

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

FORM S-8

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

**RAIL VISION LTD.**

(Exact name of registrant as specified in its charter)

**State of Israel**

(State or other jurisdiction of  
incorporation or organization)

**Not applicable**

(I.R.S. Employer  
Identification No.)

**15 Ha'Tidhar St, Ra'anana, 4366517 Israel**  
(Address of Principal Executive Offices)

**Rail Vision Ltd. Amended Share Option Plan**  
(Full title of the plan)

**Puglisi & Associates**  
**850 Library Ave., Suite 204, Newark, DE 19711**  
**Tel: (302) 738-6680**  
(Name, Address and Telephone Number of Agent for Service)

COPIES TO:

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**PART I**

**INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS**

The information specified in Item 1 and Item 2 of Part I of Registration Statement on Form S-8 is omitted from this Registration Statement on Form S-8 (this “**Registration Statement**”). The documents containing the information specified in Part I of Form S-8 will be delivered to the participants in the plans covered by this Registration Statement as specified by Rule 428(b)(1) under the Securities Act of 1933, as amended (the “**Securities Act**”).

## PART II

### ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents filed by Rail Vision Ltd., an Israeli company (the “**Registrant**”), with the U.S. Securities and Exchange Commission (the “**Commission**”) are incorporated by reference into this Registration Statement:

- (a) The Registrant’s Annual Report on [Form 20-F](#) for the year ended December 31, 2021 filed with the SEC on May 16, 2021;
- (b) The Registrant’s Reports on Form 6-K filed with the Commission on [May 19, 2022](#), [June 1, 2022](#), and [June 6, 2022](#) (File No. 001-41334); and
- (c) The description of the Registrant’s ordinary shares, par value NIS 0.01 per share (the “**Ordinary Shares**”), which is contained in the Registrant’s Registration Statement on [Form 8-A](#) filed with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) on March 25, 2022 (File No. 001-41334), as amended by [Exhibit 2.1](#) to the Registrant’s Annual Report on Form 20-F for the year ended December 31, 2021, and including any further amendment or report filed for the purpose of updating such description.

In addition to the foregoing, all documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, and all reports on Form 6-K subsequently filed by the Registrant which state that they are incorporated by reference herein, prior to the filing of a post-effective amendment which indicates that all securities offered hereunder have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be part hereof from the date of filing of such documents and reports.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this registration statement to the extent that a statement herein, or in any subsequently filed document which also is or is deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this registration statement.

### ITEM 4. DESCRIPTION OF SECURITIES

Not applicable.

### ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Not applicable.

## ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

### *Indemnification*

The Companies Law provides that a company may indemnify an office holder against 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:

- a financial liability imposed on him or her in favor of another person by any judgment concerning an act performed in his or her capacity as an office holder, 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, expended by the office holder (a) 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 (1) no indictment (as defined in the Companies Law) was filed against such office holder as a result of such investigation or proceeding; and (2) no financial liability as a substitute for the criminal proceeding (as defined in the Companies Law) was imposed upon him or her 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 (b) in connection with a monetary sanction;
- reasonable litigation expenses, including attorneys' fees, expended by the office holder or imposed on him or her by a court: (1) in proceedings that the company institutes, or that another person institutes on the company's behalf, against him or her; (2) in a criminal proceedings of which he or she was acquitted; or (3) as a result of a conviction for a crime that does not require proof of criminal intent; and
- expenses incurred by an office holder in connection with an Administrative Procedure under the Securities Law, including reasonable litigation expenses and reasonable attorneys' fees. An "Administrative Procedure" is defined as a procedure pursuant to chapters H3 (Monetary Sanction by the Israeli Securities Authority), H4 (Administrative Enforcement Procedures of the Administrative Enforcement Committee) or I1 (Arrangement to prevent Procedures or Interruption of procedures subject to conditions) to the Securities Law.

### *Insurance*

Under the Companies Law, a company may obtain insurance for any of its office holders against the following liabilities incurred due to acts he or she performed as an office holder, if and to the extent provided for in the company's articles of association:

- Breach of his or her duty of care to the company or to another person, to the extent such a breach arises out of the negligent conduct of the office holder;
- A breach of his or her duty of loyalty to the company, provided that the office holder acted in good faith and had reasonable cause to assume that his or her act would not prejudice the company's interests; and
- A financial liability imposed upon him or her in favor of another person.

On March 21, 2022, our board of directors approved our entering into a Directors and Officers Insurance Policy for a period of 12 months from the completion of our IPO with a \$5 million coverage, and an annual premium of \$400,000.

On March 28, 2022, our board of directors approved the purchase of a run-off insurance policy for directors and officers, which covers past events. The insurance amount is NIS 18 million (approximately \$5.6 million) in aggregate plus reasonable legal defense costs, with Company retention for claims in North America of NIS 90,000 (approximately \$28,125) and Company retention for other claims of NIS 18,000 (approximately \$5,600). The policy is for seven years as of April 4, 2022, and costs NIS 49,140 (approximately \$15,260). The purchase of the run-off director and officer insurance policy was ratified and approved by the Company's shareholders at a meeting held on June 6, 2022.

### ***Exculpation***

Under the Companies Law, an Israeli company may not exculpate an office holder from liability for a breach of his or her duty of loyalty, but may exculpate in advance an office holder from his or her liability to the company, in whole or in part, for damages caused to the company as a result of a breach of his or her duty of care (other than in relation to distributions), but only if a provision authorizing such exculpation is included in its articles of association.

### ***Limitations***

The Companies Law provides that we may not exculpate or indemnify an office holder nor enter into an insurance contract that would provide coverage for any liability incurred as a result of any of the following: (1) a breach by the office holder of his or her duty of loyalty unless (in the case of indemnity or insurance only, but not exculpation) the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice us; (2) a breach by the office holder of his or her duty of care if the breach was carried out intentionally or recklessly (as opposed to merely negligently); (3) any act or omission committed with the intent to derive an illegal personal benefit; or (4) any fine, monetary sanction, penalty or forfeit levied against the office holder.

Under the 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.

The Registrant's amended and restated articles of association permit it to exculpate (subject to the aforesaid limitation), indemnify and insure its office holders to the fullest extent permitted or to be permitted by the Companies Law.

**ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.**

Not applicable.

**ITEM 8. EXHIBITS.**

- 5.1\* [Opinion of Shibolet & Co., Israeli counsel to Rail Vision Ltd.](#)
- 23.1\* [Consent of Brightman Almagor Zohar & Co., independent registered public accounting firm, and a firm in the Deloitte Global Network.](#)
- 23.2\* [Consent of Shibolet & Co., Israeli counsel to Rail Vision Ltd. \(included in the opinion filed as Exhibit 5.1 to this Registration Statement\).](#)
- 24.1\* [Power of Attorney \(included on signature page\).](#)
- 99.1\* [Rail Vision Ltd. Amended Share Option Plan.](#)
- 107\* [Filing Fee Table.](#)

\* Filed herewith.

## ITEM 9. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*Provided, however,* that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement on Form S-8 to be signed on its behalf by the undersigned, thereunto duly authorized, in Rehovot, State of Israel, on July 1, 2022.

### RAIL VISION LTD.

By: /s/ Shahar Hania  
Name: Shahar Hania  
Title: Chief Executive Officer

## POWER OF ATTORNEY

We, the undersigned officers and directors of Rail Vision, Ltd., hereby severally constitute and appoint Shahar Hania and Ofer Naveh, and each of them individually, our true and lawful attorney to sign for us and in our names in the capacities indicated below any and all amendments or supplements, including any post-effective amendments, to this Registration Statement on Form S-8 and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming our signatures to said amendments to this Registration Statement signed by our said attorney and all else that said attorney may lawfully do and cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement on Form S-8 has been signed below by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Shahar Hania</u> Shahar Hania	Chief Executive Officer and Director (principal executive officer)	July 1, 2022
<u>/s/ Ofer Naveh</u> Ofer Naveh	Chief Financial Officer (principal financial officer and principal accounting officer)	July 1, 2022
<u>/s/ Sam Donnerstein</u> Sam Donnerstein	Chairman of the Board	July 1, 2022
<u>/s/ Oz Adler</u> Oz Adler	Director	July 1, 2022
<u>/s/ Yossi Daskal</u> Yossi Daskal	Director	July 1, 2022
<u>/s/ Maximilian Eichhorn</u> Maximilian Eichhorn	Director	July 1, 2022
<u>/s/ Inbal Kreiss</u> Inbal Kreiss	Director	July 1, 2022
<u>/s/ Sebastian Riedel</u> Sebastian Riedel	Director	July 1, 2022
<u>/s/ Eli Yoresh</u> Eli Yoresh	Director	July 1, 2022



**SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES**

Pursuant to the Securities Act of 1933, as amended, the undersigned, Puglisi & Associates, the duly authorized representative in the United States of Rail Vision Ltd., has signed this Registration Statement on Form S-8 on July 1, 2022.

/s/ Puglisi & Associates

Puglisi & Associates



מנדל המוויאון - רחוב ברקוביץ 4,  
תל אביב 6423806 | טל. 03.7778333  
פקס. 03.7778444 | www.shibolet.com

July 1, 2022

Rail Vision Ltd  
Ha'Tidhar St 15  
Ra'anana, 4366517  
Israel

Re: **Rail Vision Ltd. – Form S-8 Registration Statement**

We are acting as Israeli counsel for Rail Vision Ltd., an Israeli company (the “**Company**”), in connection with the preparation of a Registration Statement on Form S-8 on July 1, 2022 (the “**Registration Statement**”) under the Securities Act of 1933, as amended (the “**Act**”), relating to the registration of 2,309,956 of the Company’s ordinary shares, par value NIS 0.01 per share (the “**Plan Shares**”), under the Rail Vision Amended Share Option Plan (the “**Plan**”).

In rendering our opinion, we have examined, and have relied as to factual matters solely upon, originals or copies certified, or otherwise identified to our satisfaction, of such documents, corporate records or other instruments as we have deemed necessary or appropriate for the purposes of this opinion. In our examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the originals of all documents submitted to us as copies. We have, when relevant facts material to our opinion were not independently established by us, relied to the extent we deemed such reliance proper upon written or oral statements of officers and other representatives of the Company.

In giving the opinion expressed herein, no opinion is expressed as to the laws of any jurisdiction other than the State of Israel.

Based upon and subject to the foregoing, we are of the opinion that the Plan Shares, when issued pursuant to the terms of the Plan, and the terms of any agreements relating to such issuance, will be upon receipt of the consideration provided for in the Plan, validly issued, fully paid and non-assessable.

This opinion is intended solely for the benefit and use of the Company and other persons who are entitled to rely on the Registration Statement, and is not to be used, released, quoted, or relied upon by anyone else for any purpose (other than as required by law), without our prior written consent.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement, and to the use of our name wherever appearing in the Registration Statement in connection with Israeli law. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ Shibolet & Co.  
Shibolet & Co.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in this Registration Statement on Form S-8 pertaining to the Amended Share Option Plan of our report dated May 16, 2022, relating to the financial statements of Rail Vision Ltd. appearing in the Annual Report on Form 20-F of Rail Vision Ltd. for the year ended December 31, 2021.

/s/ Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co.  
Certified Public Accountants  
A Firm in the Deloitte Global Network

Tel Aviv, Israel  
July 1, 2022

## RAIL VISION LTD.

## AMENDED SHARE OPTION PLAN

1. **Purpose:** The purpose of this Share Option Plan is to provide an additional incentive to Employees, Directors, Consultants and certain other Service Providers of the Company (as defined below) and any Affiliate of the Company (as defined below) to further the growth, development and financial success of the Company by providing them with opportunities to purchase Shares (as defined below) of the Company pursuant to this Share Option Plan and to promote the success of the Company's business.
  2. **Definitions:** For the purposes of this Share Option Plan, the following terms shall have the meaning ascribed thereto below:
    - a) **"Additional Rights"** means any distribution of rights, including an issuance of bonus shares and stock dividends (but excluding cash dividends), in connection with Section 102 Trustee Options (as defined below) and/or the Shares issued upon exercise of such Options.
    - b) **"Affiliate(s)"** means a present or future company that either (i) controls the Company or is controlled by the Company; or (ii) is controlled by the same person or entity that controls the Company, provided that for the purpose of grants made under Section 102, such company is an "employing company" within the meaning of Section 102(a) of the Tax Ordinance (as defined below).
    - c) **"Board"** means the Board of Directors of the Company.
    - d) **"Cause"** means any of the following: (i) a serious breach of trust, including but not limited to, theft, embezzlement, self-dealing, and/or breach of fiduciary duties; (ii) the Optionee (as defined below) has committed any flagrant criminal offense; (iii) a material breach by the Optionee of any agreement between the Optionee and the Company and/or any Affiliate, which has not been remedied within thirty (30) days after the Optionee has received a written demand for performance from the Company; or (iv) any other circumstance justifying termination or dismissal without severance payment according to Israeli law.
    - e) **"Committee"** means a committee of Directors (as defined below) to which the Board may delegate power to act under or pursuant to the provisions of the Plan. In the absence of any such delegation, the Committee will consist of the entire Board.
    - f) **"Company"** means Rail Vision Ltd., a company incorporated under the laws of the State of Israel.
    - g) **"Companies Law"** means the Israeli Companies Law 5759-1999, as amended.
    - h) **"Consultant"** means any person or entity that is engaged by the Company or any Affiliate of the Company to render consulting or advisory services to such entity.
    - i) **"Controlling Shareholder"** has the meaning ascribed to it in Section 32(i) of the Tax Ordinance.
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- j) **“Corporate Transaction”** means the consummation of any of the following transactions or series of related transactions to which the Company is a party:
- i) any person becomes a beneficial owner, directly or indirectly, of either (A) 50% or more of the then-outstanding Shares or (B) securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities eligible to vote for the election of directors; provided, however, that for purposes of this subsection i), the following acquisitions of shares or the Company’s voting securities shall not constitute a Change in Control: (w) an acquisition directly from the Company pursuant to share issuances, share purchases, or similar acquisitions by Company shareholders, (x) an acquisition by the Company or an Affiliate, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (ii) below);
  - ii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or an Affiliate (a “Reorganization”), or the sale or other disposition of all or substantially all of the Company’s assets (a “Sale”) or the acquisition of assets or stock of another corporation or other entity (an “Acquisition”), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Shares and outstanding Company’s voting securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding Shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Reorganization, Sale or Acquisition (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company’s assets or shares either directly or through one or more subsidiaries, the “Surviving Entity”) in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Shares and outstanding voting securities, as the case may be, and (B) no person (other than (x) the Company or any Affiliate, (y) the Surviving Entity or its ultimate parent entity, or (z) any employee benefit plan (or related trust) sponsored or maintained by any of the foregoing) is the beneficial owner, directly or indirectly, of 50% or more of the total ordinary shares or 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Entity (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A) and (B) above shall be deemed to be a “Non-Qualifying Transaction”);
- k) **“Director”** means a member of the Board of Directors of the Company.
- l) **“Disability”** means a complete and permanent inability, due to illness or injury, to perform the duties of the Optionee’s engagement at such time when the disability commenced, as determined by the Committee based on medical evidence acceptable to it.
- m) **“Employee”** means any person, including officers and Directors, employed by the Company or any Affiliate of the Company. A person employed by the Company or any Affiliate of the Company shall not cease to be an Employee for the purposes of the Plan in the case of (i) any leave of absence approved by the Company, or (ii) transfer between locations of the Company, or (iii) transfer of employment between the Company and any Affiliate or any successor thereto. With regard to Section 102 Trustee Options and Section 102 Non-Trustee Options (as defined below), “Employee” includes Directors and office holders (“*Nosei Misra*” as such term is defined in the Israeli Companies Law), and excludes any person who is a Controlling Shareholder prior to and/or after the issuance of the Shares issued upon exercise of the Options.
- n) **“Exercise Price”** means the price per Share determined by the Committee in accordance with Section 10 below, which is to be paid to the Company in order to exercise an Option and purchase the Share(s) covered thereby.
- o) **“Expiration Date”** of an Option means the earlier of: (i) the lapse of ten (10) years from the date such Option was granted; or (ii) the expiration date set forth in the Option Agreement.
- p) **“Fair Market Value”** means, as of any date, the value of a Share determined as follows:
- i) If the Shares are admitted to trading on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or the Nasdaq Small Cap Market of the Nasdaq Stock Market, the Fair Market Value shall be the closing sale price of a Share on the principal exchange on which Shares are then trading (or as reported on any composite index which includes such principal exchange), on the trading day immediately preceding such date, or if Shares were not traded on such date, then on the next preceding date of which a trade occurred, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;
  - ii) If the Shares are not traded on an exchange, but are admitted to quotation on the Nasdaq or other comparable quotation system, the Fair Market Value shall be the mean between closing representative bid and asked prices for the Shares on the trading day immediately preceding such date or, if no bid and ask prices were reported on such date, then on the last date preceding such date on which both bid and ask prices were reported, all as reported by Nasdaq or such other comparable quotation system; or
  - iii) If the Shares are not publicly traded on an exchange and not quoted on Nasdaq or a comparable quotation system, the Fair Market Value shall be determined in good faith by the Committee.
  - iv) Without derogating from the foregoing and solely for the purpose of determining the tax liability, in the case of Capital Gain Option Through a Trustee (as defined below), the Fair Market Value of a Share at grant shall be determined in accordance with the provisions of Section 102(b)(3) of the Tax Ordinance as further detailed in Section 17(b) below.

- q) **“IPO”** means an initial underwritten public offering of the Shares of the Company pursuant to an effective registration statement under the United States Securities Act of 1933, as amended or the Israeli Securities Law, 5728-1968, as amended or equivalent law of another jurisdiction.
- r) **“Lock-up Period”** means the period during which the Section 102 Trustee Options granted to an Optionee or, upon exercise thereof the underlying Shares as well as any Additional Rights distributed in connection therewith are to be held by the Trustee (as defined below) on behalf of the Optionee, in accordance with Section 102 (as defined below) and pursuant to the tax route which the Company elects.
- s) **“Notice of Exercise”** has the meaning ascribed to it in Section 11 below.
- t) **“Option(s)”** means a right to purchase Shares granted under Section 8 below in accordance with the provisions of the Option Agreement, and subject to the terms specified in the Plan, whether a Section 102 Trustee Option, Section 102 Non-Trustee Option, Section 3(i) Option, or option issued under other tax regimes.
- u) **“Optionee(s)”** means the holder of an outstanding Option granted under the Plan.
- v) **“Option Agreement”** means a written or electronic agreement between the Company and the Optionee evidencing the terms and conditions of an individual grant of Option, as further specified in Section 8 below. The Option Agreement is subject to the terms and conditions of the Plan.
- w) **“Plan”** means this Share Option Plan, as amended from time to time.
- x) **“Proxy Holder”** means the Chairman of the Board, as shall be in office from time to time or any other person designated by the Board to act as proxy holder.
- y) **“Section 3(i)”** means that certain Section 3(i) of the Tax Ordinance, and any regulations, rules, orders or procedures promulgated thereunder, all as amended.
- z) **“Section 3(i) Option”** means an Option granted pursuant to Section 3(i).
- aa) **“Section 102”** means that certain Section 102 of the Tax Ordinance, and any regulations, rules, orders or procedures promulgated thereunder, including the Income Tax Rules (Tax Relief for Issuance of Shares to Employees), 2003, all as amended.
- bb) **“Section 102 Trustee Option”** means an Option that by its terms qualifies and is intended to qualify under the provisions of Section 102(b) of the Tax Ordinance (including the Section 102(b) Route Election (as defined below)), as either:
- cc) **“Ordinary Income Option Through a Trustee”** for the special tax treatment under Section 102(b)(1) and the “Ordinary Income Route”, or
- i) **“Capital Gain Option Through a Trustee”** for the special tax treatment under Section 102(b)(2) and the “Capital Route”.
- ii) **“Section 102(b) Route Election”** means the right of the Company to choose either the “Capital Route” (as set under Section 102(b)(2)), or the “Ordinary Income Route” (as set under Section 102(b)(1)), but subject to the provisions of Section 102(g) of the Tax Ordinance, as further specified in Section 6 below.
- dd) **“Section 102 Non-Trustee Option”** means an Option that by its terms does not qualify or is not intended to qualify as a Section 102 Trustee Option and is granted not through a trustee under the terms of Section 102(c) of the Tax Ordinance.
- ee) **“Service Provider”** means an Employee, officer, Director or Consultant.
- ff) **“Share(s)”** means an Ordinary Share, nominal value NIS 0.01 of the Company, as adjusted in accordance with Section 13 of the Plan.
- gg) **“Tax Ordinance”** means the Israeli Income Tax Ordinance (New Version), 1961, as amended.
- hh) **“Trust Agreement”** means a written agreement between the Company and the Trustee, which sets forth the terms and conditions of the trust and is in accordance with the provisions of Section 102(b).
- ii) **“Trustee”** means a person or an entity, appointed by the Company and approved in accordance with the provisions of Section 102, to hold in trust on behalf of the Optionees the granted Options, or upon exercise thereof, the Shares, as well as any Additional Rights granted in connection therewith, in accordance with the provisions of Section 102.

3. Interpretation: Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.
4. Administration:
- a) The Committee shall have the power to administer the Plan. Notwithstanding the above, the Board shall automatically have a residual authority if no Committee shall be constituted or if such Committee shall cease to operate for any reason whatsoever.
  - b) Subject to the terms and conditions of this Plan, and subject to the approval of any relevant authorities and to applicable laws, the Committee shall have full power and authority, at all times, to: (i) select the Service Providers to whom Options may from time to time be granted hereunder, and to grant the Options to the said Service Providers; (ii) determine the terms and provisions of the Option Agreements (which need not be identical) including, but not limited to, the type of Option to be granted, the number of Shares to be covered by an Option, the Exercise Price, the times or conditions upon which and the extent to which an Option shall be vested and may be exercised and the nature and duration of any restrictions applicable to the Options or the underlying Shares, including as to transferability or exercise of the same; (iii) accelerate the right of an Optionee to exercise, in whole or in part, any Option, or extend such right; (iv) approve forms of Option Agreement for use under the Plan; (v) make a Section 102(b) Route Election (subject to the limitations set under Section 102(g)); (vi) interpret and construe the provisions of the Plan and the Option Agreements; (vii) determine the Fair Market Value of the Shares; (viii) adopt sub-plans, Plan addenda and appendices to the Plan as the Committee deems desirable, to accommodate foreign laws, regulations and practice. The provisions of such sub-plans, Plan addenda and appendices to the Plan may take precedence over other provisions of the Plan, but unless otherwise superseded by the terms of such sub-plans, Plan addenda and appendices to the Plan, the provisions of the Plan shall govern their operation; (ix) exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company with respect to the Plan, including but not limited to prescribe, amend and rescind any rules and regulations relating to the Plan (including rules and regulations relating to sub-plans, Plan addenda and appendices to the Plan established for the purpose of satisfying applicable foreign laws); and (x) take all other action and determine any other matter which is necessary or desirable for, or incidental to, the administration of the Plan.
  - c) The interpretation and construction by the Committee of any provision of the Plan (including sub-plans, Plan addenda and appendices to the Plan), the Option Agreement or of any Option thereunder shall be final and conclusive, unless otherwise determined by the Board.
5. Reserved Shares:
- a) The Company, during the term of this Plan, shall reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan. The Shares subject to the Plan may be either authorized but unissued Shares or reacquired Shares, subject to applicable laws.
  - b) Any Shares under the Plan, in respect of which the right hereunder of an Optionee to purchase the same shall for any reason terminate, become cancelled, expire or otherwise cease to exist, shall again be available for grant through Options under the Plan (unless the Plan has terminated); provided, however, that any Shares not issued or tendered to the Company related to the payment of the Exercise Price of an Option or tax withholding obligations as provided under Section 17 shall not be available for grant through Options under the Plan. No fraction of Shares may be issued under the Plan.
  - c) The Board may, at any time during the term of the Plan, increase the number of Shares available for grant under the Plan. The approval of the Company's shareholders of such increase shall be obtained if so required under applicable laws and/or the Company's incorporation documents and/or any shareholders agreement, as shall be in effect from time to time.

6. Section 102(b) Route Election: No Section 102 Trustee Options may be granted under this Plan to any eligible Optionee, unless and until, the Company's election of the type of Section 102 Trustee Options either as "Ordinary Income Option Through a Trustee" or as "Capital Gain Option Through a Trustee" is appropriately filed with the Income Tax Authorities. The Section 102(b) Route Election shall obligate the Company to grant *only* the type of Section 102 Trustee Option it has elected, and shall apply to all Optionees who were granted Section 102 Trustee Options during the period indicated herein, to the extent required under and in accordance with the provisions of Section 102(g) of the Tax Ordinance and the applicable regulations. For avoidance of doubt, it is clarified that the Company does not obligate itself to file a Section 102(b) Route Election, and in any case, such Section 102(b) Route Election shall be at the sole discretion of the Company. It is further clarified that such Section 102(b) Route Election shall not prevent the Company from granting Section 102 Non-Trustee Options simultaneously.
7. Eligible Optionees:
- a) Subject to the terms and conditions of the Plan and any restriction imposed by applicable laws, Options may be granted to Service Providers, as selected by the Committee in its sole discretion, *provided however*; that, (i) Section 102 Trustee Options and Section 102 Non-Trustee Options may be granted only to Israeli Employees of the Company and any Affiliate thereof, and provided further that, such Affiliate corporation is an "employing company" within the meaning of Section 102(a) of the Tax Ordinance; and (ii) Section 3(i) Options may be granted only to Israeli (a) Consultants; and/or (b) employees, Directors and/or officers of the Company or any Affiliate who are Controlling Shareholders prior to and/or after the issuance of the Shares underlying the Options.
  - b) Eligibility to participate in the Plan does not confer any right to be granted with Options under the Plan. Participation in the Plan is voluntary. The grant of an Option to a Service Provider hereunder, shall neither entitle such Service Provider to participate, nor disqualify him from participating, in any other grant of Options pursuant to this Plan or any other share incentive or stock option plan of the Company or any Affiliate of the Company.
8. Issuance of Options:
- a) Options may be granted at any time after the Plan shall become effective as specified in Section 18 hereof, subject to obtaining all the necessary approvals (if any) from any regulatory body or governmental agency having jurisdiction over the Company and/or any Affiliate and/or any Optionee. In the case of Section 102 Trustee Options, Options may be granted only after the passage of thirty (30) days (or a shorter period as and if approved by the tax authorities) following the delivery by the Company to the appropriate Israeli Income Tax Authorities of a request for approval of the Plan and the Trustee according to Section 102. Notwithstanding the above, if within ninety (90) days of delivery of the abovementioned request, the tax officer notifies the Company of its decision not to approve the Plan, the Options, which were intended to be granted as a Section 102 Trustee Options, shall be deemed to be Section 102 Non-Trustee Options, unless otherwise was approved by the tax officer. The date of grant of each Option shall be the date specified by the Committee at the time such Option is granted and subject to the applicable laws and regulations.
  - b) An Option Agreement shall evidence each Option granted pursuant to the Plan. The Option Agreement shall state, *inter alia*, the number of Shares covered thereby, the type of Option granted thereunder, the vesting schedule (including any performance-based vesting criteria) and any acceleration thereof, the Exercise Price and such other terms and conditions as the Committee in its discretion may prescribe, provided that they are consistent with this Plan and applicable laws.
9. Trustee: In connection with the grant of any Section 102 Trustee Options, the following shall apply:
- a) Notwithstanding anything to the contrary contained in the Plan. Section 102 Trustee Options, which shall be granted under the Plan and any Shares issued upon exercise of such Options shall be issued to the Trustee who shall hold the same in trust for the benefit of the Optionee at least for the Lock-up Period. Upon the conclusion of the Lock-up Period and subject to any further period included in the Plan and/or in the Option Agreement, the Trustee may release Section 102 Trustee Options or Shares issued upon exercise of such Options to Optionee only after the Optionee's full payment of his tax liability in connection therewith due pursuant to the Tax Ordinance.
  - b) Notwithstanding the above, in the event an Optionee shall elect to release the Section 102 Trustee Options and/or the Shares issued upon exercise of such Options prior to the conclusion of the Lock-up Period, the sanctions under Section 102 shall apply to and shall be borne solely by the Optionee.



- c) Any Additional Rights distributed to the Optionee on account of Section 102 Trustee Options shall be deposited with and/or issued to the Trustee for the benefit of the Optionee, and shall be held by the Trustee for the applicable Lock-up Period in accordance with the provisions of Section 102 and the elected tax route.
- d) The Company, any Affiliate of the Company (if applicable), the Trustee and the Optionee shall comply with the Tax Ordinance, Section 102 and the provisions of the Trust Agreement.
- e) Upon receipt of Section 102 Trustee Options, Optionee will sign the Option Agreement, which shall be deemed as the Optionee's undertaking to exempt the Trustee from any liability in respect of any action or decision duly taken and *bona fide* executed in relation with the Plan and any Option, Share, Additional Right or other rights received by the Optionee in connection therewith.
- f) The Committee shall determine and approve the terms of engagement of the Trustee, and shall be authorized to designate from time to time a new Trustee and replace either of them at its sole discretion, and in the event of replacement of any existing Trustee, to instruct the transfer of all Options and Shares held by such Trustee at such time to its successor.
- g) For as long as the Trustee holds Shares in trust for the benefit of the Optionee, the Trustee shall not use the voting rights vested in such Shares, and shall not exercise such rights in any way whatsoever. In the event the right to vote such Shares is held by the Trustee pursuant to Section 102, then upon the exercise of any Section 102 Trustee Option by the Optionee, the Trustee shall execute an irrevocable voting proxy in such form as may be prescribed by the Committee in accordance with the provisions of Section 11(j) of the Plan and the provisions of Section 102.

10. Option Exercise Price and Consideration:

- a) The Exercise Price shall be determined by the Committee on the date of grant of an Option, on an individual basis, subject to any guidelines as may be determined by the Board from time to time and any applicable law; provided, however, that the Exercise Price shall be not less than the nominal value of the Shares underlying the Option.
- b) The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Committee subject to applicable laws. Such consideration may consist of, without limitation, (1) cash, or (2) check or wire transfer, or (3) at the discretion of the Committee, consideration received by the Company under a broker-assisted sale and remittance program acceptable to the Committee, or (4) at the discretion of the Committee, any combination of the foregoing methods of payment.

11. Vesting and Exercise of Options:

- a) Each Option Agreement shall provide the vesting schedule for the Option as determined by the Committee. The Committee shall have the authority to determine the vesting schedule and accelerate the vesting of any outstanding Option at such time and under such circumstances as it, in its sole discretion, deems appropriate.
- b) The Option Agreement may contain performance goals and measurements (which, in the case of Options granted in accordance with Section 102, shall, if then required, be subject to obtaining a specific tax ruling or determination from the appropriate Israeli Income Tax Authorities), and the provisions with respect to any Option need not be the same as the provisions with respect to any other Options.
- c) Options shall be exercisable pursuant to the terms under which they were awarded and subject to the terms and conditions of this Plan and the Option Agreement; provided, however, that in no event shall an Option be exercisable after its Expiration Date, as further specified in Section 11(d) below.

Unless the Committee provides otherwise, vesting of Options granted hereunder shall be suspended during any unpaid leave of absence.

- d) Anything herein to the contrary notwithstanding, if any Option, or any part thereof, has not been exercised prior to its Expiration Date and the Shares covered thereby not paid for until such date, then such Option, or such part thereof, and the right to acquire such Shares shall terminate, and all interests and rights of the Optionee in and to the same shall expire.

- e) Options may be exercised only to purchase whole Shares, and in no case may a fraction of a Share be purchased. If any fractional Share would be deliverable upon exercise, including but not limited to, as a result of adjustments as provided in Section 14 hereof, such fraction shall be rounded up one-half or less, or otherwise rounded down, to the nearest whole number of Shares.
- f) An Option, or any part thereof, shall be exercisable by the Optionee's signing and returning to the Company at its principal office, on any business day, a "Notice of Exercise" in such form and substance as may be prescribed by the Committee from time to time and in accordance with the requirements of applicable laws, which exercise shall be effective upon receipt of such signed notice by the Company at its principal office. The Notice of Exercise shall specify the number of Shares with respect to which the Option is being exercised and shall be accompanied by payment of the aggregate Exercise Price due with respect to the Shares to be purchased. Such payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Option Agreement and the Plan. If required under applicable laws, the Notice of Exercise shall also be accompanied by payment of the aggregate withholding taxes due with respect to the exercise of Options and/or purchased Shares.
- g) If applicable laws require the Company to take any action with respect to the Shares specified in the Notice of Exercise before the issuance thereof, then the date of their issuance shall be extended for the period necessary to take such action.
- h) Prior to exercise, the Optionee shall have none of the rights and privileges of a shareholder of the Company in respect to any Shares purchasable upon the exercise of any part of an Option. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised, subject to the provisions of Section 15 hereof. No adjustment will be made for a dividend or other right, for which the record date precedes the date of issuance of the Shares, except as provided in Section 13 hereof.
- i) Except and to the extent otherwise expressly provided herein, the Shares acquired under an Option shall be subject to the provisions of the Company's incorporation documents, as amended from time to time and/or any other shareholders agreement in effect.
- j) To the extent permitted by applicable law, an Option Agreement may include a requirement that concurrently with the exercise of any Option and as a condition precedent to such exercise and the issuance of any Shares in respect thereof, the Optionee shall sign and deliver to the Company an irrevocable power of attorney and voting proxy in such form as may be prescribed by the Committee. By this proxy, the Optionee's right to vote any acquired Shares shall be assigned to the Proxy Holder, who shall vote such Shares on any issue brought before the shareholders of the Company in accordance with the majority vote of the shareholders of the Company (as voted by the shareholders without taking such acquired Shares in consideration). Such power of attorney and voting proxy shall expire and be of no further force and effect upon the consummation of an IPO.

12. Net Exercise:

Notwithstanding the provisions of Section 11 above, the Board may determine that in lieu of exercising Options for cash, the Optionee may elect to receive Shares equal to the aggregate value of the Options (or the portion thereof being exercised) against payment of the par value of such exercised Shares, by written notice of such election to the Company, in which event the Company shall issue to the Optionee, for no additional consideration (other than the par value of such exercised Shares), that number of Shares computed using the following formula:

$$X = \frac{Y (A-B)}{A-N}$$

Where

X = The number of Shares to be issued to the Grantee.

Y = The number of Vested Options that the Grantee wishes to exercise.

A = The Fair Market Value of one (1) Share, which, if the Shares are traded on a stock exchange, will be considered as the average known closing price (or closing bid if no sales have been reported) of the Company's share on the applicable stock exchange in the 30 days prior to the date of delivery of the exercise notice by the Optionee to the Company.

B = The Exercise Price.

N = Par Value of Exercise Share

13. Termination of Relationship as a Service Provider:

- a) Except as provided below, an Option, or any part thereof, may not be exercised unless the Optionee is then a Service Provider of the Company or any Affiliate thereof, and unless the Optionee has remained continuously a Service Provider since the date of grant of the Option, unless the Committee determines that a longer period is applicable or such longer period is otherwise set forth in the Option Agreement.
- b) Unless otherwise approved by the Committee or set forth in the Option Agreement, if an Optionee ceases to be a Service Provider of the Company or any Affiliate thereof for any reason (including, but not limited to retirement, but excluding termination by reasons of Cause, Optionee's Disability or death, for which events there are special rules in Sections 13(c) and 13(d) below), all Options granted to the Optionee, which are vested and exercisable at the time of such termination, may be exercised within one (1) month following the date of such termination if the Company initiates such termination or two (2) weeks following the date of such termination, if the Service Provider initiates such termination but in no event later than the Expiration Date of such Option, as set forth in the Option Agreement. If, after termination, the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by the unexercised portion of such Option shall revert to the Plan. Unless the Committee or the Option Agreement provide otherwise, any Options which are not vested and exercisable at the date of such termination, shall terminate, and the Shares covered by such unvested Option shall revert to the Plan.
- c) Unless otherwise approved by the Committee or set forth in the Option Agreement, if an Optionee ceases to be a Service Provider of the Company or any Affiliate thereof as a result of Optionee's Disability or death, all Options granted to the Optionee, which are vested and exercisable at the time of such termination, may, unless earlier terminated in accordance with the Option Agreement, be exercised within six (6) months, following the Optionee's termination, but in no event later than the Expiration Date of such Option, as set forth in the Option Agreement. In the case of Optionee's death, such Option may be exercised by the personal representative of the Optionee's estate or by the person or persons to whom the Option is transferred pursuant to the Optionee's will or the laws of inheritance or by the Optionee's designated beneficiary or beneficiaries of that Option. If, after termination, the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by the unexercised portion of such Option shall revert to the Plan. Unless the Committee or the Option Agreement provide otherwise, any Options which are not vested and exercisable at the date of such termination, shall terminate and the Shares covered by such unvested Option shall revert to the Plan.
- d) Notwithstanding the above, if an Optionee ceases to be a Service Provider of the Company or any Affiliate thereof for Cause, all outstanding Options granted to such Optionee (whether vested or not) shall, to the extent not theretofore exercised, expire immediately upon the earlier of: (i) the date of such termination; or (ii) the time of delivery of the notice of termination for Cause, unless otherwise determined by the Committee. The Shares covered by such expired Options shall revert to the Plan.
- e) In addition and notwithstanding Sections 13(b) through 13(d) above, if after termination of relationship as a Service Provider, Optionee does not comply in full with any of non- compete, non solicitation, confidentiality or any other requirement of any agreement between the Optionee and the Company (or any Affiliate thereof engaging the Optionee), the Committee may, in its sole discretion, refuse to allow the exercise of the Options.

- f) For the purpose of this Section 13, termination of relationship as a Service Provider shall be deemed to be effective upon the date, which is designated by the Company (or any Affiliate thereof engaging the Optionee) as the last day of the Optionee's service with the Company or any Affiliate thereof.
- g) For the purpose of this Section 13, a transfer of the Optionee from the service of the Company to any Affiliate (and vice versa) or between Affiliates shall not be deemed a termination of relationship as a Service Provider, unless otherwise determined by the Committee.
14. Adjustments, Liquidation and Corporate Transaction: Upon the occurrence of any of the following described events, an Optionee's right to purchase Shares under the Plan shall be adjusted as hereinafter provided.
- a) Changes in Capitalization. The number and type of Shares which have been authorized for issuance under the Plan but as to which no Option have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Option, and the number and type of Shares covered by each outstanding Option, as well as the Exercise Price per Share covered by each such outstanding Option, shall be proportionately adjusted for any increase or decrease in the number or type of issued Shares resulting from a stock split, reverse stock split, stock dividend, recapitalization, combination or reclassification of the Shares, or any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan. The conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration". Such adjustment shall be made by the Committee, in its sole discretion. The Company shall not be required to issue fractional Shares or other securities under the Plan as a result of such adjustment and any fractional interest in a Share or other security that would otherwise be delivered upon the exercise of an Option will be rounded, as detailed in Section 11(e) hereof.
- b) Dissolution or Liquidation. In the event of dissolution or liquidation of the Company, the Company shall have no obligation to notify the Optionees of such event and any Options that have not been previously exercised will terminate immediately prior to such dissolution or liquidation. Notwithstanding the above, in the event of a voluntary liquidation of the Company, which is not within the frame of a Corporate Transaction, the Committee shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction, and any Options that have not been previously exercised will terminate immediately prior to such proposed liquidation.
- c) Corporate Transaction. In the event of a Corporate Transaction, each outstanding Option shall be treated as the Committee determines, including, without limitation, that each Option may (i) be assumed or substituted for an equivalent option by the successor corporation or a parent or subsidiary of the successor corporation. In the case of such assumption or substitution of Options, appropriate adjustments shall be made in the number and type of Shares covered by each outstanding Option, as well as the Exercise Price per Share covered by each such outstanding Option, and all other terms and conditions of the Options, such as the vesting dates, shall remain in force; or (ii) be terminated in exchange for a cash payment (if any) equal to the excess of the Fair Market Value of the Shares subject to such Option (either to the extent then exercisable or, at the discretion of the Committee, the Option being made fully exercisable for purposes of this Section 14(c)) over the Exercise Price thereof.

For the purposes of this Section 14(c), the Option shall be considered assumed if, following the Corporate Transaction, the Option confers the right to purchase or receive, for each Share covered by the Option immediately prior to the Corporate Transaction, the consideration, if any, (whether stock, cash, or other securities or property) received in the Corporate Transaction by holders of Ordinary Shares for each Ordinary Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Ordinary Shares); provided, however, that if such consideration received in the Corporate Transaction is not solely in securities of the successor corporation or its Parent or Subsidiary, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option, for each Ordinary Share subject to the Option, to be solely in securities of the successor corporation or its Parent or Subsidiary equal in fair market value to the per share consideration received by holders of Ordinary Shares in the Corporate Transaction.

Unless the Committee or the Option Agreement provide otherwise, in the event that the Option is not assumed, substituted or exchanged during and/or immediately following the Corporate Transaction, the Option shall terminate as of the date of the closing of the Corporate Transaction and the Committee shall notify the Optionee in writing or electronically of such termination.

The Committee shall not be required to treat all Options similarly in the transaction

- d) Dividend Distribution. In the event the Company shall distribute a cash, in kind, or similar dividend with respect to all of its issued and outstanding ordinary shares, and the record date for determining the right to receive such dividends is before the Expiration Date of exercise such Options, then the Option Exercise Price payable upon exercise of each outstanding Option shall be adjusted and reduced by the amount of such dividend payment per Share; provided, however, that no dividends or Additional Rights may be issued with respect to any unvested Options.
  - e) Issuance of Rights. In the event that the Company shall offer to its shareholders rights to purchase any securities, by the method of rights offering, than the Exercise Price shall not be adjusted. However, the amount of shares issuable upon the exercise of Options not yet exercised prior to the effective date with respect to the right to purchase rights under the rights offering (in this Section 14(e) – the “Effective Date”), shall be adjusted according to the benefit component of the rights, if any, as it is expressed in the ratio between the price of an ordinary share on the end of the Effective Date and the price of an ordinary share as a result of such rights offering, as recorded by the stock exchange, as applicable (ex rights rate).
  - f) Upon each adjustment of the Exercise Price and/or number of Shares, the Company shall notify Holder within a reasonable time setting forth the adjustments to the Exercise Price, class and/or number of Shares.
15. Limited Transferability and Restrictions on Sale of Options/Shares:
- a) No Option may be sold, pledged, assigned, hypothecated or transferred other than by will or by the laws of descent and distribution, and may be exercised during the lifetime of the Optionee, only by the Optionee. The terms of the Plan and the Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee. Any attempted sale, transfer, assignment, pledge, hypothecation or other disposition of any Option or of any rights granted thereunder contrary to the provisions of this Plan shall be null and void.
  - b) Without derogating from the provisions of Section 15(a) above, with regard to Section 102 Trustee Option and the Shares issued upon exercise of such Options, as long as such Options and/or Shares are held by the Trustee on behalf of the Optionee, all rights of the Optionee with respect thereto are personal and cannot be transferred, assigned, pledged or mortgaged, other than by will or by the laws of descent and distribution.
  - c) Shares acquired upon exercise of an Option shall be subject to such restrictions on transfer and/or sale as are generally applicable to Ordinary Shares of the Company, including but not limited to (i) restrictions detailed in the Company’s incorporation documents, as may be amended from time to time; and (ii) restrictions detailed in any shareholders agreements (as applicable to other shareholders of Ordinary Shares of the Company), as amended from time to time, regardless of whether or not the Optionee is a party to such agreements.

- d) In the event the Shares shall be registered for trading in any public market, the Committee may impose certain limitations on the Optionee's right to sell the Shares (including a lock-up period) as may be requested by the Company's underwriters or as the Committee may, in its absolute discretion, determine to be necessary or advisable, and Optionee shall unconditionally agree and accept any such limitations.

16. Conditions Upon Issuance of Shares:

- a) Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares shall comply with applicable laws and shall be further subject to the approval of counsel for the Company with respect to such compliance. Without derogating from the generality of the foregoing, the Company shall not be required to issue or deliver any Shares (or any certificate or certificates for such Shares) purchased upon exercise of any Option (or portion thereof) prior to the completion of any registration or other qualification of such Shares, if so required under any applicable law and/or under the rulings or regulations of any governmental regulatory body which the Committee shall, in its absolute discretion, determine to be necessary or advisable.
- b) As a condition to the exercise of an Option, the Committee may require the Optionee exercising such Option to represent and warrant at the time of such exercise, if, in the opinion of counsel for the Company such representation is required in order to comply with any registration exemption requirement, that (i) the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares; and (ii) the Optionee shall not sell, transfer or otherwise dispose of any of the Shares so purchased by him, except in compliance with the applicable securities laws, and the rules and regulations thereunder. Furthermore, the Company shall have the authority to endorse upon the certificate or certificates representing the Shares such legends referring to the foregoing restrictions, and any other applicable restriction, as it may deem appropriate.

17. Tax Consequences:

- a) Any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby, from the sale, transfer or disposition of such Shares or from any other event or act (of the Optionee, the Company or any Affiliate of the Company or the Trustee (if applicable)) hereunder, shall be borne solely by the Optionee. The Company or any Affiliate or the Trustee (if applicable) shall withhold taxes according to the requirements under the applicable laws, and it may take steps as it may deem necessary for withholding all due taxes, including, but not limited to (i) to the extent permitted by applicable laws, deducting the amount so required to be withheld from any other amount then or thereafter payable to an Optionee, and/or (ii) requiring an Optionee to pay to the Company or any Affiliate or to the Trustee (as the case may be) the amount so required to be withheld as a condition for the issuance, delivery, distribution or release of any Shares. Furthermore, such Optionee shall agree to indemnify the Company, any Affiliate that engages the Optionee and the Trustee, if applicable, and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee. Except as otherwise required by applicable laws, the Company shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.
- b) Without derogating from the definition of Fair Market Value in Section 2 above, and solely for the purpose of determining the tax liability with respect to the grant of Capital Gain Option Through a Trustee pursuant to Section 102, in the event the Shares of the Company are listed for trade on any established stock exchange or national market system or in the event the Shares of the Company will be registered for trade within ninety (90) days following the date of grant of such Options, the Fair Market Value of the Shares on the date of grant shall be equal to the average value of the Company's Shares on the thirty (30) trading days preceding the date of grant or on the thirty (30) trading days following the date of registration for trade, as the case may be, all in accordance with the provisions of Section 102(b)(3) of the Tax Ordinance.

- c) With regard to Section 102 Non-Trustee Option, in the event an Optionee shall cease to be employed by or, if applicable, cease to render his services to the Company or any Affiliate, for any reason, the Optionee shall be obligated to provide the Company and/or its Affiliate with a security or guarantee, in the degree and manner satisfactory to them, to cover any future tax obligation resulting from the disposition of the Options and/or the Shares acquired thereunder.
  - d) With regard to Section 102 Trustee Options, the provisions of the Plan and the Option Agreement shall be subject to the provisions of Section 102 and the tax officer's approval, which shall be deemed an integral part of the Plan and the Option Agreement. To the extent that Section 102 and/or the tax officer's approval require the Plan and/or the Option Agreement to contain specified provisions in order to qualify the Options for preferential tax treatment, such provisions shall be deemed to be stated herein and/or in the Option Agreement, as applicable, and to be binding upon the Company, any Affiliate and the Optionee.
18. Term, Amendment and Termination of the Plan:
- a) The Plan shall become effective upon the later of: (i) its adoption by the Board; or (ii) its approval by the Company's shareholders, but only if such shareholders' approval is required under applicable laws.
19. The Committee, at any time and from time to time, may terminate, suspend or amend the Plan. The Committee shall obtain approval from the Company's shareholders of any Plan amendment to the extent necessary to comply with applicable laws. Other than in respect of a Corporate Transaction (in which case, the provisions of Section 14(c) above shall govern), no amendment, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Committee, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.
20. Participation by Optionees Outside Israel. Notwithstanding anything in the Plan to the contrary, with respect to any employee who is resident outside of Israel, the Committee may, in its sole discretion, amend the terms of the Plan in order to conform such terms with the requirements of local law or to meet the objectives of the Plan. The Committee may, where appropriate, establish one or more sub-plans for this purpose.

21. Inability to Obtain Authority: The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.
22. Continuance of Engagement: Neither the Plan nor any Option granted hereunder shall impose any obligation on the Company or its Affiliates, to continue its relationship with an Optionee as a Service Provider, and nothing in the Plan, in any Option Agreement or in any Option granted pursuant thereto shall confer upon any Optionee any right with respect to continuing the Optionee's relationship as a Service Provider with the Company or its Affiliate nor shall it interfere in any way with his right or the Company's or its Affiliate's right to terminate such relationship at any time, with or without Cause, and with or without notice.
23. No Repricing. The terms of any outstanding Option may not be amended, and action may not otherwise be taken, in a manner to achieve a Repricing; provided, however, that nothing herein shall prevent the Committee from taking any action provided for in Section 14 above. For purposes of this Section 23, a "Repricing" shall mean (i) reducing the exercise price of an Option, (ii) cancel outstanding Options in exchange for cash, other equity awards or Options with an Exercise Price that is less than the Exercise Price of the original Options, (iii) cancel outstanding Options with an Exercise Price that is less than the then current Fair Market Value of a Share in exchange for other equity awards, cash or other property; or (iv) otherwise effect a transaction that would be considered a "repricing" for purposes of the stockholder approval rules of the applicable securities exchange or inter-dealer quotation system on which the Shares are listed or quoted without shareholder approval.
24. Non-Exclusivity of the Plan: The Plan shall not be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as either may deem desirable, including without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.
25. Governing Law and Jurisdiction: This Plan and all instruments issued thereunder or in connection therewith shall be governed by and construed and enforced in accordance with the laws of the State of Israel, without giving effect to the principles of conflict of laws thereof. Any dispute arising out of this Plan and all instruments issued thereunder or in connection therewith shall be resolved exclusively by the appropriate court in the State of Israel.
26. Application of Funds: The proceeds received by the Company from the sale of Shares pursuant to Options will be used for general corporate purposes of the Company.
27. Severability: If any term or other provision of this Plan is determined to be invalid, illegal or incapable of being enforced by any applicable laws, the invalidity of such term or provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan, which shall remain in full force and effect.

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## Calculation of Filing Fee Table

Form S-8  
(Form Type)

Rail Vision Ltd.  
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered Securities

	<b>Security Type</b>	<b>Security Class Title</b>	<b>Fee Calculation Rule</b>	<b>Amount Registered (1)</b>	<b>Proposed Maximum Offering Price Per Share</b>	<b>Maximum Aggregate Offering Price</b>	<b>Fee Rate</b>	<b>Amount of Registration Fee</b>
Fees to be Paid	Equity	Ordinary shares, par value NIS 0.01 per share	457(h)	2,010,350	\$ 4.46(2)	\$ 8,966,161	\$ 0.0000927	\$ 831.16
	Equity	Ordinary share, par value NIS 0.01 per share	457(c); 457(h)	299,606	(3) \$ 0.792(4)	\$ 237,287.95	\$ 0.0000927	\$ 22.00
	<b>Total Offering Amount</b>			<u>2,309,956</u>		<u>\$ 9,203,448.95</u>		<u>\$ 853.16</u>
	<b>Total Fees Previously Paid</b>							<u>—</u>
	<b>Total Fee Offsets</b>							<u>—</u>
	<b>Net Fee Due</b>							<u>\$ 853.16</u>

- (1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the “Securities Act”), this registration statement (the “Registration Statement”) shall also cover any additional ordinary shares that become issuable under the Rail Vision Ltd. Amended Share Option Plan (the “Plan”) by reason of any stock dividend, stock split, recapitalization or other similar transaction.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) of the Securities Act based on \$4.46, the weighted average exercise price per ordinary share (rounded to the nearest cent) of the outstanding option awards under the Plan as of the date of this Registration Statement.
- (3) Represents Ordinary Shares reserved for issuance upon the exercise of options that may be granted under the Plan to which this Registration Statement relates.
- (4) The proposed maximum offering price per share is calculated in accordance with Rules 457(c) and 457(h) under the Securities Act, solely for purposes of calculating the registration fee on the basis of \$0.792 per share, the average of the high and low price of the Registrant’s ordinary shares as reported on the Nasdaq Capital Market on June 27, 2022.