, directly or indirectly, any interest in any other corporation, association or business entity, except for its wholly-owned subsidiaries, Argo Medical Technologies Inc., a company organized under the laws of Delaware, USA (registration number 5110469 8100) and Argo Medical Technologies GmbH, a company organized under the laws of Germany (registration number 1955/2012.B) (the “**Subsidiaries**”). Each Subsidiary is wholly-owned by the Company free and clear of any Encumbrances and is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business. Each Subsidiary is duly qualified to transact business and is in good standing in each other jurisdiction in which the failure to so qualify could reasonably be expected to have a material adverse effect on the Company or the properties, business, operations, assets, condition (financial or otherwise) or results of operation of the Company (“**Material Adverse Effect**”), noting for the avoidance of doubt, that any changes in general economic conditions, the market or industry in which the Company operates, and the political or military situation in the region or the financial markets, so long as such changes do not have a disproportionate effect on the Company, shall not constitute a Material Adverse Effect.

4.5. Directors and Officer Holders. The directors of the Company immediately prior to Closing are Dr. Amit Goffer (the “**Founder**”), Wayne Weisman, Jeff Dykan, Hadar Ron, Asaf Shinar, Larry Jasinski, Arik Dan and Ichiki Yasushi. Other than as prescribed hereunder, in the Articles or the Amended Articles, there is no agreement, obligation or commitment with respect to the election of any individual or individuals to the Board and, to the best knowledge of the Company, there is no voting agreement, or any other arrangement or agreement, among some or all of the Company’s Shareholders, other than those set forth in the Articles, the Amended Articles and the Shareholders Rights Agreement as amended. The officers of the Company immediately prior to Closing are Larry Jasinski, Amit Goffer, John Hamilton, Jodi Gricci, Ofir Koren and Ami Kraft. Each officer of the Company is currently devoting one hundred percent (100%) of his or her business time to the conduct of the business of the Company. To the Company’s knowledge, no officer of the Company is planning to work less than full-time at the Company in the future.

4.6. Financial Statements and Material Liabilities

4.6.1. At the Closing, a copy of the Company’s audited financial statements as of December 31, 2013, as well as unaudited but reviewed financial statements (including balance sheet and profit and loss account) as of March 31, 2014, are attached hereto as Schedule 4.6.1 (the “**Financial Statements**”). The Financial Statements are true and correct, have been prepared in accordance with the US Generally Accepted Accounting Principles (“**GAAP**”) applied on a consistent basis throughout the periods indicated and with each other, prepared in accordance with the books and records of the Company except that the unaudited Financial Statements may not contain all footnotes required by generally accepted accounting principles. The Financial Statements fairly and accurately present the assets, liabilities, financial condition and operating results of the Company as of the dates, and for the periods, indicated therein, subject in the case of the unaudited Financial Statements to normal immaterial year-end audit adjustments. For the period indicated therein the Company has no liabilities, debts or obligations, whether accrued, absolute, contingent or otherwise, other than those reflected or reserved against in the Financial Statements.

4.6.2. Since March 31, 2014, except as set forth above or in Schedule 4.6.2, the Company has incurred no liabilities, debts or obligations, whether accrued, absolute, contingent or otherwise and whether due or to become due within 12 months from the Closing Date, exceeding individually US \$10,000 and in the aggregate US \$30,000, all of which were incurred in the ordinary course of business of the Company consistent with past practices. Without derogating from the generality of the foregoing, except as set forth in the Financial Statements, the Company is not a guarantor of any debt or obligation of another, nor has the Company given any indemnification, loan, security or otherwise agreed to become directly or contingently liable for any obligation of any person, and no person has given any guarantee of, or security for, any obligation of the Company. The Company was established on June 20, 2001, and since its inception, the Company has operated only in the usual and ordinary course of business. All proper and necessary books of account and accounting records have been maintained by the Company, are in its possession and contain accurate information in accordance with GAAP consistently applied relating to all

transactions to which the Company has been a party; it being noted for this purpose that, from the foundation of the Company through 2010, "GAAP" shall refer to Generally Accepted Accounting Principles in Israel, and thereafter to US GAAP. The Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with GAAP.

4.6.3. Except for the Kreos Agreement and except as set forth in Schedule 4.6.3 attached hereto, since March 31, 2014, the Company has conducted its business in an ordinary course, consistent with past practice and there has not been:

(i) any material change in the assets, liabilities, condition (financial or otherwise) or business of the Company;

(ii) any material damage, destruction or loss, whether or not covered by insurance, affecting the assets, properties, conditions (financial or otherwise), operating results or business of the Company as conducted and as currently proposed to be conducted;

(iii) any waiver by the Company of a right or of a debt owed to it;

(iv) any satisfaction or discharge of any lien, claim or encumbrance or payment of any obligation by the Company, except in the ordinary course of business and that is not individually or in the aggregate adverse to the assets, properties, condition (financial or otherwise), operating results or business of the Company as conducted and as currently proposed to be conducted;

(v) any material change or amendment to a contract or arrangement by which the Company or any of its respective assets or properties is bound or subject;

(vi) any material change in any compensation arrangement or other agreement with any director, officer, employee, consultant, advisor or contractor of the Company unless in connection with the transactions hereunder;

(vii) any resignation or termination of employment of any officer holder, key employee or group of employees of the Company;

(viii) any loans or guarantees made by the Company to or for the benefit of its employees, officers, directors, consultants, advisors or contractors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;

(ix) any sale, transfer or lease of, or imposition of any Encumbrance on, any of the Company's assets;

(x) any mortgage, pledge, transfer of a security interest in, or lien, created by the Company, with respect to any of its material properties or assets, except liens for taxes not yet due or payable and liens that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets;

(xi) any receipt of written notice that there has been a loss of, or material order cancellation by, any major customer of the Company;

(xii) any change in the accounting methods or accounting principles or practices employed by the Company;

(xiii) any declaration or payment of any dividend or other distribution of the assets of the Company;

(xiv) any debt incurred, assumed or guaranteed by the Company, except those for immaterial amounts or for current liabilities incurred in the ordinary course of business;

(xv) any single capital expenditure by the Company in excess of US \$20,000 or any capital expenditures by the Company in the aggregate amount of US \$50,000;

(xvi) any other event or condition of any character that would adversely affect the assets, properties, condition (financial or otherwise), operating results or business of the Company as conducted and as proposed to be conducted;

(xvii) any sale, license granted to, assignment or transfer by the Company of any patents, trademarks, copyrights, trade secrets or other intangible assets of the Company; or

(xviii) any arrangement or commitment by the Company to do any of the things described in this Section 4.6.

4.7. Authorization; Approvals. All corporate action required to be taken on the part of the Company, the Board and the Company's Shareholders necessary for the authorization, execution, delivery, and performance of all of the Company's respective obligations under the Transaction Documents including *inter alia* for the authorization, issuance, and allotment of the Securities, has been taken by the Company. Each of the Transaction Documents when executed and delivered by or on behalf of the Company shall be duly and validly authorized, executed and delivered by the Company and shall constitute the valid and legally binding obligations of the Company, legally enforceable against the Company in accordance with its respective terms. No consent, approval, order, license, permit or action of any third party which was not obtained or waived prior to the Closing is required for the execution of the Transaction Documents or the consummation of the transactions contemplated thereunder.

4.8. Compliance with Other Instruments. The Company is not in default under its Articles or the Amended Articles or other formative documents, or under any note, indenture, mortgage, lease, agreement, contract, purchase order or other instrument, document or agreement to which the Company is a party or by which it or any of its property is bound or affected. The Company is not in default under the provisions of (i) any law, statute, ordinance, regulation, or (ii) any order, writ, injunction, decree, or judgment of any court or any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign of which it has received notice. The Company has not entered into any Material Contract (as such term is defined in Section 4.14 herein) or other instrument, document or agreement, except for the Transaction Documents and the agreements listed in Schedule 4.14.1(i) and Schedule 4.14.1(iii) herein. The Company is not a party to or bound by any order, judgment, decree or award of any governmental authority, agency, court, tribunal or arbitrator. To the Company's knowledge, no third party is in default having a material adverse effect under any agreement, contract or other instrument, document or agreement to which the Company is a party or by which it or any of its property is affected. The Company is in compliance, in all material respects, with all the applicable requirements of the Registrar and has timely filed all reports required to be filed with the Registrar, and has timely paid its annual fees which were due to the Registrar through the date hereof. The Company is not registered under the status and has not been declared by the Registrar as a "violating company" within the meaning of Section 362A of the Israeli Companies Law, and it has not received any notice or warning (in writing or otherwise) concerning any intention of the Registrar to register and/or declare the Company as a "violating company".

4.9. No Breach. Neither the execution and delivery of the Transaction Documents, nor compliance by the Company with the terms and provisions hereof and/or thereof, conflict with or will conflict with, or result in a breach or violation of, any of the terms, conditions and provisions of (i) the Articles or the Amended Articles, (ii) any judgment, order, injunction, decree, or ruling of any court or governmental authority, domestic or foreign of which the Company has received notice, (iii) any material agreement, contract, lease, license or commitment to which the Company is a party or to which it is subject, or (iv) any applicable law. The execution, delivery of each of the Transaction Documents and the compliance of the Company with its obligations hereunder and thereunder do not and will not, with or without the passage of time and the giving of notice, (a) give to others any rights, including rights of termination, cancellation or acceleration, in or with respect to any material agreement, contract or commitment of the Company, or to any of the properties of the Company, or (b) otherwise require the consent or approval of any person, which consent or approval has not heretofore been obtained.

4.10. Records. The minute books and corporate records of the Company contain true and complete minutes of all meetings of directors and shareholders and all actions by written consent without a meeting by the directors and shareholders since the date of incorporation, have been maintained in accordance with all applicable statutory requirements and are complete and accurate in all respects and accurately reflect all material transactions made by the Company. The Company has provided to the Lead Investor a copy of all such corporate records since January 1, 2011. No resolutions have been passed, enacted, consented to or adopted by the directors (or any committee thereof) or shareholders of the Company, except for those contained in such minute books.

4.11. Ownership of Assets. The Company owns all the tangible and intangible assets appearing in Schedule 4.11. Except as described in Schedule 4.11, (i) the Company has good and marketable title to all of the properties and assets, whether personal, tangible or intangible, that it purports to own, including the properties and assets reflected on the Financial Statements, and these assets are free of any Encumbrance; and (ii) the Company is not in material default or in material breach of any provision of its leases or licenses and holds a valid leasehold or licensed interest in the property it leases or that is licensed to it. Complete and correct copies of leases and licenses of property, other than Intellectual Property (as defined below), leased or licensed to the Company have been furnished to counsel to the Lead Investor. None of the Company's Shareholders nor any affiliate of any of the Company's Shareholders, owns or possesses, in their individual or any other capacities, any property, whether tangible or intangible, the Company's lack of ownership of which is material, individually or in the aggregate, to the financial condition, operations, or business of the Company.

4.12. Intellectual Property

For purposes of this Agreement, the term "**Intellectual Property**" shall include without limitation the 'ReWalk' project which is an upright walking assistance tool, enabling disabled persons with lower-limb disabilities to stand, walk and climb stairs, any and all inventions (patentable or unpatentable), patents, patent applications, trademarks, service marks, trade names, trade secrets, domain names, know-how, ideas and confidential information embodied or reflected in such information, whether patentable or unpatentable and whether or not reduced to practice, know-how, technology, proprietary processes, techniques, methodologies, formulae, algorithms, models, modules, user interfaces, research and development information, copyrightable works, financial, marketing and business data, pricing and cost information, business and marketing plans and customer and supplier lists and information, inventions, source code, object code, and, with respect to all of the foregoing, related confidential documentation, including any shop rights, for the longest period of protection accorded to such interests under applicable law, as well as all computer programs, source code and object code form, and all algorithms, utilities, flowcharts, logic, documentation, processes, formulations, data, experimental methods, or results, descriptions, business or scientific plans, depictions, customer lists, specifications, pricing plans, market research or data, potential marketing strategies, prospective users and distribution channels, engineering drawings, information concerning specialized suppliers, specifications for products and/or software, test protocols, and all other materials relating thereto, and copies thereof in any storage media, and all other works of authorship, inventions, concepts, ideas and discoveries developed, discovered, conceived, created, made or reduced to practice, and all intellectual property rights therein, including, without limitation, all copyrights in the United States, Israel and elsewhere and all rights of registration and publication, rights to create derivative works, and all other rights incident thereto, for the residue now unexpired of the present term of any and all such copyrights and any term thereafter granted during which such information is entitled to copyright, and all documentation, including user manuals and training materials relating to any of the foregoing and descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing and, other proprietary rights relating to any of the foregoing.

4.12.1. A complete and accurate list of all patents, patent applications, and trademarks owned by the Company is set forth in Schedule 4.12.1 hereto, to which Schedule 4.12.1 is attached a description of the Company's technology. Each item of the Company's Intellectual Property is subsisting, enforceable and valid.

4.12.2. The Company owns and has developed, or has obtained a valid and enforceable right to use, free and clear of any and all Encumbrances, all Intellectual Property used by the Company. The Company's Intellectual Property is sufficient for the conduct of Company's business as currently conducted (and as currently contemplated to be conducted), and no product or service marketed or sold by the Company is infringing upon or violating any license, right, lien, or claim of others or infringes any intellectual property rights of any other party nor has it in the past infringed upon, misappropriated or otherwise violated any intellectual property of any third party. Neither the Company nor, to the Company's best knowledge, any of the Company's directors, officers, employees or consultants (including the Founder)

has received notice of any infringement of asserted rights of others, with respect to any of the Company's Intellectual Property, or of any facts, or assertion of any facts, which would render any of the Company's Intellectual Property invalid or unenforceable. The Company's Intellectual Property has been developed solely by or for, or was assigned to, the Company, and is owned solely by the Company, with no rights therein or thereto being held by any other party. The Company's business as currently conducted and as currently contemplated to be conducted does not violate intellectual property rights of any third party(ies). The Company's business as currently conducted does not require the Company to acquire or license intellectual property rights from any third party(ies) in order to avoid a violation of such party's(ies') intellectual property rights. The Company's business as currently contemplated to be conducted will not require the Company to acquire or license intellectual property rights (other than off-the-shelf software to be included within the Board's annual capital expenditures budget or to be approved by the Board on an *ad hoc* basis) from any third party(ies) in order to avoid a violation of such party's(ies') intellectual property rights. The Company has obtained and possesses valid licenses to use all of the software programs installed on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with the Company's business. The Company has also obtained and possesses valid licenses to market and license or sublicense all of the software programs installed in any of the Company's products. Except as set forth in Schedule 4.12.2 the Company is not obligated or under any liability whatsoever to make any payments by way of royalties, fees or otherwise to any owner or licensor of, or other claimant to, any Intellectual Property used by the Company or used or embodied in the Company's products. The Company is not required, under the terms and conditions of any license (whether such license is authorized by the Open Source Initiative or not) to disclose or distribute any source code of its software nor do any Public Software (as defined below) licenses limit, restrict, govern or affect in any way the Company's rights in and to the Intellectual Property used by the Company. The Company is not prevented under any and all terms of any license used by the Company from charging a fee in exchange for licensing the Company's Intellectual Property to any third party.

4.12.3. There are no outstanding licenses, or agreements of any kind relating to the Company's Intellectual Property necessary for the Company's business as now conducted, nor is the Company bound by or a party to any licenses or agreements of any kind with respect to the Intellectual Property of any other person or entity (including without limitation any software or other material that is distributed as "free software", "open source software" or under a similar licensing or distribution model). The Company has conducted in the past, including in anticipation of the issuance of the Preferred E Shares, and will conduct in the future on a regular basis, searches of relevant third-party intellectual property rights. Except as set forth in Schedule 4.12.3, there is no Intellectual Property owned by any third party which is needed by the Company to conduct its business as currently conducted or proposed to be conducted.

4.12.4. No source code of any of the Company's proprietary software has been licensed or otherwise provided or disclosed to another person or entity, and the Company does not have any duty or obligation (whether present, contingent, or otherwise) to license or otherwise provide the source code for any of the Company's proprietary software to any person or entity.

4.12.5. Except as set forth in Schedule 4.12.5, the Company is not using and has not used with or embedded any Public Software (as defined below) in any of its products generally available or in development. The Company is familiar with and in full compliance in all respects with the terms of use of any and all licenses which govern the use of Public Software incorporated into any product or software of the Company. The Public Software does not limit, restrict, govern or effect in any way the Company's Intellectual Property; the Company is not required, under the terms and conditions of the Public Software, to disclose or distribute any source code to the Company's Intellectual Property and to license any Company product or Intellectual Property for the purpose of making derivative works; and the Company is not prevented under any and all terms of the Public Software from charging a fee in exchange for licensing or providing the Company's Intellectual Property to any third party. "**Public Software**" means any software that contains, or is derived in any manner (in whole or in part) from, any software that is distributed as open source software (whether such license is authorized by the Open Source Initiative or not) or similar licensing or distribution models, including without limitation software licensed or distributed under any of the following licenses or distribution models, or licenses or distribution models similar to any of the following: (i) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL), (ii) the Artistic License

(e.g., PERL), (iii) the Mozilla Public License, (iv) the Netscape Public License, (v) the Sun Community Source License (SCSL), (vi) the Sun Industry Standards License (SISL), (vii) the BSD License, and (viii) the Apache License.

4.12.6. The computer software, computer firmware, computer hardware, networks, interfaces, platforms, peripherals and computer systems, that are owned or used by the Company in the operation of the business are sufficient for the conduct of the business as presently conducted.

4.12.7. The Company is and has been in compliance with all applicable laws relating to the collection, storage, and onward transfer of all personally identifiable information and data collected by the Company, including collection of information and data with respect to its employees.

4.12.8. Any and all Intellectual Property of any kind which has been developed, is currently being developed, or will be developed in the future, for the Company by any former or current employee or other service provider of the Company in connection with their engagement with the Company, or through the use of the Company's equipment or other materials, is and shall be the exclusive property of the Company (or its assignees or transferees). All Intellectual Property developed for the Company by the Founder and any employee or service provider of the Company prior to such person's employment by the Company and during the period of his cooperation with the Company while in its formation stages, are and shall be owned solely by the Company. The Company has taken adequate security measures to protect the secrecy, confidentiality and value of all its Intellectual Property, which measures are reasonable and customary in the industry in which the Company operates. Each of the Company's employees (including the Founder) and other persons who, either alone or in concert with others, developed, invented, discovered, derived, programmed or designed the Company's Intellectual Property, or who have knowledge of or access to information about the Company's Intellectual Property, have entered into written agreements with the Company assigning to the Company all rights in Intellectual Property developed, conceived or reduced to practice in the course of their employment or engagement by the Company, assigning to the Company, all rights in Intellectual Property developed, created, discovered, derived, programmed, designed, invented or otherwise made by them in the course of their engagement with the Company or in connection to the Company's activities and irrevocably and (with respect to employees engaged in recent years only) explicitly waiving all non-assignable rights, including all moral rights and rights to receive royalties in connection therewith, including, without limitation, under the Israeli Patent Law – 1967 (including, without limitation, Section 134 thereof) and/or other applicable law. None of the Company's Intellectual Property has been developed for a government corporation, university, college, other academic institution or research center and no governmental entity, university, college, other academic institution or research center owns or has any right or financial claim in or to any of the Company's Intellectual Property.

4.12.9. True and correct copies of all such agreements are available for review by the Investors upon request. It is not, and will not become, necessary to utilize any inventions of the Founder, any employee or any other service provider of the Company made prior to their respective employment or engagement by the Company other than those that have been assigned to the Company as set forth hereinabove.

4.12.10. Neither the Company nor the Founder has violated or misappropriated or by conducting the Company's business as currently conducted or as currently proposed to be conducted, would violate, any Intellectual Property or other intellectual property or proprietary rights of any other person or entity. Neither the Company nor, to its knowledge, any of the Company's employees or service providers (including the Founder) is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of such employee's or service provider's best efforts to promote the interests of the Company, or that would conflict with the Company's business as conducted and as currently proposed to be conducted. Neither the execution nor delivery of the Transaction Documents by the Company, the performance of its obligations hereunder and thereunder, nor the carrying on of the Company's business by the employees of the Company, nor the conduct of the Company's business as currently proposed to be conducted (and as currently contemplated to be conducted), conflicts or will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which the Company or, to its knowledge, any of such employees or service providers (including the Founder) are now obligated or by which they are bound. To the Company's knowledge, there is no third party infringement or violation of any of the Company's Intellectual Property.

4.12.11. Any Intellectual Property which has been developed by the Company or any of the Company's employees or service providers (including the Founder) (whether on his own, or jointly with others) for the Company, which is being used or intended to be used by the Company to conduct its business as currently being conducted or as currently foreseen to be conducted, is owned solely by the Company, and no third party (including the Founder) has any rights therein or with respect thereto.

4.12.12. The Company has taken all procedural actions required in order to maintain the validity and enforceability of the Intellectual Property listed in Schedule 4.12.1 in the jurisdictions in which the patent applications or other registrations were filed and the registrations of such Intellectual Property are valid, and all necessary registration, maintenance and renewal fees in connection with such Intellectual Property have been paid and all documents and certificates which are necessary in connection with such Intellectual Property, have been filed with the relevant patent, copyright, trademark or other authorities in the relevant and applicable jurisdictions, for the purposes of maintaining such Intellectual Property.

4.13. Taxes. Except as set forth in Schedule 4.13 attached hereto, the Company has not made any tax elections under applicable laws or regulations (other than elections that related solely to methods of accounting, depreciation or amortization). The Company is not a party to any action, investigation or proceeding by any governmental authority for assessment and collection of taxes. The Company has filed on a timely basis with all appropriate governmental entities all tax returns and tax reports required to be filed under applicable laws and regulations and all such tax returns were correct and complete in all respects. All taxes required to be paid by the Company that were due and payable prior to the date hereof have been paid in full and in a timely manner and the Company is not currently liable for any tax (whether income tax, capital gains tax, or otherwise) that became due and was not duly paid. No deficiency assessment or proposed adjustment of any taxes is pending against the Company and the Company has no knowledge of any proposed liability for any such tax to be imposed. Without derogating from the generality of the above, the Company has withheld or collected from each payment made to each of its employees and/or service providers, the amount of all taxes required to be withheld or collected therefrom, and have paid the same to the proper tax receiving officers or authorized depositories, all to the extent regarded under law. All options which have been granted by the Company pursuant to the capital gains route under Section 102(b)(2) of the Ordinance and all shares issued upon exercise of such options have been granted and issued in compliance in all respects with the applicable requirements of Section 102 of the Ordinance, and the requirements of any rules of the Israeli Tax Authority or guidance and policies relating to said Section 102, including, without limitation, (i) the filing of applicable documents, applications and notices with the Israeli Tax Authority, (ii) the appointment of an authorized trustee to hold the options granted under Section 102 of the Ordinance and the Shares issued thereunder pursuant to said Section 102, and (iii) the timely deposit of such options and shares with such trustee pursuant to the terms of Section 102 of the Ordinance and the requirements of any rules or the Israeli Tax Authority or guidance and policies relating to Section 102 of the Ordinance.

4.14. Contracts

4.14.1. The Company has not entered into any Material Contract (as defined below) and/or agreement, including oral contracts, agreements and/or arrangements or understandings, except as contained in Schedule 4.14.1(i), 4.14.1(ii) and 4.14.1(iii). Schedule 4.14.1(i) is a true and complete list of all contracts and agreements, including oral contracts, agreements and/or arrangements (other than such contracts, agreements and/or arrangements which have expired and no longer have any effect), all of which are accurately and fully described, and involve: (a) amounts exceeding US \$20,000 (including indemnification undertakings by the Company not limited in amount); (b) the license of any Intellectual Property by the Company to any third party or by a third party to the Company (other than "off the shelf" licenses); (c) provisions restricting or affecting the development, manufacture, assembly, or distribution of the Company's products or services, (d) granting rights to manufacture, produce, assemble, license, market or sell products or services, (e) indemnification by the Company with respect to infringements of proprietary rights, or (f) restrictions or limitations on the Company's right to do business or compete in any area or field with any person, firm or company, or granting any exclusive rights to any third party, to which the Company is a party or by which its property is bound (collectively: the "**Material Contracts**"). The Company has not

knowingly waived any of its rights under any Material Contract. Each of the Material Contracts and agreements is in full force and effect and constitute legal, valid and binding obligations of the Company and the other parties thereto, and enforceable in accordance with their terms, and neither the Company nor, to the Company's knowledge, any other party thereto, is in material breach thereof; and no event has occurred which, with notice, lapse of time or both would constitute a material violation or default thereunder. True and correct copies of all such contracts have been delivered to the Lead Investor. The Company and, to the knowledge of the Company, each other party thereto, has performed in all material respects all obligations required to be performed by it under such Material Contracts, and no material violation exists in respect thereof on the part of the Company, or to the Company's knowledge, of any other party thereto; except as set forth in Schedule 4.14.1(ii), none of such Material Contracts is currently being renegotiated (except for the regular renewal of any such Material Contracts on terms substantially similar to their existing terms) and, to the knowledge of the Company, no party to any Material Contract has a right to renegotiate such Material Contract; and the validity, effectiveness and continuation of all such Material Contracts will not be materially adversely affected by the transactions contemplated by this Agreement. Except as set forth on Schedule 4.14.1(iii) hereto, the Company has no employment or consulting contracts, deferred compensation agreements or bonus, incentive, profit-sharing, or pension plans currently in force and effect, or any understanding with respect to any of the foregoing ("**Benefit Plan**").

4.14.2. Without derogating from the generality of the above, except as disclosed in Schedule 4.14.1(i), 4.14.1(ii) or 4.14.1(iii):

(i) The Company has not undertaken to make any material capital expenditure or purchase with regard to the Company or to the Company's business.

(ii) The Company is not a party to any credit sale or conditional sale agreement or any contract providing for payment on deferred terms in respect of assets purchased by the Company other than as set forth in Schedule 4.14.1(i).

(iii) The Company is not in breach of any material obligation under any deed, agreement, or transaction to which it is a party with regard to the Company or to the Company's business.

(iv) The Company has not given any guarantee, indemnity, or security for or otherwise agreed to become directly or contingently liable for any obligation of any other person, and no person has given any guarantee of or security for any obligation of the Company.

4.15. Litigation. Except as set forth in Schedule 4.15 hereto, no claim, action, suit, proceeding, complaint, charge or governmental inquiry or investigation is pending or, to the knowledge of the Company, threatened, against the Company or, to the knowledge of the Company, any of its officers, directors, employees, service providers (in their capacity as such) or against any of the Company's properties/assets, before any court, arbitration board or tribunal or administrative or other governmental agency. The foregoing includes, without limiting its generality, actions pending or threatened involving the prior employment of any of the Company's employees or service providers (in their capacity as such) or use by any of them in connection with the Company's or the Company's business of any information, property or techniques allegedly proprietary to any of their former employers. Neither the Company, nor, to the Company's knowledge, any of the Company's officers, directors, employees (including the Founder), are a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or governmental agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or that the Company intends to initiate.

4.16. Insurance. The attached Schedule 4.16 sets forth a list of the Company's insurance policies. There is no claim by the Company pending under any of such policies. All premiums due under such policies have been paid and the Company is otherwise in full compliance with the material terms and conditions of all such policies. Such policies are in full force and effect. The Company has not undertaken any action, or omitted to take any action, which would render any such insurance policy void or voidable or which could result in a material increase in the premium for any such insurance policy.

4.17. Interested Party Transactions. No officer, director or shareholder of the Company, or any affiliate of any such person or entity or the Company, has or has had, either directly or indirectly, (i) an

interest in any person or entity which (a) to the Company's knowledge, competes with the business of the Company as conducted or as currently contemplated to be conducted, (b) to the Company's knowledge, furnishes or sells services or products which are furnished or sold or are proposed to be furnished or sold by the Company, or (c) purchases from or sells or furnishes to the Company any goods or services other than as disclosed in Schedule 4.17(i), or (ii) to the Company's knowledge, a beneficial interest in any contract or agreement to which the Company is a party or by which it may be bound or affected. Other than as disclosed in Schedule 4.17(ii), there are no existing material arrangements, agreements, understandings or proposed material transactions between the Company and any officer, director, or shareholder of the Company, or any affiliate of any such person other than in connection with the transactions contemplated in the Transaction Documents. No employee, shareholder, officer, or director of the Company is indebted, directly or indirectly, to the Company or, to the Company's knowledge, has any (a) material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of the Company's customers, suppliers, service providers, joint venture partners, licensees and competitors, (b) direct or indirect ownership interest in any firm or corporation with which the Company is affiliated or with which the Company has a business relationship, or any firm or corporation which competes with the Company except that directors, officers or employees or shareholders of the Company may own shares in (but not exceeding two percent (2%) of the outstanding share capital of) publicly traded companies that may compete with the Company or (c) financial interest in any material contract with the Company (other than their respective employment or consulting agreements), nor is the Company indebted (or committed to make loans or extend or guarantee credit) to any of them, directly or indirectly, other than as set forth in Schedule 4.6.2.

4.18. Employees

4.18.1. Employee Benefits

(i) Except as set forth in Schedule 4.18.1(i) each Benefit Plan has been operated and administered in accordance with its terms and in material compliance with applicable law. All reports, returns and similar documents with respect to the Benefit Plans required to be filed with any Governmental Entity or distributed to any Benefit Plan participant or beneficiary, have been duly and timely (including any approved extensions) filed or distributed.

(ii) Except as set forth in Schedule 4.18.1(ii), all contributions to, and payments from, the Benefit Plans that may have been required to be made in accordance with the terms of the Benefit Plans and applicable laws, including tax laws, have been timely made. The Company has made adequate provisions with respect to the payment of any payment under any Benefit Plan, including severance pay provided under the law, agreement or otherwise.

(iii) Except as set forth on Schedule 4.18.1(iii), neither the execution and delivery of this Agreement or the Transaction Documents nor the consummation of the other transactions contemplated hereby or thereby will result in the payment, vesting, or acceleration of any bonus, share option or other equity-based award, retirement, severance, job security or similar benefit or any enhanced benefit to any person.

(iv) Neither the Company nor any affiliate thereof has a formal plan, commitment, or proposal, whether legally binding or not, or has made a commitment to any individual to create any additional Benefit Plan or modify or change any existing Benefit Plan that would affect any current employee, director or consultant, or former employee, of the Company, or any beneficiary or alternate payee of such an individual other than as regards the Third Amended and Restated Shareholders Agreement executed between the Company's founder, Dr. Amit Goffer, ID No. 051816254, of 1 Hasifan, Tivon, Israel (the "**Founder**") and the Company on September 30, 2013 and attached hereto as Schedule 4.18.1(iv). No events have occurred or are expected to occur with respect to any Benefit Plan that would cause a material change in the cost of providing the benefits under such plan or would cause a material change in the cost of providing for other liabilities of such plan.

4.18.2. Employee and Labor Matters. Except as set forth in Schedule 4.18.2, the Company has no employment contract with any officer or employee or any other consultant or person which is not terminable by it at will without liability, upon thirty (30) days' prior notice. The Company has complied in all material respects with all applicable employment laws, including applicable laws relating to employment and governing payment of minimum wages, overtime rates, registration of work hours and

required salary slips, terms and conditions of employment and the proper withholding and payment of taxes from compensation of employees and the payment of premiums and/or benefits under applicable worker compensation laws, and remission to the proper tax and other authorities of all sums required to be withheld from employees or persons deemed to be employees under applicable laws respecting such withholding. The Company has paid in full to all of its respective employees (including to such employees' respective managers insurance, pension and vocation studies funds, if applicable), wages, salaries, commissions, bonuses, benefits and other compensation due and payable to such employees on or prior to the date hereof. The Company is not bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union except for those provisions of general agreements between the Histadrut and any Employers' Union or Organization that are applicable to all the employees in Israel and/or to employees in the field of business or industry by an Extension Order. No labor union has requested or has sought to represent any of the employees, representatives or agents of the Company. To the Company's best knowledge, the employment by the Company of any of its employees (including the Founder), and the engagement by it with any of its respective consultants, does not constitute and is not likely to constitute a breach of any of such persons' obligations to third parties, including non-competition or confidentiality obligations.

4.18.3. As of the date hereof, (i) the Company has not been notified in writing by any of its office holders or key employees that such employee intends to, or is considering, terminating such employee's employment or engagement with the Company, including in connection with or as a result, in part or in whole, of the transactions contemplated hereby, and (ii) to the knowledge of the Company, no such office holder or key employee intends to or has notified the Company that such employee is considering, doing the same.

4.18.4. Except as set forth in Schedule 4.18.4, the Company's obligations to provide statutory severance pay to its employees (as if such employee were to be terminated as of the day hereunder) pursuant to the Severance Pay Law, 5723-1963 (the "**Severance Pay Law**") are fully funded (in accordance with the provisions of Section 14 of the Severance Pay Law).

4.18.5. Each of the Company and each Subsidiary of the Company is, and at all relevant times has been, in compliance in all material respects (including in relation to its Benefit Plans) with all applicable laws and orders with respect to labor relations, employment and employment practices, occupational safety and health standards, terms and conditions of employment, payment of wages, classification of employees (whether for determination of overtime payment or as consultants/contractors or employees), employment discrimination, age discrimination, tax withholding, social security contributions, immigration, visa, work status, human rights, pay equity and workers' compensation, and is not engaged in any unfair labor practice.

4.19. Brokers. Except as set forth in Schedule 4.19 hereto, no agent, broker, investment banker, person or firm acting in a similar capacity on behalf of or under the authority of the Company is or will be entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, on account of any action taken by the Company in connection with any of the transactions contemplated under the Transaction Documents or with respect to any past investment or financing transaction concluded by the Company in the past. The Company shall indemnify and hold the Investors harmless from and against any claim or liability resulting from any party claiming any such commission or fee, if such claims shall be contrary to the foregoing statement.

4.20. Government Funding. Schedule 4.20 sets forth all material, tax or other, pending, outstanding and granted grants, incentives, exemptions and subsidies from the Government of the State of Israel or any agency thereof, or from any other governmental entity, granted to Company (including the grant of "Privileged Enterprise" status by the Investment Center, pursuant to the Israeli Law for the Encouragement of Capital Investment, 5719-1959, and grants from the OCS (collectively, "**Grants**"), and of all letters of approval, certificates of completion, and supplements and amendments thereto, granted to Company. The Company is in full compliance with the terms of all Grants and has duly fulfilled in all material respects all the undertakings required thereby. The Grants are in full force and effect and there are no circumstances which would justify the challenge, stay or cancellation of any such schemes.

4.21. Permits. Except as set forth in Schedule 4.21, the Company has all applicable governmental and municipal permits, licenses and any similar authority necessary for the conduct of its business. The Company is not in default in any material respect under any of such permits, licenses or other similar authority, and the Company has not received notice of any revocation or modification of any such permits and has no reason to believe that any such permits will be revoked, modified, or will not be renewed in the ordinary course. The Company has not received any notice of adverse finding, untitled letter or other correspondence or notice from any governmental authority alleging or asserting non-compliance with any laws, statutes, regulations, rules, ordinances or orders to which it is subject or which are applicable to its business, operations, employees, assets or properties (the “**Laws**”) or any licenses, certificates, approvals, clearances, authorizations, permits and supplements or amendments thereto required by any such Laws (the “**Authorizations**”) nor any warning letter from the U.S. Food and Drug Administration containing any unresolved issues concerning noncompliance with any Laws or Authorizations that could reasonably be expected to adversely affect the Company.

4.22. Clinical Studies. (i) All studies, tests and pre-clinical and clinical trials conducted for the Company by the institutions in which they were or are conducted, were and, if still conducted, are, in all material respects, being conducted in accordance with experimental protocols, procedures and controls pursuant to accepted professional scientific standards and all Laws and Authorizations, and (ii) the results of such studies, tests and trials are accurate and complete in all material respects and fairly present the data derived from such studies, tests and trials; there are no such studies, tests or trials the results of which the Company reasonably believes call into question the study, test, or trial results when viewed in the context in which such results are described and the clinical state of development; and the Company has not received any notices or correspondence from any governmental authority requiring the termination, suspension or material modification of any studies, tests or pre-clinical or clinical trials conducted by or for the Company.

4.23. No Insolvency. No insolvency proceeding of any character, including, without limitation, bankruptcy, receivership, reorganization, composition or arrangement with creditors, voluntary or involuntary, affecting the Company or any of its assets or properties, is pending or, to the knowledge of the Company, threatened. The Company has not taken any action in contemplation of, or that would constitute the basis for, the institution of any such insolvency proceedings.

4.24. Full Disclosure. The Company has provided the Investors with all information the Investors have requested. Neither this Agreement nor any of the Transaction Documents, including representations or warranties of the Company contained in this Agreement and the Transaction Documents, as qualified in the attached schedules, nor any certificate furnished or to be furnished to Investors at the Closing, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein true, complete and not misleading. There is no material fact, individually or in the aggregate, or material information relating to the condition (financial or otherwise), current affairs, current operations, or assets of the Company that has not been disclosed to the Investors in writing by the Company.

4.25. Consents. The Company has secured all permits, consents and authorizations that are necessary or required lawfully to consummate the transactions contemplated under the Transaction Documents including for the issuance of the Purchased Shares and the Warrants at the Closing.

4.26. Offering Exemption. The offering, sale and issuance of the Securities as contemplated hereby have been, are, and will be exempted from Section 15(a) of the Israeli Securities Law, 5728-1968. The Company has taken or will, prior to Closing, take all action necessary to be taken to comply with Section 15A of the Israeli Securities Law, 5728-1968, and there were less than 35 offerees, in the aggregate, to whom the Company, and any of its respective representatives made an offering in Israel of any securities of the Company in the past twelve months.

4.27. Knowledge. Whenever in this Section 4 there is reference to the knowledge of the Company (or best knowledge or any similar expression), such knowledge shall be deemed to include the knowledge of its office holders (as such term is defined in the Companies Law, 1999) (including the Founder) in their capacity as such.

5. Effectiveness; Survival; Indemnification

5.1. Each representation and warranty herein is deemed to be made on the date of this Agreement and at the Closing, and, subject to Section 5.2 below, shall survive and remain in full force and effect after the Closing. The Company shall indemnify each Investor (including its directors, officers, affiliates employees and agents) against, and hold the Investors harmless from any and all damages, reasonable attorney fees, losses, costs, expenses and/or liabilities (collectively, “**Losses**”) sustained or incurred by such Investor resulting from, or arising out of, or in connection with, a breach of its respective representations, warranties or covenants made in the Transaction Documents, and all actions, suits, proceedings, judgments, costs and legal or other expenses (collectively, “**Expenses**”) incident to any of the foregoing or the enforcement of the provisions hereof, *provided that* such Losses and Expenses exceed US \$10,000 for each individual claim and US \$50,000 in the aggregate, in which case such Expenses will be covered from the first dollar of Losses or Expenses incurred or sustained.

5.2. Unless otherwise set forth in the Schedules hereto, each representation and warranty provided to the Investors herein is deemed to be made on the date of this Agreement and at the Closing Date, and shall survive and remain in full force and effect after the Closing Date (i) indefinitely (subject only to statute of limitations) with respect to the representations stated in Sections 4.1, 4.2 and 4.7, (ii) for a period of 36 months, with respect to the representations in Sections 4.11, 4.12 and 4.13, and (iii) for a period of 24 months with respect to all other representations. The aforesaid time limitation shall not apply in connection with claims made for fraud, willful misconduct or intentional or willful misrepresentation.

5.3. Except in connection with claims made for fraud, willful misconduct or intentional or willful misrepresentation on the part of the Company, the total liability for indemnification under Sections 5.1 and 5.2, in the aggregate, shall not exceed, with respect to each of the Purchasers, such Purchaser’s respective Investment Amount, plus reasonable actual legal and other reasonable actual direct out-of-pocket costs and expenses incurred by the Investors in enforcing their rights hereunder.

5.4. Notwithstanding anything to the contrary hereunder, in the event of any breach or misrepresentation by the Company which relates to the capitalization of the Company (a “**Capitalization Inaccuracy**”), which results in the percentage holdings of any Investor(s) as reflected in the cap table being reduced due to such breach from the percentage that such Investor were to hold at the Closing Date had such Capitalization Inaccuracy not occurred (a “**Dilutive Issuance**”), then the Company shall indemnify such Investor so affected by such Capitalization Inaccuracy, solely by issuing to such Investor additional Purchased Shares and Warrants (unless such act does not cure all their Losses, in which case such cure shall be irrespective of any of their other rights hereunder with respect to such other Losses), for no additional consideration, at such number of Purchased Shares and Warrants which shall bring such Investor’s percentage holdings in the Company at the Closing Date, to the percentage holdings (on both an issued and outstanding (as-converted) basis and on a Fully-Diluted Basis) such Investor were to have at the Closing Date had the Dilutive Issuance not occurred (“**Capitalization Adjustment Shares**”).

5.5. The right to indemnification, payment of Losses and Expenses, or any other remedy will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any representation, warranty, covenant or agreement made by the Company or any other matter. The waiver of any condition based on the accuracy of any such representation or warranty, or on the performance of or compliance with any such covenant or agreement, will not affect the right to indemnification, payment of Losses and Expenses, or any other remedy based on any such representation, warranty, covenant or agreement. No Investor shall be required to show reliance on any representation, warranty, certificate or other agreement in order for such Investor to be entitled to indemnification hereunder.

6. Representations and Warranties of the Investors. Each Investor hereby represents and warrants, severally and not jointly, to the Company and the other Investors as follows:

6.1. Organization and Standing. If the Investor is an entity: The Investor is an entity duly organized and validly existing under the laws of the state of its jurisdiction. No proceeding or resolution for bankruptcy, dissolution, liquidation, winding-up, appointment of a receiver and/or similar proceeding has been instituted or taken by the Investor, and, to the best of its knowledge, no such proceeding has been instituted or threatened against it.

6.2. Enforceability. The Investor has the full power and authority to enter into, execute and deliver this Agreement and all Transaction Documents. This Agreement, the Transaction Documents and the agreements to be executed by such Investor under this Agreement, when executed and delivered by such Investor, will constitute valid, binding and enforceable obligations of such Investor in accordance with its respective terms.

6.3. Authorization. The execution, delivery and performance of the obligations of such Investor of this Agreement and all Transaction Documents have been (or, in the case of the other Transaction Documents, will, by the Closing, have been) duly approved and authorized by all necessary corporate action, and this Agreement and the Transaction Documents were (or, in the case of the other Transaction Documents, will, by the Closing, have been) signed by its duly authorized representatives and constitutes a valid and legally binding obligation on it. Neither the execution and delivery of this Agreement nor performance by the Investor of the respective terms thereof, will conflict with, or result in a breach or violation of, any of the terms, conditions and provisions of any of its corporate documents, (i) any judgment, order, injunction, decree, or ruling of any court or governmental authority, domestic or foreign, to which it is aware and subject, (ii) any agreement, contract, lease, license or commitment to which it is party or to which it is subject, or (iii) to its knowledge, any applicable laws. No approval or consent from any person, entity or authority, is required by it for the execution, delivery and performance by it of this Agreement and the Transaction Documents, which has not been or will not be obtained by the Closing.

6.4. Experience. Without derogating from the representations provided to it under Section 4 herein, such Investor is an experienced investor, and has had an opportunity to discuss the Company's business, management, financial affairs of Company and the terms and conditions of the transaction contemplated hereunder with the Company's management and has had an opportunity to review the Company's facilities. The Investor recognizes that the investment in the Company's shares involves special risks, and represents that it is an investor in securities of start-up companies in the development stage and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in such shares, and has the ability to bear the economic risks of its investment. Each Investor represents and agrees that the Securities being acquired by it hereunder are purchased only for investment, for its own account, and without any present intention to sell or distribute such Securities or any part thereof.

6.5. Foreign Investor. If the Investor is a US Person as such term is defined under applicable US securities laws, such Investor confirms that it is an Accredited Investor (as such term is defined under applicable US securities laws).

6.6. Brokers. The Investor shall indemnify and hold the Company harmless from and against any claim or liability resulting from any party claiming it is entitled to any broker's or finder's fee or any other commission or similar fee, directly or indirectly, on account of any action taken by such Investor in connection with any of the transactions contemplated under the Transaction Documents.

7. Conditions of Closing of the Investors. The obligations of each Investor to purchase its portion of the Purchased Shares at the Closing by transfer of its portion of the Investment Amount are subject to the fulfillment at or before the Closing of the following conditions precedent to the full satisfaction of each Investor, any one or more of which may be waived in whole or in part by each of the Investors, which waiver shall be at the sole discretion of each of the Investors and in which case such waiver shall apply only with respect to such Investor:

7.1. Representations and Warranties. The representations and warranties made by the Company in this Agreement shall have been true and correct when made, and shall be true and correct as of the Closing as if made on the Closing Date.

7.2. Legal Investment. The sale and issuance of the Securities shall be legally permitted by all laws and regulations to which the Investors and the Company are subject.

7.3. Covenants. All covenants, agreements, and conditions contained in this Agreement to be performed or complied with by the Company prior to the Closing shall have been performed or complied with by the Company, prior to or at the Closing.

7.4. Delivery of Documents. All of the documents to be delivered by the Company pursuant to Section 3.2 shall have been fully and duly executed (if applicable) and delivered to the Investors in accordance with the provisions thereof. The Shareholders Rights Agreement and the Shareholders Agreement shall have been fully-executed by all shareholders whose names appear as intended signatories thereto.

7.5. Consents, Permits, and Waivers. The Company shall have obtained any and all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by the Transaction Documents except for such as may be properly obtained subsequent to the Closing.

7.6. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by the Transaction Documents and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Investors and their counsel, and the Investors and their counsel shall have received all such counterpart copies of such documents as the Investors or their counsels may reasonably request.

7.7. Completion of Due Diligence. The Lead Investor has completed, to its full satisfaction, a legal, financial and intellectual property due diligence examination.

7.8. Minimum Investment. Subject to section 2 above, Company Shareholders shall invest at least \$1,000,000 as Investors hereunder and Lead Investor (Gabriel Capital Fund (Israel), L.P. (currently in formation) and/or Gabriel Capital Fund (US), L.P.) shall invest at least \$2,000,000 as Investor hereunder.

8. Conditions of Closing of the Company. The Company's obligations to sell and issue the Purchased Shares and the Warrants at the Closing are subject to the fulfillment at or before the Closing of the following conditions precedent, any one of which may be waived in whole or in part by the Company, and which waiver shall be at the sole discretion of the Company:

8.1. Representations and Warranties. The representations and warranties made by the Investors in this Agreement shall have been true and correct when made, and shall be true and correct as of the Closing Date.

8.2. Covenants. All covenants, agreements and conditions contained in this Agreement to be performed, or complied with, by the Investors prior to or at the Closing shall have been performed or complied with by the Investors prior to or at the Closing.

8.3. Investment. Each Purchaser shall have delivered its respective portion of the Investment Amount.

8.4. Delivery of Documents. All of the documents to be delivered by the Investors pursuant to Section 3.2 shall have been fully and duly executed (if applicable) and delivered to the Company in accordance with the provisions thereof.

8.5. Office of Chief Scientist's Undertaking. On or prior to the Closing, to the extent required by applicable law, each of the Investors shall have executed an undertaking in the form substantially attached hereto as Schedule 8.4.

9. Affirmative Covenants

9.1. Use of Proceeds. The proceeds of the Investment Amount shall be used by the Company in accordance with the Company's two-year business plan and budget attached hereto as Schedule 9.1 (the "**Budget**"), as amended by the Board from time to time following the Closing, in accordance with the provisions of the Amended Articles.

9.2. Legal Fees, Expenses. Other than as set forth in this Section 9.2, and the Company's obligations under Section 5, each of the Investors and the Company will be responsible for and bear all of its own costs and expenses (including any broker's or finder's fees and the expenses of its representatives) incurred at any time in connection with the transactions contemplated hereunder. Subject to consummation of the transactions contemplated hereunder, the Company shall reimburse the Lead Investor at the Closing, from the proceeds of the Investment hereunder, for its due diligence, legal and accounting fees plus expenses actually incurred with respect to the transactions contemplated by this Agreement; *provided, however*, that such reimbursement shall not exceed US \$60,000 plus Value Added Tax, to the extent applicable.

10. Miscellaneous

10.1. Further Assurances. Each of the parties hereto shall perform such further acts and execute such further documents as may reasonably be necessary to carry out and give full effect to the provisions of this Agreement and the intentions of the parties as reflected thereby.

10.2. Governing Law; Jurisdiction. This Agreement shall be governed by and construed according to the laws of the state of Israel without regard to the conflict of laws provisions thereof. Any dispute arising under or in relation to this Agreement shall be resolved in the competent courts of Tel Aviv only, and each of the parties hereby submits irrevocably to the exclusive jurisdiction of such courts.

10.3. Successors and Assigns; Assignment. Except as otherwise expressly limited herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred (i) by the Company, without the prior consent in writing of the Majority Investors, or (ii) by an Investor (except to a Permitted Transferee (as defined in the Amended Articles), or to a transferee of such Investor to the extent such transferee acquires (in accordance with and subject to the provisions regarding transfer of securities under the Amended Articles) Securities), without the prior consent of the Company.

10.4. Entire Agreement and Amendment. This Agreement and the Schedules hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matters hereof and thereof (and shall supersede and replace in their entirety any Term Sheet discussed and/or signed relating to this investment). Any term of this Agreement may be amended only with the written consent of the Company and the Investors who have invested the majority of the Investment Amount hereunder, which majority shall include the Lead Investor and any Investor who has invested at least \$3,000,000 hereunder (the “**Majority Investors**”).

10.5. Notices.

10.5.1. All notices and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given:

(i) in the case of hand delivery to the address shown below, on the next Business Day after delivery;

(ii) in the case of delivery by an internationally recognized overnight courier to the address set forth below, freight prepaid, on the next Business Day after delivery;

(iii) in the case of a notice sent by facsimile or e-mail transmission to the number, and addressed as, set forth below, on the next Business Day after delivery, if facsimile or e-mail transmission is confirmed;

When, “**Business Day**” means a day on which the banks are open for business in the country of receipt of any notice.

10.5.2. The parties’ contact details shall be as set forth in Schedule 10.5 to this Agreement. A party may change or supplement the contact details for service of any notice pursuant to this Agreement, or designate additional addresses, facsimile numbers and email addresses for the purposes of this Section 10.5 by giving the other party written notice of the new contact details in the manner set forth above.

10.6. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any of the parties, shall be cumulative and not alternative.

10.7. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the

remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; *provided, however*, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction. All of the Investors' undertakings and obligations set forth in this Agreement are several, and not joint.

10.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument.

10.9. Exculpation Among Investors. Each Investor acknowledges that it is not relying upon any person, firm or corporation (including without limitation any other Investor), other than the representations as set forth in this Agreement in deciding to invest and in making its investment in the Company. Each Investor agrees that no other Investor, nor the respective controlling persons, officers, directors, partners or employees of any other Investor shall be liable to such Investor for any losses incurred by such Investor in connection with its investment in the Company.

10.10. Aggregation of Shares; Administration Simplicity. All Purchased Shares held or acquired by an Investor and its affiliates (including any entity controlled by, controlling or under common control with such Investor and as to any Investor which is a partnership, shares held by its partners and its affiliated partnerships 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 and as to any Investor which is a limited liability company, shares held by its members) shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

IN WITNESS WHEREOF the parties have duly signed this Securities Purchase Agreement as of the date first hereinabove set forth.

(Signature pages to follow)

ReWalk Robotics Ltd.

By (sign name): _____
Print Name: _____
Title: _____
Date: _____

Gabriel Capital Fund (US), L.P.

By: Gabriel Capital Management (GP) Ltd., its general partner

By (sign name): _____
Print Name: Gary Leibler
Title: Director
Date: _____

Gabriel Capital Management Ltd.

By (sign name): _____
Print Name: Gary Leibler
Title: Director
Date: _____

Gabriel Capital Management (GP) Ltd.

By (sign name): _____
Print Name: Gary Leibler
Title: Director
Date: _____

Gabriel Capital Management (GP) Ltd. for and on behalf of a limited partnership in formation in the State of Israel, to be known as “**Gabriel Capital Fund (Israel), L.P.**” or such other name designated by Gabriel Capital Management (GP) Ltd.

By (sign name): _____
Print Name: _____
Title: _____
Date: _____

[EXECUTION PAGE TO SECURITIES PURCHASE AGREEMENT]

Investor's Name: _____

By (sign name): _____

Print Name: _____

Title: _____

Date: _____

Investment Amount: \$ _____

[Securities Purchase Agreement – Investors' Signature Page]

Schedule B. – INVESTORS

<u>Name of Investor</u>	<u>Portion of Aggregate Investment Amount</u>	<u>Purchased Shares</u>	<u>Address</u>
Gabriel Capital Fund (US), L.P.*	\$ 1,772,400	8,226	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Gabriel Capital Management (GP) Ltd. for and on behalf of a limited partnership in formation in the State of Israel, to be known as “Gabriel Capital Fund (Israel), L.P.” or such other name designated by Gabriel Capital Management (GP) Ltd.*	\$ 227,600	1,056	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Gabriel Capital Management Ltd. and/or such persons and/or entities (who are not purchasing any Purchased Shares) as to whom Gabriel Capital Management Ltd. shall notify the Company in writing prior to the Closing, which other persons and/or entities shall be deemed to be “Investors” for the purposes of this Agreement and who, without being required to sign this Agreement, shall be deemed to be third-party beneficiaries of this Agreement for all relevant purposes hereof and who, for the avoidance of any doubt, shall be entitled (and/or for whom Gabriel Capital Management Ltd. shall be entitled) to enforce the rights of an “Investor” under this Agreement insofar as they relate to the Warrants and Warrant Shares.	\$ 0	0 [i.e. Will receive zero Purchased Shares, but will be granted Warrants]	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Gabriel (Gabe) Menaged	\$ 100,000	464	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Collace Services Ltd	\$ 400,000	1,857	Attention: John Germain, PO Box 510, Ground Floor, 2 Hill Street, St. Helier, Jersey, JE4 5TR
SCP Vitalife Partners II L.P.	\$ 375,841	1,744	32b Habarzel St., Tel Aviv 69710
SCP Vitalife Partners (Israel) II L.P.	\$ 125,536	583	32b Habarzel St., Tel Aviv 69710
G-TEN Partners LLC	\$ 1,000,000	4,641	1212 Avenue of the Americas, 19th floor, New York, New York. 10036, USA
Pontifax (Cayman) II, L.P.	\$ 733,256	3,403	8 Hamenufim St., Herzleia 46725
Pontifax (Israel) II, L.P.	\$ 552,334	2,564	8 Hamenufim St., Herzleia 46725

Pontifax (Israel) II - Individual Investors, L.P.	\$ 214,410	995	8 Hamenufim St., Herzleia 46725
Mount Hermon Ltd	\$ 500,000	2,321	
Core Gabriel Ltd	\$ 400,000	1,857	
East Bayview Holdings LLC	\$ 250,000	1,160	
OurCrowd (Investment in Argo) L.P.			c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel
	\$ 588,909	2,733	
OurCrowd (Investment in Argo - II) L.P.			c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel
	\$ 90,727	421	
OurCrowd (Investment in Argo - III) L.P.			c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel
	\$ 486,607	2,259	
OurCrowd (Investment in Argo - IV) L.P.			c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel
	\$ 486,607	2,259	
OurCrowd (Investment in Argo - V) L.P.			c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel
	\$ 492,974	2,288	
OurCrowd International Investment II L.P.			c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel
	\$ 46,300	215	
Bearing Capital Ltd	\$ 700,000	3,249	
Technion R&D Foundation			Kiryat HaTechnion, Haifa, Israel. Postcode: 32000
	\$ 90,634	421	
Joaquin Gari de Sentmenat			32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
	\$ 487,165	2,261	
Israel Healthcare Ventures 2 LP Incorporated			32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
	\$ 2,078,700	9,648	
Pro-Seed Venture Capital Fund			85 Yehuda Halevi St., Tel Aviv 65796, Israel
	\$ 350,000	1,624	
Previz Ventures L.P.			Aharon Beker 1, Tel Aviv-Yafo 69643, Israel.
	\$ 450,000	2,089	
TOTAL			

* The Lead Investor may inform the Company of a different allocation between the two funds prior to Closing. Without derogating from any of Lead Investor's and such funds' rights, it is hereby clarified that either of the funds may also transfer shares and Warrants to the other fund following the Closing, subject to the Transaction Documents.

AMENDED AND RESTATED SHAREHOLDERS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED SHAREHOLDERS' RIGHTS AGREEMENT (this "**Agreement**") is made as of the 14th day of July, 2014 (the "**Effective Date**"), by and among ReWalk Robotics Ltd of Kokhav Yokneam Building, P.O. Box 161, Yokneam Ilit 20692, Israel (the "**Company**"); the holder(s) of Ordinary Shares of the Company listed in Schedule A, hereto (the "**Ordinary Holders**"), and the holders of Preferred Shares (as defined below) listed on Schedule B, hereto (collectively, the "**Preferred Holders**" and individually, a "**Preferred Holder**").

WHEREAS, the Ordinary Holders and certain of the Preferred Holders have previously entered into a Shareholders Rights Agreement dated September 30, 2013 (the "**Previous SRA**");

WHEREAS, the Preferred Holders are the holders of all issued and outstanding Preferred Shares of the Company;

WHEREAS, one of the conditions to the investment by some of the Preferred Holders in the Company pursuant to the terms of that certain Securities Purchase Agreement dated June 26, 2014 by and between such Preferred Holders and the Company (the "**Series E SPA**"), is the execution of this Agreement by all parties hereto; and

WHEREAS, the Ordinary Holders, the Preferred Holders and the Company hereby agree that this Agreement amends and restates the Previous SRA in its entirety and as of the Effective Date shall govern the rights of the Shareholders with respect to the subject matters set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties hereby agree as follows:

1. **Definitions.** As used herein, the following terms have the following meanings ascribed thereto. All capitalized terms used, but not defined herein, shall have the respective meanings attributed to them in the Articles of Association of the Company in effect:

1.1. "**Affiliate**" shall include (i) any entity directly or indirectly controlled by, controlling or under common control with a party and (ii) as to any party which is a limited partnership, any of its partners or members and any of its affiliated limited partnerships managed by the same management company or managing general partner or any entity which directly or indirectly controls, is controlled by, or is under common control with, such partner or management company (including limited partners or members of such). For the purpose above control shall mean the holding, directly or indirectly, of more than 50% of the share or voting rights in such entity.

1.2. "**Business Day**" shall mean any day other than a Friday, Saturday or Sunday or a day on which banks in the State of New York or the State of Israel are permitted or required to close.

1.3. "**Commission**" or "**SEC**" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act (as defined below).

1.4. "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, or any similar federal statute and the rules and regulations thereunder, all as the same shall be in effect at the time.

1.5. "**Form S-3**" shall mean Form S-3 or Form F-3 under the Securities Act, as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC which permits inclusion of substantial information by reference to other documents filed by the Company with the SEC.

1.6. "**Founder**" shall mean Dr. Amit Goffer.

1.7. "**Gabriel**" shall mean Gabriel Capital Management (GP) Ltd. and its Permitted Transferees.

1.8. "**Holder**" shall mean any person owning Registrable Securities (including, for the avoidance of doubt any person holding a Warrant for the Warrant E Shares) or any assignee thereof in accordance with the terms of this Agreement.

1.9. "**IHCV**" shall mean Israel Healthcare Ventures 2 LP Incorporated and its Permitted Transferees.

1.10. "**Initiating Holders**" shall mean the Preferred Majority.

1.11. "**IPO**" shall mean the closing of the initial sale of Ordinary Shares of the Company to the public in a *bona fide* firm commitment underwriting pursuant to a registration statement under the Securities Act or of other applicable securities law of another jurisdiction in any internationally-recognized stock exchange.

1.12. "**Lead E Investor**" shall mean Gabriel and each Holder of Preferred E Shares who invested at least \$3,000,000 in the Series E SPA.

1.13. “**Major Shareholder**” shall mean a shareholder of the Company who became a shareholder through the investment of funds in the Company as part of a round of investment, any Permitted Transferee thereof, and any other transferee thereof (or of a Permitted Transferee) who was approved by the Board.

1.14. “**Preferred Majority**” shall mean the holders of 65% or more of the issued and outstanding Preferred Shares, calculated on an as converted basis.

1.15. “**Ordinary Shares**” shall include the Ordinary A Shares NIS 0.01 par value each of the Company and the Ordinary B Shares NIS 0.01 par value each of the Company.

1.16. “**Pontifax**” Each of Pontifax Ltd. and its Permitted Transferees.

1.17. “**Preferred Directors**” shall mean the directors on the Board of Directors of the Company (“**Board**”) appointed by Vitalife, IHCV, Pontifax and YEC.

1.18. “**Preferred A Shares**” shall mean Series A Preferred Shares, NIS 0.01 par value each of the Company.

1.19. “**Preferred B Shares**” shall mean Series B Preferred Shares, NIS 0.01 par value each of the Company.

1.20. “**Preferred B Shares Holders**” shall mean shareholders of the Company holdings Preferred B Shares.

1.21. “**Preferred C Shares**” shall include the Series C-1 Preferred Shares, NIS 0.01 par value each of the Company and the Series C-2 Preferred Shares, NIS 0.01 par value each of the Company.

1.22. “**Preferred C Shares Holders**” shall mean shareholders of the Company holdings Preferred C Shares.

1.23. “**Preferred D Shares**” shall include the Series D-1 Preferred Shares, NIS 0.01 par value each of the Company, the Series D-2 Preferred Shares, NIS 0.01 par value each of the Company, the Series D-3 Preferred Shares, NIS 0.01 par value each of the Company, and the Series D-4 Preferred Shares, NIS 0.01 par value each of the Company.

1.24. “**Preferred D Shares Holders**” shall mean shareholders of the Company holdings Preferred D Shares.

1.25. “**Preferred E Shares**” shall mean Series E Preferred Shares, NIS 0.01 par value each of the Company (including, for the avoidance of doubt, the Warrant E Shares).

1.26. “**Preferred E Shares Holders**” shall mean shareholders of the Company holdings Preferred E Shares.

1.27. “**Preferred Shares**” shall mean the Preferred A Shares, the Preferred B Shares, the Preferred C Shares, the Preferred D Shares and the Preferred E Shares, collectively.

1.28. “**Register**”, “**Registered**” and “**Registration**” shall refer to a registration affected by filing a registration statement in compliance with the Securities Act and the declaration or ordering by the Commission of effectiveness of such registration statement, or the equivalent actions under the laws of another jurisdiction.

1.29. “**Registrable Securities**” shall mean all of the following to the extent the same have not been sold to the public: (i) any and all Ordinary Shares of the Company issued or issuable upon conversion of Preferred Shares; (ii) in case of the Founder – the Ordinary Shares of the Company held by him as of the date hereof; (iii) shares issued in respect of shares referred to in (i) and (ii) above in any reorganization; (iv) shares issued in respect of the shares referred to in (i), (ii) or (iii) above as a result of a share split, share dividend or bonus shares, recapitalization or combination. Notwithstanding the foregoing, Registrable Securities shall not include otherwise Registrable Securities: (a) sold by a person in a transaction in which his rights under this Agreement are not properly assigned; (b) (x) sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction, or (y) the registration rights of which have been terminated pursuant to this Agreement, or (c) that could be sold by the Holder thereof pursuant to Rule 144(b)(1) promulgated under the Securities Act if Registrable Securities then held by such Holder (in the aggregate) constitute (x) prior to the expiration of any “lock-up agreement” entered into with the underwriters of the IPO, less than one percent (1%) of the Company’s outstanding equity securities, and (y) after such time, less than five percent (5%) of the Company’s outstanding equity securities.

1.30. “**Rule 144**” shall mean Rule 144 under the Securities Act or any successor or similar rule as may be enacted by the Commission from time to time, but shall not include Rule 144A.

1.31. “**Rule 144A**” shall mean Rule 144A under the Securities Act or any successor or similar rule as may be enacted by the Commission from time to time, but shall not include Rule 144.

1.32. “**Rule 145**” means Rule 145 under the Securities Act or any successor or similar rule as may be enacted by the Commission from time to time.

1.33. “**Securities Act**” shall mean the United States Securities Act of 1933, as amended, or any similar US federal statute and the rules and regulations thereunder, all as the same shall be in effect at the time.

1.34. “**Shareholders**” shall mean the Ordinary Holders and the Preferred Holders collectively (each of whom individually a “**Shareholder**”).

1.35. “**Vitalife**” shall mean each of: SCP Vitalife Partners II, L.P., SCP Vitalife Partners (Israel) II, L.P., and their Permitted Transferees.

1.36. “**Warrant E Shares**” shall mean the Preferred E Shares issuable upon the exercise of the Warrants granted to the Investors pursuant to and as defined in the Series E SPA, and shall include any Ordinary Shares issuable upon the conversion of the Warrant E Shares.

1.37. “**YEC**” shall mean Yaskawa Electric Corporation and its Permitted Transferees.

2. Affirmative Covenants. The Company covenants that:

2.1. Delivery of Financial Statements to Shareholders. Until the IPO, the Company shall deliver to each shareholder, as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, audited financial statements, including a consolidated balance sheet of the Company and its subsidiaries (if applicable) as of the end of such year, and consolidated statements of income and statements of cash flow of the Company for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with Israeli Generally Accepted Accounting Principles (“**GAAP**”), audited by a firm of Independent Certified Public Accountants which is one of (or is affiliated with one of) the “Big Four” US accounting firms and accompanied by an opinion of such firm which opinion shall state that such financial statements have been prepared in accordance with GAAP applied on a basis consistent with that of the preceding fiscal year, and present fairly and accurately the financial position of the Company as of their date, and that the audit by such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards.

2.2. Reporting to the Board. The Company covenants that until the IPO it shall deliver to each of its appointed directors, and concurrently to each observer, the following reports:

2.2.1. As soon as practicable, but in any event within forty five (45) days after the end of each quarter of each fiscal year of the Company, the Company shall prepare a consolidated balance sheet of the Company as at the end of each such period and unaudited consolidated statements of (i) income and (ii) cash flow of the Company for such period and for the period from the beginning of the current fiscal year to the end of such quarterly period, setting forth in each case in comparative form the figures for the corresponding period of the previous fiscal year, all in reasonable detail and certified by the chief financial officer (or if none, by the chief executive officer) of the Company; and

2.2.2. The Company shall deliver to the directors and observers a monthly report, in a format as determined by the Board; and

2.2.3. As soon as practicable, but not less than thirty (30) days prior to the beginning of each fiscal year, the Company shall prepare a budget and a business plan for the coming fiscal year. The management of the Company shall establish annually an operating plan and budget for the Company (the “**Annual Plan**”), in consultation with the Board. The Annual Plan for the following year shall be submitted to the Board for its approval, at least Thirty (30) days prior to the first day of the fiscal year covered by such Annual Plan.

2.2.4. The Board may (with the affirmative vote of at least a majority of the Preferred Directors) postpone the preparation of the financial reports required under Section 2.1 or the monthly report required under Section 2.2.1, in each case for a period not to exceed thirty (30) days.

2.2.5. The Board (with the affirmative vote of at least a majority of the Preferred Directors) may resolve at any time not to prepare any of the reports required pursuant to this Section 2.2.

2.2.A. The Company covenants that until the IPO it shall deliver to each Lead E Investor the reports provided under and subject to Section 2.2 above, concurrently with their delivery pursuant to said Section 2.2, provided that the Company reserves the right to withhold any information from an observer or such Lead E Investor if the Company in consultation with the Board, in its reasonable discretion, determines that the Israeli Companies Law would exclude such information from an officer or director in such circumstances.

2.3. Visitation Rights and Additional Information

2.3.1. The Company will permit the authorized representatives of each Major Shareholder who either have the right to appoint a director to the Board or who is holding more than 5% of the issued and outstanding share capital of the Company, and each Lead E Investor, full and free access, at all times during regular working hours, and upon reasonable advance notice, to any of the properties of the Company and its subsidiaries (if applicable), including its books and records, and to discuss its affairs, finances and accounts with the Company's officers and auditor, for any purpose whatsoever and as often as may be reasonably requested. This Section 2.3 shall not be in limitation of any rights, which the Shareholders or the directors may have under applicable law. Where applicable, the Company shall provide each Preferred Holder (who is under obligation to provide his partners with such information) with tax information as such Preferred Holder reasonably may request to enable such Preferred Holder to determine if the Company is a "passive foreign investment company" ("PFIC") within the meaning of Section 1297 of the Internal Revenue Code of 1986, as amended, and to enable his partners to fulfill their reporting requirements in connection therewith upon such determination.

2.3.2. In addition, and not as a limitation on any of the foregoing, the Company covenants that it will provide to each Major Shareholder who either has the right to appoint a director to the Board or who is holding more than 5% of the issued and outstanding share capital of the Company, and to each Lead E Investor: (a) reasonably full disclosure and information regarding the Company's affairs at meetings of the Company's Shareholders, and (b) prompt notice of the following matters:

(i) Any litigation, action, investigation or proceeding that is pending or, to the Company's actual knowledge, threatened that, if adversely resolved, would (a) have a material adverse effect on the business or financial condition of the Company; or (b) have a material adverse effect on the ability of the Company to perform any of its obligations under its agreements with the Preferred Holder;

(ii) Any material casualty, damage, destruction or loss (whether or not covered by insurance) affecting the Company;

(iii) Any agreement by and between the Company and any director, officer, shareholder or other equity owner of such Company, relating to (a) the property, assets or business of the Company; or (b) the acquisition or disposition of property or assets of the Company; or

(iv) Any other event that has had or is likely to have a material adverse effect.

2.3.3. Notwithstanding the foregoing, a majority of the Board, with the consent of at least a majority of the Preferred Directors, shall have the right to exclude all or portions of the information or access provided under Sections 2.2 and 2.3, if such members of the Board believe, in good faith, based on advice of Company counsel, that such information would pose a material conflict of interest for the Major Shareholder or such exclusion or omission is necessary in order to (i) preserve the attorney-client privilege, or (ii) fulfill the Company's obligations with respect to confidential or proprietary information of third parties (*provided, however*, that the Major Shareholder shall not be so excluded and materials not so omitted unless all other persons whose receipt of materials or presence at a meeting would result in a violation of such third party confidentiality obligations are also excluded). In the event that the Board decides to withhold such information, the Board shall give the Major Shareholder notice of the Board's decision, together with its detailed explanation therefor, promptly and the Major Shareholder may challenge such decision by presenting oral or written evidence to the Company's directors. The Company shall procure that such evidence shall be considered fairly, reasonably and promptly by such directors, and in the event that the evidence shows that there is no material conflict of interest, the Major Shareholder shall be entitled to receive said information.

2.4. Accounting. The Company will maintain a system of accounting established and administered in accordance with Israeli or US GAAP as applicable consistently applied, and will set aside on its books all such proper reserves as shall be required by Israeli or US GAAP as applicable. The Company shall promptly inform the Major Shareholders of any material change in any material accounting procedures or practices of the Company.

2.5. Confidentiality and Non-Competition Agreements. The Company and its subsidiaries (if applicable) will not employ, or continue to employ, any person who will have access to material confidential information with respect to the Company its subsidiaries and its operations unless such person has executed and delivered a Confidentiality and Non-Competition Agreement to the satisfaction (as to substance and form) of the Company's management and legal counsel.

2.6. Directors Indemnity

2.6.1. The Company hereby indemnifies any of the Directors, and the observers, to the full extent permitted by law and by the Articles of Association of the Company in effect and in accordance with the terms of the indemnification agreements which are or will be executed between the Company and each of its directors and observers.

2.6.2. Without derogating from Section 2.6.1 above, the Company hereby acknowledges that a Preferred Director may have certain rights to indemnification, advancement of expenses and/or insurance provided by its appointee (i.e., Vitalife, IHCV) (collectively, the “**Fund Indemnitors**”). The Company hereby agrees (a) that it is the indemnitor of first resort (i.e., its obligations to any such Preferred Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Preferred Director are secondary and excess), (b) that it shall be required to advance the full amount of expenses incurred by such Preferred Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Preferred Director to the extent legally permitted and as required by the Articles of Association of the Company in effect (or any agreement between the Company and such Preferred Director), without regard to any rights such Preferred Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof as such other recovery arises out of or is related to indemnification or advancement of expenses by the Company. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Preferred Director with respect to any claim for which such Preferred Director has sought indemnification from the Company shall affect the foregoing. Nothing in the foregoing shall affect Indemnitee’s right to pursue indemnification and advancement of expenses from any available source, but Indemnitee shall attempt in good faith to first obtain indemnification and advancement of expenses from the Company before pursuing Fund Indemnitors. Fund Indemnitors shall have a right to pursue Company for all sums Fund Indemnitors advance as expenses or pay as indemnity, as a breach of this contract provision (for each term of which Fund Indemnitors are intended third party beneficiaries with rights to directly enforce this Agreement against Company or Indemnitee). This Section 2.6.2 shall also apply to any observer, as if it was a “Preferred Director” under this section.

2.7. Properties and Business Insurance. The Company and its subsidiaries (if applicable) shall maintain insurance against such casualties and contingencies and of such types and in such amounts as is customary for companies similarly situated.

2.8. Restrictive Agreements Prohibited. The Company and its subsidiaries (if applicable) shall not become a party to any agreement, which by its terms restricts the Company’s performance of this Agreement or the terms of the Articles of Association of the Company in effect.

2.9. Confidentiality. The Shareholders agree that any non-public and proprietary information obtained pursuant to Section 2 and any other confidential information received from the Company, will not be disclosed without the prior written consent of the Company, *provided that*, (i) in connection with periodic reports to their shareholders or partners and in connection with discussions with their prospective investors, (ii) to their professional advisors to the extent necessary to obtain their services in connection with monitoring their investment in the Company and (iii) as may otherwise be required by law (*provided* that the Shareholder (unless restricted to do so under applicable law and regulations) promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure), they may, without first obtaining such written consent, make general statements, not containing technical or other confidential information, regarding the nature and progress of the Company’s business.

2.10. Termination of Information and Inspection Rights and Other Covenants. The covenants set forth in this Section 2 shall terminate as to the Shareholders and be of no further force or effect upon the consummation of an IPO or Liquidation (as such term is defined in the Articles of Association of the Company in effect) or (except as to any Preferred E Share Holder) upon such date as its holdings are below 5% of the issued and outstanding share capital of the Company as further detailed above, whichever event shall first occur.

3. Registration Rights. The following provisions, shall govern the registration of the Company’s securities:

3.1. Incidental (“Piggyback”) Registration.

3.1.1. Other than in connection with a request for registration pursuant to Sections 3.2 or **Error! Reference source not found.** below, if at any time the Company, including if the Company qualifies as a well-known seasoned issuer (within the meaning of Rule 405 promulgated under the Securities Act) (a “**WKSJ**”), proposes to file (i) a prospectus supplement to an effective shelf registration statement (a “**Shelf Registration Statement**”), or (ii) a registration statement other than a Shelf Registration Statement, in either case, for the sale of Ordinary Shares for its own account, or for the benefit of the holders of any of its securities other than the Holders, to an underwriter on a firm commitment basis for reoffering to the public or in a “bought deal” or “registered direct offering” with one or more investment banks (collectively, a “**Piggy-Back Underwritten Offering**”), then as soon as practicable but not less than twenty (20) days prior to the filing of (a) any preliminary prospectus supplement relating to such Piggy-Back Underwritten Offering pursuant to Rule 424(b) promulgated under the Securities Act, (b) any prospectus supplement

relating to such Piggy-Back Underwritten Offering pursuant to Rule 424(b) promulgated under the Securities Act (if no preliminary prospectus supplement is used) or (c) such Shelf Registration Statement, as the case may be, the Company shall give notice of such proposed Piggy-Back Underwritten Offering to the Holders and such notice (a “**Piggyback Notice**”) shall offer the Holders the opportunity to include in such Piggy-Back Underwritten Offering such number of Registrable Securities as each such Holder may request in writing. Each such Holder shall then have fifteen (15) Business Days after receiving such notice to request in writing to the Company inclusion of Registrable Securities in the Piggy-Back Underwritten Offering, except that such Holder shall have five (5) Business Days after such Holder confirms receipt of the notice to request inclusion of Registrable Securities in the Piggy Back Underwritten Offering in the case of a “bought deal,” “registered direct offering” or “overnight transaction” where no preliminary prospectus is used. Upon receipt of any such request for inclusion from a Holder received within the specified time, the Company shall use reasonable best efforts to effect the registration in any registration statement of any of the Holders’ Registrable Securities requested to be included on the terms set forth in this Agreement. Prior to the commencement of any “road show,” any Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any registration by giving written notice to the Company of its request to withdraw and such withdrawal shall be irrevocable and, after making such withdrawal, such Holder shall no longer have any right to include Registrable Securities in the Piggy-Back Underwritten Offering as to which such withdrawal was made.

3.1.2. If the Company does not qualify as a WKSI, (i) the Company shall give each Holder twenty (20) days’ notice prior to filing a Shelf Registration Statement and, upon the written request of any Holder, received by the Company within fifteen (15) days of such notice to the Holder, the Company shall include in such Shelf Registration Statement a number of Ordinary Shares equal to the aggregate number of Registrable Securities requested to be included without naming any requesting Holder as a selling shareholder and including only a generic description of the holder of such securities (the “**Undesignated Registrable Securities**”), (ii) the Company shall not be required to give notice to any Holder in connection with a filing pursuant to Section 3.1.1 unless such Holder provided such notice to the Company pursuant to this Section 3.1.2 and included Undesignated Registrable Securities in the Shelf Registration Statement related to such filing, and (iii) at the written request of a Holder given to the Company more than seven (7) days before the date specified in writing by the Company as the Company’s good faith estimate of a launch of a Piggy-Back Underwritten Offering (or such shorter period to which the Company in its sole discretion consents), the Company shall use reasonable best efforts to effect the registration of any of the Holders’ Undesignated Registrable Securities so requested to be included and shall file a post-effective amendment or, if available, a prospectus supplement to a Shelf Registration Statement to include such Undesignated Registrable Securities as any Holder may request, provided that (a) the Company is actively employing its reasonable best efforts to effect such Piggy-Back Underwritten Offering; and (b) the Company shall not be required to effect a post-effective amendment more than two (2) times in any Twelve (12) month period.

3.1.3. Notwithstanding anything herein to the contrary, the Company shall have the right to terminate or withdraw any Registration initiated by it under this Section 3.1, at any time prior to the effectiveness of such Registration, regardless of whether any Holder has requested to include its Registrable Securities in such Registration under this Section 3.1.

3.2. Demand Registration

3.2.1. At any time following the closing of an IPO, but subject to the terms of any “lock-up agreement” entered into between the underwriters of the Company’s IPO and a Holder (unless waived by such underwriters), the Initiating Holders may request in writing that all or part of the Registrable Securities held by such Initiating Holders shall be registered for trading on any securities exchange or quotation system on which the Company’s shares are otherwise traded (a “**Demand Registration**”). Within twenty (20) days after receipt of any such request, the Company shall give written notice of such request to the other Holders of Registrable Securities and, subject to the provisions of Section 3.4 below, shall use reasonable best efforts to include in such registration all Registrable Securities held by all such Holders of Registrable Securities who wish to participate in such Demand Registration and who provide the Company with written requests for inclusion therein within Fifteen (15) days after the provision of the Company’s notice. Thereupon, the Company shall use its reasonable best efforts to have the registration statement become effective with respect to all Registrable Securities as to which it has received requests for registration with an underwriter designated pursuant to the provisions of Section 3.8 below.

3.2.2. The Company shall not be required to effect more than four (4) Registrations under this Section 3.2 of which: (i) one shall be initiated by the Initiating Holders, provided such majority shall include YEC, (ii) one shall be initiated by the Initiating Holders, provided such majority shall include IHCV, (iii) one shall be initiated by the Initiating Holders, provided such majority shall include Vitalife, and (iv) one shall be initiated by the holders of more than 50% of the Preferred E Shares (the “**Preferred E Majority**”), which Preferred E Majority shall be considered the “Initiating Holders” hereunder with respect to such Demand Registration. The Company shall not be obligated to effect a Demand Registration (a) in any particular jurisdiction in which the Company would be required to

execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Securities Act; or (b) if it delivers notice to the Holders of the Registrable Securities within thirty (30) days of any registration request of its intent to file a Registration statement for such offering within ninety (90) days, but only for such ninety (90) day period and only for so long as the Company is actively employing in good faith reasonable best efforts to cause such Registration statement to become effective, provided, however, that a Registration statement shall not be counted if such Registration statement is withdrawn at the request of the Initiating Holders as a result of a material adverse change in the business of the Company. Further, but without derogating from Section 4.2, a registration statement shall not be counted as a Demand Registration if, as a result of an exercise of the underwriter's "cut-back" provisions, fewer than fifty percent (50%) of the total number of Registrable Securities that Initiating Holders have requested to be included in such Registration statement are actually included.

3.2.3. Without derogating from the rights of the Holders under the parenthetical under Section 3.4.1(i), in the event that the Initiating Holders request to effect a Demand Registration and the Company decides to join and register any of its securities thereunder, such Registration shall be regarded as Incidental ("**Piggyback**") Registration under Section 3.1 and not a Demand Registration under Section 3.2, and the provisions of Section 3.1 shall apply thereto. In addition, in the event that the Initiating Holders request to withdraw any Demand Registration, as a result of a material adverse change in the condition, business, or prospects of the Company, such registration shall not be counted as a Demand Registration.

3.2.4. An Initiating Holder/s may withdraw its/their request for a Demand Registration at any time and it/they shall not be deemed to have exhausted any rights to make Demand Registrations in the future, provided that such Initiating Holder reimburses the Company for all of the expenses it incurred in connection with its inclusion in such Demand Registration, if such registration has in fact been cancelled as a result of such withdrawal; provided, further, however, that such reimbursement shall not be required if (i) at the time of such withdrawal, the Initiating Holder has learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Initiating Holder prior to the time of its request for registration and such material adverse change is reasonably likely to materially adversely affect the expected success of the required registration, and (ii) the Initiating Holder has withdrawn the request with reasonable promptness following disclosure by the Company or its discovery of such material adverse change.

3.3. Form S-3 Registration.

3.3.1. Request for Registration. At any time after the Company becomes eligible to file an S-3 Registration, in case the Company shall receive from any Preferred Holders a written request or requests (a "**Form S-3 Request Notice**") that the Company effect a registration on Form S-3, and any related qualification or compliance, with respect to Registrable Securities, the reasonably anticipated aggregate price to the public of which is equal to or would exceed US\$ 1,000,000 (One Million US Dollars), the Company will within twenty (20) days after receipt of any such request give written notice of the proposed registration, and any related qualification or compliance, to all other Holders, and shall use its reasonable best efforts to include in such Registration all Registrable Securities held by all such Holders who wish to participate in such Registration and who provide the Company with written requests for inclusion therein within fifteen (15) days after the provision of the Company's notice. Thereupon, subject to the provisions of Section 3.4 below, the Company shall use its reasonable best efforts to effect such Registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder's or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within fifteen (15) days after provision of such written notice from the Company. Any Form S-3 Request Notice shall indicate whether the Holder(s) providing the request intend to effect the offering promptly following effectiveness of the registration statement or whether, pursuant to Section 3.11.2, they intend for the registration statement to remain effective so that they may effect the offering on a delayed basis (a "**Shelf Request**").

3.3.2. Shelf Request. In the event a Form S-3 is filed pursuant to a Shelf Request, upon a written request (a "**Form S-3 Demand Notice**") from any Holder or Holders (for the purpose of this Section 3.3, the "**Initiating Holders**") that is entitled to sell securities pursuant to such Form S-3 without filing a post-effective amendment that the Company effect an offering with respect to Registrable Securities (a "**Takedown**"), the Company will, as soon as practicable, (x) deliver a notice relating to the proposed Takedown to all other Holders who are named or are entitled to be named as a selling shareholder in such Form S-3 without filing a post-effective amendment thereto and (y) promptly (and in any event not later than twenty (20) days after receiving such request) supplement the prospectus included in the Shelf Registration Statement as would permit or facilitate the sale and distribution of all or such portion of the Initiating Holders' Registrable Securities as are specified in such request together with the Registrable Securities requested to be included in such Takedown by any other Holders who notify the Company in writing within fifteen (15) days after receipt of such notice from the Company; except that (i) the Registrable Securities requested to be offered pursuant to such Takedown must have an anticipated aggregate price to the public (net of any

underwriting discounts and commissions) of not less than US\$ 1,000,000 (One Million US Dollars), and (ii) the Company shall not be obligated to effect any such Takedown (x) if the Company has within the twelve (12) month period preceding the date of such request already effected two (2) Takedowns under this Section 3.3.2 or (y) within ninety (90) days of effecting a previous Takedown under this Section 3.3.2 or an offering pursuant to Section 3.2.

3.4. Registration Preference

3.4.1. Notwithstanding the provisions of Sections 3.1, 3.2 and 3.3, if in an underwritten offering, the managing underwriter advises the Company in writing that marketing factors require a limitation of the number of shares to be underwritten, then the Company shall be required to include only such number of Registrable Securities as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company; *provided, however*, that the securities included in the offering shall be apportioned (i) first, to include shares which the Company may wish to register for its own account (except in case of a registration initiated under Sections 3.2 and/or 3.3 above, in which case the Company may register securities for its own account only following registration of all Registrable Securities as provided by the following sub-sections: 3.4.1(ii), (iii) and (iv)), (ii) second (or first in case of a registration initiated under Sections 3.2 and/or 3.3 above), pro rata among the Preferred E Share Holders according to the total amount of securities entitled to be included therein owned by each selling Preferred E Share Holder (iii) third (or second in case of a registration initiated under Sections 3.2 and/or 3.3 above), pro rata among the Preferred D Share Holders according to the total amount of securities entitled to be included therein owned by each selling Preferred D Share Holder, (iv) fourth (or third in case of a registration initiated under Sections 3.2 and/or 3.3 above), pro rata among the Preferred C Share Holders according to the total amount of securities entitled to be included therein owned by each selling Preferred C Share Holder, (v) fifth (or fourth in case of a registration initiated under Sections 3.2 and/or 3.3 above), pro rata among the Preferred B Share Holders according to the total amount of securities entitled to be included therein owned by each selling Preferred B Share Holder, and (vi) sixth (or fifth in case of a registration initiated under Sections 3.2 and/or 3.3 above), pro rata among the Preferred Holders (excluding from the Preferred Holders, for the purpose of this clause (vi) only, the Preferred E Holders, Preferred D Holders, Preferred C Holders and the Preferred B Share Holders that were included under sub-sections 3.4.1(ii), 3.4.1(iii) and (iv) above) and the Founder, according to the total amount of securities entitled to be included therein owned by each of the Founder and the selling Preferred Holder; *provided however*, that in any event under this Section 3.4.1, the Founder may include in the registration (if he provided the Company with the required written notice with respect thereto) an amount of Registrable Securities which constitute the Founder's entire holdings (on an outstanding basis) in the Company up to 2% of the outstanding share capital of the Company.

3.4.2. Notwithstanding the foregoing, in no event shall (i) the amount of Registrable Securities in the offering be reduced unless all securities which are not Registrable Securities are entirely excluded from the offering, or (ii) the amount of securities of the selling Preferred E Holders, Preferred D Shares Holders, Preferred C Shares Holders and Preferred B Share Holders included in the offering be reduced below 50% of the total amount of securities included in such offering (the "**Minimum Threshold**"), and subject to the foregoing, the Registrable Securities of the selling Preferred E Holders, Preferred D Shares Holders, Preferred C Share Holders and the Preferred B Share Holders to be included in the Registration may be reduced (in accordance with the priorities under Section 3.4.1), but not below the Minimum Threshold, only if the underwriters make the determination described above and no other shareholder's securities are included in the Registration.

3.5. Notwithstanding Section 3.2 and 3.3 above, the Company shall not be required to effect any: (i) (a) Demand Registration within one hundred and twenty (120) days after the effective date of any other registration or Takedown effected and (b) Registration or Takedown under Section 3.3 within Sixty (60) days after the effective date of any other registration effected or Takedown completed; or (ii) Registration during the pending period of any Blackout Period (as hereinafter defined).

3.6. "**Blackout Periods**": If the Company determines in good faith that the Registration and distribution of Registrable Securities (or the use of a registration statement or related prospectus) would be materially detrimental to the Company and its shareholders because such action would materially interfere with any pending significant financing, acquisition, corporate reorganization or any other similar material corporate development involving the Company (or would require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential), and promptly gives the Initiating Holders written notice of such determination following their request to register any Registrable Securities, the Company shall be entitled to postpone (but not more than once in any twelve (12) month period) the filing of the Registration statement otherwise required to be prepared and filed by the Company pursuant to Sections 3.2 or 3.3, or to suspend the use of any registration statement filed pursuant to a Shelf Request for a reasonable period of time, but not to exceed ninety (90) days (a "**Blackout Period**"). The Company shall promptly notify the Holders of the expiration or earlier termination of any Demand Blackout Period.

3.7. In the event of a Blackout Period, the Company shall undertake to extend the effectiveness of any then current Registration statement beyond the anticipated nine (9) month period set forth in Section 3.11.2 for the respective periods of such Blackout Period.

3.8. Designation of Underwriter

3.8.1. In the case of any Registration affected pursuant to Section 3.2 or 3.3, the Preferred Holders initiating the Registration and holding a majority of the Registrable Securities held by such Preferred Holders shall have the right to designate the managing underwriter(s) in any underwritten offering which shall be a prominent and reputable underwriter, subject to the consent of the Company, which consent shall not be unreasonably withheld.

3.8.2. In the case of any registration initiated by the Company, the Company shall have the right to designate the managing underwriter in any underwritten offering.

3.9. Expenses. All expenses, including the reasonable fees and expenses of one counsel for the Preferred Holders selected by the Preferred Holders initiating the Registration and holding a majority of the Registrable Securities held by such Preferred Holders, incurred in connection with any Registration under Sections 3.1, 3.2 or Section 3.3, shall be borne by the Company; *provided, however*, that each of the Holders participating in such registration shall pay its pro rata portion of the fees, discounts or commissions payable to any underwriter and the fees and expenses of any counsel or other advisors for such Holder (except as otherwise provided for herein).

3.10. Indemnities. In the event of any registered offering of Ordinary Shares pursuant to this Section 3:

3.10.1. The Company will indemnify and hold harmless, to the fullest extent permitted by law, any Holder (including any officer, director or partner of such Holder) and any underwriter for such Holder, and each person, if any, who controls (within the meaning of the Exchange Act) the Holder or such underwriter, from and against any and all losses, damages, claims, liabilities, joint or several, costs and expenses (including any amounts paid in any settlement effected with the Company's consent) to which the Holder or any such underwriter or controlling person may become subject under applicable law or otherwise, insofar as such losses, damages, claims, liabilities (or actions or proceedings in respect thereof), costs or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the registration statement or included in the prospectus, as amended or supplemented, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they are made, not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any rule or regulation promulgated thereunder applicable to the Company in connection with any such registration, qualification or compliance, and the Company will reimburse the Holder, such underwriter and each such controlling person of the Holder or the underwriter, promptly upon demand, for any reasonable legal or any other expenses incurred by them in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with such loss, claim, damage, liability, action or proceeding; *provided, however*, that the Company will not be liable in any such case to the extent that any such loss, damage, liability, cost or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission so made in conformity with information furnished in writing by a Holder, such underwriter or such controlling persons in writing specifically for inclusion therein; *provided, further*, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations; *provided, further*, that the indemnity agreement contained in this subsection 3.10.1 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Company. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the selling shareholder, the underwriter or any controlling person of the selling Holder or the underwriter, and regardless of any sale in connection with such offering by the selling Holder. Such indemnity shall survive the transfer of securities by a selling Holder.

3.10.2. Each Holder participating in a Registration hereunder will indemnify and hold harmless the Company, any underwriter for the Company, and each person, if any, who controls the Company or such underwriter, and each other Holder (including any officer, director or partner of such Holder), from and against any and all losses, damages, claims, liabilities, costs or expenses (including any amounts paid in any settlement effected with the selling shareholder's consent) to which the Company or any such controlling person and/or any such underwriter and/or any such Holder may become subject under applicable law or otherwise, insofar as such losses, damages, claims, liabilities (or actions or proceedings in respect thereof), costs or expenses arise out of or are based on (i) any untrue statement or alleged untrue statement of any material fact contained in the registration statement or included in the prospectus, as amended or supplemented, or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, or (iii) any violation or alleged violation by such Holder of the Securities Act, the Exchange Act or any rule or regulation promulgated thereunder applicable to such Holder in connection with any such registration, qualification or compliance, and each such Holder will reimburse the Company, any underwriter and each such controlling person of the Company or any underwriter and the other Holders, promptly upon demand, for any

reasonable legal or other expenses incurred by them in connection with investigating, preparing to defend or defending against or appearing as a third-party witness in connection with such loss, claim, damage, liability, action or proceeding; in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission was so made in strict conformity with written information furnished by such Holder specifically for inclusion therein. The foregoing indemnity agreement is subject to the condition that, insofar as it relates to any such untrue statement or alleged untrue statement or omission made in the preliminary prospectus but eliminated or remedied in the amended prospectus at the time the registration statement becomes effective or in the final prospectus, such indemnity agreement shall not inure to the benefit of (a) the Company and (b) any underwriter and (c) other Holders, if a copy of the final prospectus was furnished to the person or entity asserting the loss, liability, claim or damage at or prior to the time such furnishing is required by the Securities Act; *provided, however*, that this indemnity shall not be deemed to relieve any underwriter of any of its due diligence obligations; *provided, further*, that the indemnity agreement contained in this subsection 3.10.2 shall not apply to amounts paid in settlement of any such claim, loss, damage, liability or action if such settlement is effected without the consent of the Holders, as the case may be, which consent shall not be unreasonably withheld. In no event shall the liability of a Holder exceed the net proceeds received by such Holder from the sale of its securities under the applicable Registration.

3.10.3. Promptly after receipt by an indemnified party pursuant to the provisions of Sections 3.10.1 or 3.10.2 of notice of the commencement of any action involving the subject matter of the foregoing indemnity provisions, such indemnified party will, if a claim thereof is to be made against the indemnifying party pursuant to the provisions of said Sections 3.10.1 or 3.10.2, promptly notify the indemnifying party of the commencement thereof; but the omission to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party except to the extent the indemnifying party is prejudiced as a result thereof. In case such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall have the right to participate in, and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; *provided, however*, that if the defendants in any action include both the indemnified party and the indemnifying party and there is a conflict of interests which would prevent counsel for the indemnifying party from also representing the indemnified party, the indemnified party or parties shall have the right to select one separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party pursuant to the provisions of said Sections 3.10.1 or 3.10.2 for any legal or other expense subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed counsel in accordance with the provision of the preceding sentence, (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the notice of the commencement of the action and within fifteen (15) days after written notice of the indemnified party's intention to employ separate counsel pursuant to the previous sentence, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. No indemnifying party will consent to entry of any judgment or enter into any settlement, which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

3.10.4. If recovery is not available under the foregoing indemnification provisions, for any reason other than as specified therein, the parties entitled to indemnification by the terms thereof shall be entitled to contribution to liabilities. In determining the amount of contribution to which the respective parties are entitled, there shall be considered the parties' relative knowledge and access to information concerning the matter with respect to which the claim was asserted, the opportunity to correct and prevent any statement or omission, and any other equitable considerations appropriate under the circumstances, *provided, however*, that in any such case, no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation. Notwithstanding the foregoing, to the extent that the provisions on indemnification contained in the underwriting agreements entered into among the selling Holders, the Company and the underwriters in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall be controlling as to the Registrable Securities included in the public offering; *provided, however*, that if, as a result of this Section 3.10.4, any Holder, its officers, directors, and partners and any person controlling such Holder is held liable for an amount which exceeds the aggregate proceeds received by such Holder from the sale of Registrable Securities included in a registration, as provided in Section 3.10.2 above, pursuant to such underwriting agreement (the "**Excess Liability**"), the Company shall reimburse any such Holder for such Excess Liability.

3.11. **Obligations of the Company.** Whenever required under this Section 3 to affect the Registration of any Registrable Securities, the Company shall, as expeditiously as possible, use reasonable best efforts to effect and maintain such Registration, including but not limited to:

3.11.1. Giving each Preferred Holder written notice thereof as soon as practicable prior to filing the registration statement;

3.11.2. Preparing and filing with the SEC a Registration statement with respect to such Registrable Securities and to use its reasonable best 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, keeping such Registration statement effective for a period of up to nine (9) months or, if sooner, until the distribution contemplated in the Registration Statement has been completed, *provided, however*, that in the case of any registration of Registrable Securities on Form S-3 which are intended to be offered on a continuous or delayed basis, such nine-month period shall be extended to keep the Registration statement effective until all such Registrable Securities are sold;

3.11.3. Preparing and filing 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 provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such Registration statement;

3.11.4. Furnishing to the Holders such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

3.11.5. In the event of any underwritten public offering, entering into and performing its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering. Each Preferred Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement;

3.11.6. Notifying each holder of Registrable Securities covered by such Registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such Registration statement, as then in effect, includes an untrue statement or alleged untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and then, as expeditiously as possible, correcting such omission or misstatement; and upon receipt of a notification under this Section 3.11.6, such Holder shall immediately cease distributing the Registrable Securities covered by such Registration statement;

3.11.7. Causing all Registrable Securities registered pursuant hereunder to be listed on each securities exchange and/or quotation system on which similar securities issued by the Company are then listed;

3.11.8. Providing a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such Registration;

3.11.9. Using its reasonable best efforts to cause to be furnished, at the request of any Holder requesting Registration of Registrable Securities pursuant to this Section 3, on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a Registration pursuant to this Section 3, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (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, if any, 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) hereof and (ii) a comfort letter dated such date, from the independent certified public accountants of the Company, 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 subject to each such 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 accountant and (iii) such other documents, certificates and instruments as are customarily provided in underwritten offerings;

3.11.10. Using reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration statement, or the lifting of any suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction, at the earliest possible moment;

3.11.11. Registering or qualifying such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as any Holder or underwriter reasonably requires, and keeping such registration or qualification effective during the period set forth in Section 3.10.13.11.2 above, *except that* the Company shall not for any such purpose be required to qualify to do business as a foreign Company in any jurisdiction wherein it

is not so qualified or intends to be so qualified prior to the effective date of the applicable Registration statement or which result in its being subject to taxation or to a requirement to file a general consent to service of process in any such jurisdiction;

3.11.12. Making available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and causing 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 connection with such Registration statement;

3.11.13. Taking such other actions as shall be reasonably requested by any Holder including reasonable participation in roadshows and other marketing activities.

3.12. Lock-Up

3.12.1. Each Holder hereby agrees (and shall execute an agreement to such effect (a "**Lock-Up Agreement**") with any managing underwriters) not to Transfer (as defined below) any shares of the Company owned (beneficially or of record) by such Holder (other than Registrable Securities or other Ordinary Shares being registered for sale in such offering), without the consent of such managing underwriters, for a period of not more than (i) in the case of such an IPO, one hundred eighty (180) days following the effective date of the Registration statement relating to such IPO or such shorter period requested by the underwriters, and (ii) in the case of an underwritten offering other than the IPO, ninety (90) days or such shorter period requested by the underwriters; *provided, however*, that in such case all persons entitled to registration rights with respect to Ordinary Shares who are not parties to this Agreement, all other persons selling Ordinary Shares in such offering, all officers and directors of the Company, and, solely in the case of an IPO, all persons holding in excess of one percent (1%) of the share capital of the Company on a fully diluted basis (calculated assuming the conversion of all outstanding convertible securities and the exercise of all outstanding rights to acquire Ordinary Shares or securities convertible into Ordinary Shares), shall also have agreed not to sell publicly their Ordinary Shares under the circumstances and pursuant to the terms set forth in this Section 3.12.

3.12.2. If requested by the managing underwriters in connection with any such public offering, the Company will agree to substantially similar "lock-up" provisions as those referred to above. In any case, in the event the underwriters release any of the above from such "lock-up" restrictions prior to the scheduled expiration date, the Preferred Holders shall be released from their "lock-up" obligations hereunder on the same principles (including principles of priority) applicable to the registration of the Registrable Securities as set forth in Section 3.4 and (without derogating from such principles of priority) otherwise on a proportionate basis among the Preferred Holders.

3.12.3. For purposes of this Section, "**Transfer**" shall mean: offer to sell, contract to sell, or otherwise sell, dispose of, loan, pledge or grant any rights or engage in any hedging transactions with respect to any share capital of the Company (including any options or warrants to purchase any share capital or any securities convertible into or exchangeable for share capital) now owned or hereafter acquired by such person or with respect to which such person has or hereafter acquires the power of disposition, other than (i) by will or the laws of intestacy, (ii) as a *bona fide* gift or gifts, *provided* the donee or donees thereof agree in writing to be bound by this restriction, or (iii) as a distribution to partners or shareholders of such person, provided the distributees thereof agree in writing to be bound by the terms of this restriction.

3.13. Foreign Offerings. The provisions of this Section 3 shall apply, *mutatis mutandis*, to any registration of the securities of the Company outside of the United States of America.

3.14. Rule 144 and 144A Reporting

3.14.1. With a view to making available to Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees at all times after Ninety (90) days after the effective date of the first registration filed by the Company for an offering of its securities to the general public to:

(i) Make and keep public information available, as those terms are understood and defined in Rule 144 and Rule 144A;

(ii) Use its best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act.

3.14.2. For purposes of facilitating sales pursuant to Rule 144A, so long as the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, each Holder and any transferee of such Holder's securities shall have the right to obtain from the Company, upon request of the Holder prior to the time of

sale, a brief statement of the nature of the business of the Company and the products and services it offers; and the Company's most recent balance sheet and profit and loss and retained earnings statements, and similar financial statements for the two (2) preceding fiscal years (the financial statements should be audited to the extent reasonably available).

3.15. Termination. The obligations of the Company to register Registrable Securities under Sections 3.1, 3.2 or 3.3 shall terminate with respect to any Holder on the date which is five (5) years from the closing of the IPO.

3.16. Limitations on Subsequent Registration Rights. The Company shall not, without the prior written consent of the Preferred Majority, enter into any agreement with any Holder or prospective Holder of any securities of the Company which would allow such Holder or prospective Holder to include such securities in any Registration filed under this Section other than rights subordinate to the rights of any Holder hereunder provided, however, that the Company may without such consent enter into an agreement with any holder or prospective holder of any securities of the Company related to the filing of a resale shelf registration statement to register shares issued to such holder or prospective holder in an acquisition, if and only if such resale shelf registration statement does not permit underwritten offerings.

4. Miscellaneous

4.1. Further Assurances. From and after the date of this Agreement, upon the request of any Preferred Holder the Company shall execute and deliver such instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

4.2. Governing Law; Jurisdiction. This Agreement shall be governed by and construed according to the laws of the State of Israel, without regard to the conflict of laws provisions thereof. Any dispute arising under or in relation to this Agreement shall, be resolved exclusively in the competent courts of the District of Tel Aviv, Israel, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of such courts.

4.3. Successors and Assigns; Assignment. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. None of the rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred without the prior consent in writing of each party to this Agreement, with the exception of (i) assignments by any Holder to a Permitted Transferees or to a transferee thereof to the extent it acquires (subject to the provisions regarding transfer of securities under the Articles of Association of the Company in effect) Registrable Securities; and (ii) as to such Holder which is a limited partnership, assignments and transfers to its partners or members and to affiliated limited partnerships managed by the same management company or managing partner of such Preferred Holder or by an entity which controls, is controlled by, or is under common control with, such management company or managing general partner to the extent it acquires Registrable Securities; *provided, however*, that no such assignment or transfer shall become effective unless each such transferee has provided the Company with a confirmation in writing that it is bound by all terms and conditions of this Agreement as if it were an original party to it; and *provided further however* that the specific rights granted hereunder or under the Articles of Association of the Company in effect to the Lead E Investors may not be transferred other than to Permitted Transferees and transferees under clause (ii) above. This Agreement is not intended to and shall not confer upon any other person any rights or remedies hereunder.

4.4. Entire Agreement; Amendment and Waiver. This Agreement, together with the Articles of Association of the Company in effect constitute the full and entire understanding and agreement between the parties with regard to the subject matters hereof and thereof. Any term of this Agreement may be amended and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the written consent of the Company and the Preferred Majority (before the IPO) and the holders of a majority of the outstanding Registrable Securities (after the IPO), and the parties hereby irrevocably consent to any amendment or waiver so approved; provided however that any amendment to the rights of (i) any Lead E Investor shall require the consent of such party, or (ii) the rights of a particular class of shares shall require the consent of the holders of a majority of the issued and outstanding shares of such class on an as-converted basis. Notwithstanding anything else herein to contrary, the holders of a majority of the Registrable Securities held by the holders of Preferred Shares may, through their written consent and without consent of the Company, act to amend this Agreement and the Schedules hereto so as to add to the definition and amount of Registrable Securities, securities held as of the date hereof by officers or employees of the Company from time to time including Ordinary Shares issued pursuant to the exercise or conversion of any such securities.

4.5. Notices, etc. All notices and other communications required or permitted hereunder to be given to a party to this Agreement shall be in writing and shall be faxed, emailed or mailed, postage prepaid, or otherwise delivered by hand or by guaranteed courier, addressed to such party's address as set forth below or at such other address as the party shall have furnished to each other party in writing in accordance with this provision:

if to each of the Preferred Holders:	as per the details in <u>Schedule B.</u> hereto.
if to the Company:	as per the details in the preamble hereto.
if to the other shareholders of the Company:	According to their address as listed in the shareholder's registry.

or such other address with respect to a party as such party shall notify each other party in writing as above provided. Any notice sent in accordance with this Section 4.5 shall be effective (i) if mailed, seven (7) business days after mailing, (ii) if sent by guaranteed courier, the second day following pick-up by the guaranteed courier, and (iii) if sent via fax or e-mail, upon transmission and electronic confirmation of receipt or (if transmitted and received on a non-business day) on the first business day following transmission and electronic confirmation of receipt.

4.6. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party upon any breach or default under this Agreement, shall be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by law or otherwise afforded to any of the parties, shall be cumulative and not alternative.

4.7. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable under applicable law, then such provision shall be excluded from this Agreement and the remainder of this Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms; *provided, however,* that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.

4.8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument. Signatures by facsimile or signatures which have been scanned and transmitted by electronic mail shall be deemed valid and binding for all purposes.

4.9. Headings. Article, Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

4.10. Attorneys' Fees. In the event that any dispute among the parties to this Agreement should result in litigation, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

4.11. Administration of the Preferred Holders. For purposes of determining the availability of any right or the applicability of any limitation under this Agreement, all shares in the Company held by any Preferred Holders and all of its Permitted Transferees shall be aggregated and any such entities shall be viewed as a single Preferred Holder.

IN WITNESS WHEREOF the parties have signed this Shareholders' Rights Agreement as of the date first hereinabove set forth.

[Remainder of page intentionally left blank-execution pages follows]

This Shareholders Rights Agreement is hereby executed as of the date last above written.

THE COMPANY:

ReWalk Robotics Ltd.

By: _____
Title: _____

THE ORDINARY SHAREHOLDERS:

Amit Goffer

Yehiel Tal

Ami Kraft

The Technion Incubator (TIFT)

By: _____
Title: _____

THE PREFERRED SHAREHOLDERS:

**Israel Healthcare Ventures 2 LP
Incorporated**

SCP Vitalife Partners II LP

SCP Vitalife Partners (Israel) II LP

By: _____
Title: _____

By: SCP Vitalife II Associates, L.P.
By: SCP Vitalife II GP, LTD
Name: _____
Title: Director

By: SCP Vitalife II Associates, L.P.
By: SCP Vitalife II GP, LTD
Name: _____
Title: Director

Vitalife Partners (Israel) LP

Vitalife Partners (Overseas) LP

Vitalife Partners (DCM) LP

By: _____
Title: _____

By: _____
Title: _____

By: _____
Title: _____

Pontifax (Israel) II L.P.

**Pontifax (Israel) II - Individual
Investors L.P.**

Pontifax (Cayman) II L.P.

By: _____
Title: _____

By: _____
Title: _____

By: _____
Title: _____

Yaskawa Electric Corporation

Pro Seed Venture Capital Fund Ltd

Previz Ventures LP

By: _____
Title: _____

By: _____
Title: _____

By: _____
Title: _____

Joaquin Gari De Sentmenat

**Technion Research & Development
Foundation Ltd**

**Gabriel Capital Management (GP)
Ltd**

By: _____
Title: _____

By: _____
Title: _____

Bearing Capital Ltd

By: _____
Title: _____

Gabriel Capital Fund (US), L.P.

By: Gabriel Capital Management (GP) Ltd., its general partner

By (sign name): _____
Print Name: Gary Leibler
Title: Director
Date: _____

Gabriel Capital Management Ltd.

By (sign name): _____
Print Name: Gary Leibler
Title: Director
Date: _____

Gabe Menaged

By: _____
Title: _____

G-Ten Partners LLC

By: _____
Title: _____

Core Gabriel Ltd

By: _____
Title: _____

Gabriel Capital Management (GP) Ltd. for and on behalf of a limited partnership in formation in the State of Israel, to be known as “**Gabriel Capital Fund (Israel), L.P.**” or such other name designated by Gabriel Capital Management (GP) Ltd.

By (sign name): _____
Print Name: _____
Title: _____
Date: _____

OurCrowd Israel General Partner L.P., on behalf of all investing OurCrowd entities

By (sign name): _____
Print Name: _____
Title: _____

Collace Services Ltd

By: _____
Title: _____

Mount Hermon Ltd

By: _____
Title: _____

East Bayview Holdings LLC

By: _____
Title: _____

Schedule A.

Ordinary Holders

Ordinary A Shareholders

Dr. Amit Goffer
The Technological Incubator Founded by the Technion R&D Foundation Ltd. (TIFT)

Ordinary B Shareholders

Ami Kraft
Yehiel Tal

Schedule B.

Preferred Holders

Preferred A Shareholders

<u>Name</u>	<u>Address</u>
Vitalife Partners (Overseas), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Vitalife Partners (Israel), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Vitalife Partners (DCM), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Pro-Seed Venture Capital Fund Ltd	85 Yehuda Halevy Street, Tel Aviv 65796, Israel.
Technion Research & Development Foundation Ltd.	Kiryat HaTechnion, Haifa, Israel. Postcode: 32000

Preferred B Shareholders

<u>Name</u>	<u>Address</u>
Vitalife Partners (Overseas), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Vitalife Partners (Israel), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Vitalife Partners (DCM), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
SCP Vitalife Partners II, LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
SCP Vitalife Partners (Israel), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Previz Ventures LP	Aharon Beker 1, Tel Aviv-Yafo 69643, Israel.
Pro-Seed Venture Capital Fund Ltd	85 Yehuda Halevy Street, Tel Aviv 65796, Israel.
Technion Research & Development Foundation Ltd.	Kiryat HaTechnion, Haifa, Israel. Postcode: 32000

Preferred C Shareholders

<u>Name</u>	<u>Address</u>
Israel Healthcare Ventures 2 LP Incorporated	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Pontifax (Israel) II L.P.	14 Shenkar St, Herzliya, Israel. Postcode: 46725
Pontifax (Israel) II - Individual Investors L.P.	14 Shenkar St, Herzliya, Israel. Postcode: 46725
Pontifax (Cayman) II L.P.	14 Shenkar St, Herzliya, Israel. Postcode: 46725
SCP Vitalife Partners II, LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
SCP Vitalife Partners (Israel), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Pro-Seed Venture Capital Fund Ltd	85 Yehuda Halevy Street, Tel Aviv 65796, Israel.
Joaquin Gari de Sentmenat	c/o Mr. David Azulay, 14 Hapardes St, Ramat Hahsharon 47405. Copy to: Liora Lotenberg, Adv., Aurec House 16 Abba Hillel Silver Road, Ramat Gan 52506, Israel.
Previz Ventures LP	Aharon Beker 1, Tel Aviv-Yafo 69643, Israel.
Technion Research & Development Foundation Ltd.	Kiryat HaTechnion, Haifa, Israel. Postcode: 32000

Preferred D Shareholders

<u>Name</u>	<u>Address</u>
Yaskawa Electric Corporation	2-1 Kurosakishiroishi, Yahatanishi-ku, Kitakyushu 806-0004 Japan
SCP Vitalife Partners II, LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.

SCP Vitalife Partners (Israel), LP	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Israel Healthcare Ventures 2 LP Incorporated	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Pontifax (Israel) II L.P.	14 Shenkar St, Herzliya, Israel. Postcode: 46725
Pontifax (Israel) II - Individual Investors L.P.	14 Shenkar St, Herzliya, Israel. Postcode: 46725
Pontifax (Cayman) II L.P.	14 Shenkar St, Herzliya, Israel. Postcode: 46725
Previz Ventures LP	Aharon Beker 1, Tel Aviv-Yafo 69643, Israel.
Technion Research & Development Foundation Ltd	Kiryat HaTechnion, Haifa, Israel. Postcode: 32000
OurCrowd (Investment in Argo) L.P.	c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel.
OurCrowd (Investment in Argo)- II) L.P.	c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel.

Preferred E Shareholders

Gabriel Capital Management (GP) Ltd	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Gabriel Capital Fund (US), L.P.	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Gabriel Capital Management Ltd.	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Gabriel (Gabe) Menaged	c/o Shavit Capital, Jerusalem Technology Park, Building 1B, Box 70, Malha, Jerusalem 96951 Israel
Collace Services Ltd	Attention: John Germain, PO Box 510, Ground Floor, 2 Hill Street, St. Helier, Jersey, JE4 5TR
G-TEN Partners LLC	1212 Avenue of the Americas, 19th floor, New York, New York. 10036, USA
Mount Hermon Ltd	
Core Gabriel Ltd	
East Bayview Holdings LLC	
Pontifax (Cayman) II, L.P.	
Pontifax (Israel) II, L.P.	
Pontifax (Israel) II - Individual Investors, L.P.	
SCP Vitalife Partners II L.P.	
SCP Vitalife Partners (Israel) II L.P.	
OurCrowd (Investment in Argo) L.P.	c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel.
OurCrowd (Investment in Argo)- II) L.P.	c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel.
OurCrowd Israel General Partner L.P., (for investing OurCrowd entities)	c/o OurCrowd Management Ltd. 14 Rabbi Akiva Street, Jerusalem, Israel
Bearing Capital Ltd	
Joaquin Gari de Sentmenat	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Technion R&D Foundation	Kiryat HaTechnion, Haifa, Israel. Postcode: 32000
Israel Healthcare Ventures 2 LP Incorporated	32B Habarzel Street, Ramat Hachayal, Tel Aviv 69710, Israel.
Pro-Seed Venture Capital Fund	85 Yehuda Halevi St., Tel Aviv 65796, Israel
Previz Ventures L.P.	Aharon Beker 1, Tel Aviv-Yafo 69643, Israel.

**FOURTH AMENDED AND RESTATED SHAREHOLDERS AGREEMENT
OF JULY 14, 2014**

This Fourth Amended and Restated Shareholders Agreement (the “**Fourth Amended and Restated Agreement**”), is hereby entered into as of the date stated above (the “**Effective Date**”) by and among Argo Medical Technologies Ltd., (the “**Company**”), Dr. Amit Goffer, carrying ID number 051816254 of 1 Hasifan, Tivon 36531, Israel (“**Amit**”), and all shareholders in the Company as of the Closing listed in **Schedule A** hereto (the “**Shareholders**”). Each of the Company, Amit and the Shareholders shall be a “**Party**” hereto and collectively the “**Parties**”.

WHEREAS, taking into consideration Amit’s establishment of the Company, his original shareholdings as the founder, as well as his perseverance, leadership, vision and contribution, which have led the Company to its current achievements, and in appreciation of Amit’s founding role, the Company and the Shareholders have agreed to grant Amit certain financial assurances and benefits which are governed by the terms of this Agreement;

WHEREAS, certain Parties entered into a Shareholders Agreement on December 13, 2007, which was amended and restated on October 28, 2009, on July 26, 2011 and on September 30, 2103 (collectively, the “**Shareholders Agreement**”); and

WHEREAS, the Parties wish to cancel and terminate the Shareholders Agreement and replace the Shareholders Agreement in its entirety, in effect as of the date hereof, with this Fourth Amended and Restated Agreement;

NOW THEREFORE IT IS HEREBY RESOLVED AS FOLLOWS

1. Preamble and Definitions

The preamble to this Agreement and the schedules hereto constitute an integral part hereof. The following terms shall have the following meaning ascribed thereto. In the event that a term is not defined in this Agreement it shall have the meaning ascribed to it in the Articles of Association.

Agreed Percentage

The percentage which results from $\frac{a}{a+b} \times 6\%$; where:

- a = Amit’s total amount of securities in the Company on the day of the Exit Event or IPO (as applicable); and
- b = the total amount of securities disposed by Amit, without breach of this Fourth Amended and Restated Agreement, from the Effective Date until the Exit Event or IPO (as applicable).

For example, if Amit shall hold on the day of the Exit Event only 100 shares of the Company, and had disposed prior thereto only 20 shares of the Company, then the Agreed Percentage shall be $(100/120) \times 6\% = (0.833) \times 6\% = 4.99\%$.

Articles of Association

The Articles of Association of the Company as are in effect as of the date hereof (immediately post the closing of the Series E Preferred Share Purchase Agreement – the “**Closing**”).

Deemed Liquidation

As such term is defined in the Articles of Association.

Distributable Proceeds

As such term is defined in the Articles of Association.

Exit Event

As such term is defined in the Articles of Association.

IPO

As such term is defined in the Articles of Association.

Liquidation

As such term is defined in the Articles of Association.

Merger	As such term is defined in the Articles of Association.
Vitalife	As such term is defined in the Articles of Association.
IHCV	As such term is defined in the Articles of Association.
Preference E Amount	As such term is defined in the Articles of Association.
Permitted Transferees	As such term is defined in the Articles of Association.

2. Grant in Case of an Exit Event

2.1 Unless Amit had earlier exercised the right set forth in Section 3.1 hereto, upon the consummation of an Exit Event, and subject to the following provisions, the Company or the Shareholders, as the case may be, shall cause to be paid to Amit the following:

(a) In addition to any amount of Distributable Proceeds to which Amit is entitled to on account of Amit's holdings in the Company ("**Amit's Pro Rata Portion of the Distributable Proceeds**"), an amount that equals 1% of the Distributable Proceeds (the "**Exit Bonus**"); and,

(b) If the total of the Exit Bonus and Amit's Pro Rata Portion of the Distributable Proceeds (collectively "**Amit's Total Distributions**"), is less than the Agreed Percentage of the total Distributable Proceeds (the "**Target Amount**", as such amount may be further amended pursuant to Section 2.2B below), then, and only then, in addition to Amit's Total Distributions, the Company or the Shareholders, as the case may be, shall cause to be paid to Amit an amount that shall equal the difference between the Target Amount and Amit's Total Distributions; *provided however* that such calculation does not include wages or any other amounts to which Amit is entitled as an employee. For the avoidance of doubt, if Amit's Total Distributions equal or exceed the Target Amount, no additional compensation shall be due and payable to Amit hereunder.

For example, assuming total Distributable Proceeds are US \$1,000,000, and the Agreed Percentage is 4.99%, then the Target Amount shall be determined as $4.99\% \times 1,000,000 = \text{US } \$49,999$.

2.2 Any payments to Amit as per Sections 2.1(a) and, if applicable, 2.1(b), shall be made only at such time that the Preference E Amount is actually paid, and concurrently with such payment. If the Preference E Amount shall be paid in installments, then upon each such installment Amit shall receive only the respective portion of the payments due to him, and no other amount shall become due and payable to Amit prior to payment of such respective installment of the Preference E Amount.

2.2A. If, upon the sale of all or substantially all of the Company's assets, all of the Company's shareholders voluntarily decide not to withdraw their respective share in the Distributable Proceeds which, at that time, are available for distribution pursuant to a resolution by the Board of Directors of the Company, free and clear of any limitation or encumbrances, Amit shall have the right to withdraw Amit's Pro Rata Portion of the Distributable Proceeds and Amit shall have no further rights pursuant to this Agreement (including as reflected in Article 16 to the Articles of Association; Amit hereby agrees that in the event of inconsistency between the provision of this Section 2.2A and Article 16 to the Articles of Association, this Section shall prevail).

2.2B. If, upon the sale of all or substantially all of the Company's assets, any but not all of the Company's shareholders voluntarily decide not to withdraw their respective share in the Distributable Proceeds which, at that time, are available for distribution pursuant to a resolution by the Board of Directors of the Company, free and clear of any limitation or encumbrances, Amit shall have the right to withdraw Amit's Pro Rata Portion of the Distributable Proceeds and thereafter the Target Amount then in effect shall be recalculated as follows:

$$TA \times \left(1 - \frac{x}{y}\right)$$

; where

TA = the Target Amount then in effect;

x = the actual amount of Distributable Proceeds that Amit withdraws pursuant to this Section 2.2B; and

y = Amit's Pro Rata Portion of the Distributable Proceeds

For example, if the Target Amount at such time is US \$49,999, Amit's Pro Rata Portion of the Distributable Proceeds is US \$40,000, and the actual amount of Distributable Proceeds that Amit withdraws pursuant to this Section 2.2B is US \$15,000, then the Target Amount shall be reduced to $49,999 \times (1 - (15,000/40,000)) = 49,999 \times (1 - 0.375) = 49,999 \times 0.625 = \text{US } \$31,249.375$.

2.3 If any payment of the Distributable Proceeds shall be made subject to an escrow, indemnification, earn out, or any other mechanism under which Distributable Proceeds shall be contingent ("**Contingent Payment**"), then the respective portion of any amount payable to Amit with respect to the Contingent Payment hereunder shall also be contingent and be made subject to the same terms and conditions. Should the Shareholders be liable for any representations or covenants as part of the Exit Event then Amit shall be liable to the same (up to Amit's respective portion of the Distributable Proceeds). For the avoidance of doubt it is hereby agreed that there is no guaranty that any Contingent Payment will actually be made in which case the Shareholders and the Company shall not be liable to Amit.

2.4 All tax liabilities in connection with any payments made to Amit shall be the sole responsibility of and be borne solely by Amit. Unless proper exemption therefrom is provided, Company or Shareholders, as the case may be, may withhold or cause to be withheld any amounts required in connection with such tax liabilities.

3. Grant of Cashless Options or Cashless Shares in the Company in case of an IPO

3.1 Unless Amit had earlier exercised the right set forth in Section 2 hereto - if, immediately prior to the consummation of an IPO, the value of Amit's total holdings in the Company (on a fully diluted basis) ("**Amit's Total Value**") is less than the Agreed Percentage of the Company's valuation set for the IPO (the "**Target Value Threshold**"), then immediately prior to the consummation of the IPO, Amit, at his sole option, shall be issued by the Company either (i) options exercisable into Ordinary Shares of the Company, via cashless exercise, with immediate vesting or (ii) an amount of Ordinary Shares of the Company, via cashless exercise with immediate vesting, at an amount that shall bring Amit's Total Value to the Target Value Threshold ("**Additional Options or Shares**").

For example: assuming Company valuation is US \$1,000,000, and the Agreed Percentage is 4.99%, then the Target Value Threshold shall be determined as $4.99\% \times 1,000,000 = \text{US } \$49,999$.

3.2 All tax liabilities in connection with the issuance or grant of Additional Options or Shares shall be sole responsibility of and be borne solely by Amit. Unless proper exemption therefrom is provided, Company may withhold or cause to be withheld any amounts required in connection with such tax liabilities.

4. Other Provisions

4.1 Amit's rights pursuant to Section 2 and Section 3 herein are alternative and not cumulative.

4.2 Except to relatives of the first degree and his legal heirs (the "**Assignees**"), the rights of Amit hereunder shall not be transferable or assignable.

4.3 If, prior to an Exit Event or the consummation of an IPO, Amit shall dispose any of his holdings in the Company absent the approval of Vitalife and IHCV, as long as they hold shares of the Company (such approval not to be unreasonably withheld), or in contradiction with the provisions of the Articles of Association then in effect, then as of such time, Amit or his Assignees shall lose their right to receive any payments under sub-section 2.1(b) above, or rights to receive Additional Options or Shares under Section 3.1 above, as applicable.

4.4 This Fourth Amended and Restated Agreement constitutes the full and entire agreement and understanding of the Parties with respect to the subject matter hereof, terminates and replaces in its entirety, as of the date hereof, the Shareholders Agreement, and any other understandings in connection with the subject matter hereof. Each of the Parties hereby waives and relinquishes any and all rights or claims under the Shareholders Agreement. The Company agrees that prior to any future amendment in or to the Articles of Association, Amit shall have the right to consult with his legal advisors. Any such amendment, to which Amit had consented, shall be binding upon and amend the terms of this Fourth Amended and Restated Agreement.

4.5 The terms of this Fourth Amended and Restated Agreement may be amended or terminated only by the mutual consent/agreement of Amit, the Company and the Parties then holding the majority of the outstanding share capital of the Company as required and entitled to amend the Articles of Association of the Company.

4.6 This Fourth Amended and Restated Agreement may be executed in any number of counterparts, each of which shall be deemed an original and enforceable against the parties actually executing such counterpart, and all of which together shall constitute one and the same instrument.

4.7 This Fourth Amended and Restated Agreement shall be governed by and construed according to the laws of the State of Israel without regard to the conflict of laws provisions thereof. Any dispute arising under or in relation to this Agreement shall be resolved in the competent courts of Haifa only, and each of the parties hereby submits irrevocably to the exclusive jurisdiction of such courts.

[left blank - Signature pages to follow]

IN WITNESS WHEREOF the Parties have duly signed this Fourth Amended and Restated Shareholders Agreement as of the date first hereinabove set forth.

ReWalk Robotics Ltd.
By: _____
Title: _____

Amit Goffer
By: _____
Title: _____

Yehiel Tal
By: _____
Title: _____

The Technion Incubator (TIFT)
By: _____
Title: _____

Ami Kraft
By: _____
Title: _____

Israel Healthcare Ventures 2 LP Incorporated
By: _____
Title: _____

SCP Vitalife Partners II LP
By: SCP Vitalife II Associates, L.P.
By: SCP Vitalife II GP, LTD
Name: _____
Title: Director

SCP Vitalife Partners (Israel) II LP
By: SCP Vitalife II Associates, L.P.
By: SCP Vitalife II GP, LTD
Name: _____
Title: Director

Vitalife Partners (Israel) LP
By: _____
Title: _____

Vitalife Partners (Overseas) LP
By: _____
Title: _____

Vitalife Partners (DCM) LP
By: _____
Title: _____

Pontifax (Israel) II L.P.
By: _____
Title: _____

Pontifax (Israel) II - Individual Investors L.P.
By: _____
Title: _____

Pontifax (Cayman) II L.P.
By: _____
Title: _____

Yaskawa Electric Corporation
By: _____
Title: _____

Pro Seed Venture Capital Fund Ltd
By: _____
Title: _____

Previz Ventures LP
By: _____
Title: _____

Joaquin Gari De Sentmenat
By: _____
Title: _____

Technion Research & Development
Foundation Ltd
By: _____
Title: _____

Gabriel Capital Management (GP) Ltd
By: _____
Title: _____

OurCrowd (Investment in Argo) L.P.
By: _____
Title: _____

OurCrowd (Investment in Argo)- II) L.P.
By: _____
Title: _____

Gabriel Capital Fund (US), L.P.
By: _____
Title: _____

IN WITNESS WHEREOF the Parties have duly signed this Fourth Amended and Restated Shareholders Agreement as of the date first hereinabove set forth.

Gabriel Capital Management Ltd.

By: _____
Title: _____

Gabriel Capital Fund (Israel), L.P.

By: _____
Title: _____

Gabriel (Gabe) Menaged

G-TEN Partners LLC

By: _____
Title: _____

Mount Hermon Ltd

By: _____
Title: _____

Collace Services Ltd

By: _____
Title: _____

Core Gabriel Ltd

By: _____
Title: _____

East Bayview Holdings LLC

By: _____
Title: _____

OurCrowd Israel General Partner L.P.,
on behalf of all investing OurCrowd entities

By: _____
Title: _____

Bearing Capital Ltd

By: _____
Title: _____

Schedule A

Gabriel Capital Fund (US), L.P.

Gabriel Capital Fund (Israel), L.P.

Gabriel Capital Management Ltd.

Gabriel Capital Management (GP) Ltd

Gabriel (Gabe) Menaged

G-TEN Partners LLC

Mount Hermon Ltd

Collace Services Ltd

Core Gabriel Ltd

East Bayview Holdings LLC

Technological Incubator Founded by the Technion R&D Foundation Ltd.

Yaskawa Electric Corporation

Vitalife Partners (Israel) L.P.

Vitalife Partners (D.C.M.) L.P.

Vitalife Partners (Overseas) L.P.

Pro-Seed Venture Capital Fund Ltd.

Technion Research and Development Foundation Ltd.

SCP Vitalife Partners II LP

SCP Vitalife Partners (Israel) II

Previz Ventures L.P.

Israel Healthcare Ventures 2 LP Incorporated

Pontifax (Cayman) L.P.

Pontifax (Israel) II L.P.

Pontifax (Israel) II - Individual Investors L.P.

Joaquin Gari de Sentmenat

OurCrowd (Investment in Argo) L.P.

OurCrowd (Investment in Argo) – II) L.P.

OurCrowd Israel General Partner L.P., (on behalf of all investing OurCrowd entities)

Ami Kraft

Yehiel Tal

Amit Goffer

Bearing Capital Ltd

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 May 16, 2014, except for Note 14 as to which the date is July 16, 2014, in the Registration Statement on Form F-1 and related Prospectus of ReWalk Robotics Ltd. dated July 16, 2014.

July 16, 2014
Tel Aviv, Israel

/s/ Kost Forer Gabbay & Kasierer
Kost Forer Gabbay & Kasierer
A Member of Ernst & Young Global