

Protalix BioTherapeutics, Inc.

Form DEF 14A

September 18, 2009

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ o

Check the appropriate box:

- ☐ o Preliminary Proxy Statement
- ☐ o **Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- ☒ x Definitive Proxy Statement
- ☐ o Definitive Additional Materials
- ☐ o Soliciting Material Pursuant to §240.14a-12

Protalix BioTherapeutics, Inc.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- ☒ x No fee required.
- ☐ o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
 - 2) Aggregate number of securities to which transaction applies:
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing:

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No:

3) Filing Party:

4) Date Filed:

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**2 Snunit Street
Science Park
POB 455
Carmiel, Israel 20100**

September 17, 2009

Dear Shareholder,

We cordially invite you to attend the 2009 Annual Meeting of Shareholders of Protalix BioTherapeutics, Inc. to be held at 4 p.m., Israel time, on November 9, 2009 at the Sheraton Tel Aviv Hotel, 115 HaYarkon Street, Tel Aviv, Israel. The attached notice of annual meeting and proxy statement describe the business we will conduct at the meeting and provide information about us that you should consider when you vote your shares. As set forth in the attached proxy statement, the meeting will be held to consider the election of directors and the ratification of the appointment of our independent registered public accounting firm for the fiscal year ending 2009. Please take the time to carefully read each of the proposals shareholders are being asked to consider and vote on.

When you have finished reading the proxy statement, please promptly vote your shares either via the Internet, by telephone or by marking, signing, dating and returning the proxy card in the enclosed envelope. Your vote is important, whether or not you attend the meeting in person. We encourage you to vote by proxy so that your shares will be represented and voted at the meeting. If you decide to attend the meeting and vote in person, your proxy may be revoked at your request.

We appreciate your support and look forward to seeing you at the meeting.

Sincerely,

David Aviezer, Ph.D.
President and Chief Executive Officer

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PROTALIX BIOTHERAPEUTICS, INC.

**2 Snunit Street
Science Park
POB 455
Carmiel, Israel 20100**

**NOTICE OF 2009 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD NOVEMBER 9, 2009**

To the Shareholders of Protalix BioTherapeutics, Inc.:

The Annual Meeting of Shareholders of Protalix BioTherapeutics, Inc. will be held at the following time, date and place for the following purposes:

TIME: 4 p.m., Israel time

DATE: November 9, 2009

PLACE: Sheraton Tel Aviv Hotel
115 HaYarkon Street
Tel Aviv, Israel

PURPOSES:

1. To elect nine members to the Board of Directors to serve for the ensuing year or until their respective successors have been duly elected.
2. To ratify the appointment of Kesselman & Kesselman, Certified Public Accountant (Isr.), a member of PricewaterhouseCoopers International Limited, as our independent registered public accounting firm for the fiscal year ending December 31, 2009.
3. To transact such other business that is properly presented at the meeting or any adjournment.

All of these proposals are more fully described in the proxy statement that follows. You may vote at the meeting and any adjournments if you were the record owner of our common stock at the close of business on September 15, 2009. A list of shareholders of record will be available at the meeting and, during the 10 days prior to the meeting, at the office of our Corporate Secretary at the above address.

Please sign, date and promptly return the enclosed proxy card in the enclosed envelope, or vote by telephone or Internet (instructions are on your proxy card), so that your shares will be represented whether or not you attend the annual meeting.

BY ORDER OF THE BOARD OF DIRECTORS

Yossi Maimon
*Vice President and Chief Financial Officer
and Corporate Secretary*

Carmiel, Israel
September 17, 2009

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**Protalix BioTherapeutics, Inc.
2 Snunit Street
Science Park
POB 455
Carmiel, Israel 20100
972-4-988-9488**

PROXY STATEMENT FOR PROTALIX BIOTHERAPEUTICS, INC.

2009 ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON

NOVEMBER 9, 2009

GENERAL INFORMATION ABOUT THE ANNUAL MEETING

Why Did You Send Me this Proxy Statement?

We sent you this proxy statement and the enclosed proxy card because the Board of Directors of Protalix BioTherapeutics, Inc. is soliciting your proxy to vote at the 2009 annual meeting of shareholders and any adjournments of the meeting to be held at 4 p.m., Israel time, on November 9, 2009 at the Sheraton Tel Aviv Hotel, 115 HaYarkon Street, Tel Aviv, Israel. This proxy statement along with the accompanying Notice of Annual Meeting of Shareholders summarizes the purposes of the meeting and the information you need to know to vote at the annual meeting.

We anticipate that on or before September 21, 2009, we will begin sending this proxy statement, the attached Notice of Annual Meeting and the form of proxy enclosed to all shareholders entitled to vote at the meeting. Although not part of this proxy statement, we are also sending along with this proxy statement our Annual Report on Form 10-K which includes financial statements for the fiscal year ended December 31, 2008. **You can also find a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 on the Internet through the electronic data system called EDGAR provided by the Securities and Exchange Commission, or the SEC, at <http://www.sec.gov> or through the Investor Relations section of our website at <http://www.protalix.com>.** Additional copies of the Annual Report on Form 10-K for the fiscal year ended December 31, 2008 are available upon request.

Who Can Vote?

Only holders of record of our common stock, par value \$0.001 per share, at the close of business on September 15, 2009, the record date, are entitled to vote at the annual meeting. On the record date, there were 76,614,924 shares of common stock outstanding and entitled to vote. The common stock is currently our only outstanding class of voting

stock.

You do not need to attend the annual meeting to vote your shares. Shares represented by valid proxies, received in time for the meeting and not revoked prior to the meeting, will be voted at the meeting.

How Many Votes Do I Have?

Each share of common stock that you own entitles you to one vote.

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How Do I Vote?

Whether you plan to attend the annual meeting or not, we urge you to vote by proxy. Voting by proxy will not affect your right to attend the annual meeting. If your shares are registered directly in your name through our stock transfer agent, American Stock Transfer & Trust Company, or you have stock certificates, you may vote:

By mail. Complete, date, sign and mail the enclosed proxy card in the enclosed postage prepaid envelope. Your proxy will be voted in accordance with your instructions. If you sign the proxy card but do not specify how you want your shares voted, they will be voted as recommended by our Board of Directors.

By Internet or by telephone. Follow the instructions attached to the proxy card to vote by Internet or telephone.

In person at the meeting. If you attend the meeting, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

If your shares are held in street name (held in the name of a bank, broker or other nominee), you must provide the bank, broker or other nominee with instructions on how to vote your shares and can generally do so as follows:

By mail. You will receive instructions from your broker or other nominee explaining how to vote your shares.

By Internet or by telephone. Follow the instructions you receive from your broker to vote by Internet or telephone.

In person at the meeting. Contact the broker or other nominee who holds your shares to obtain a broker's proxy card and bring it with you to the meeting. You will not be able to vote at the meeting unless you have a proxy card from your broker.

What am I Voting On?

You are voting on:

The election of nine members to our Board of Directors to serve for the ensuing year or until their respective successors have been duly elected (Eli Hurvitz, David Aviezer, Ph.D., Yoseph Shaaltiel, Ph.D., Alfred Akirov, Amos Bar-Shalev, Zeev Bronfeld, Yodfat Harel Gross, Roger D. Kornberg, Ph.D. and Eyal Sheratzky).

The ratification of the appointment of Kesselman and Kesselman, Certified Public Accountant (Isr.), A Member of PricewaterhouseCoopers International Limited, as our independent registered public accounting firm for the fiscal year ending December 31, 2009.

How does the Board of Directors Recommend that I Vote at the Meeting?

The Board of Directors recommends that you vote as follows:

FOR the election or re-election of all director nominees named in the Proposal 1: Election of Directors section in this proxy statement.

FOR the ratification of Kesselman and Kesselman as our independent registered public accounting firm for the 2009 fiscal year, as named in the Proposal 2: Ratification of Independent Registered Public Accounting Firm section in this proxy statement.

If any other matter is properly presented at the meeting or any adjournment, the proxy card provides that your shares will be voted by the proxy holder listed on the proxy card in accordance with his or her best judgment. At the time this proxy statement was printed, we knew of no matters that needed to be acted on at the annual meeting, other than those discussed in this proxy statement.

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What Constitutes a Quorum for the Meeting?

The holders of a majority of all of the outstanding shares of common stock entitled to vote at the annual meeting, present in person or by proxy, shall constitute a quorum at the annual meeting. Of the 76,614,924 shares of common stock outstanding as of the record date, a majority, or more than 38,307,462 shares, must be present at the meeting in person or represented by proxy to hold the meeting and conduct business. Once a quorum is established at a meeting, it shall not be broken by the withdrawal of enough votes to leave less than a quorum. Votes of shareholders of record who are present at the meeting in person or by proxy, abstentions, and broker non-votes are counted for purposes of determining whether a quorum exists. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

What are the Voting Requirements to Approve a Proposal?

Assuming a quorum is present, nominees for director must receive a plurality of the votes cast to be elected. Neither abstentions nor withheld votes will have any effect on the outcome of the vote, but both abstentions and withheld votes will be counted for the purposes of determining whether a quorum is present. The ratification of the appointment of Kesselman & Kesselman as our independent registered public accounting firm, as well as any other proposal that may properly be brought before the meeting by or at the direction of the board of directors must receive the affirmative vote of a majority of the voting power present in person or by proxy at the meeting. Abstentions will be treated as votes against any proposal, other than the election of directors, and abstentions will be counted for the purposes of determining whether a quorum is present.

How are My Votes Cast when I Sign and Return a Proxy Card?

When you sign the proxy card or submit your proxy by telephone or over the Internet, you appoint David Aviezer, Ph.D., our president and chief executive officer, and Yossi Maimon, our vice president and chief financial officer, as your representatives at the meeting. Either David Aviezer or Yossi Maimon will vote your shares at the meeting as you have instructed them on the proxy card. Each of such persons may appoint a substitute for himself.

Even if you plan to attend the meeting, it is a good idea to complete, sign and return your proxy card or submit your proxy by telephone or over the Internet in advance of the meeting in case your plans change. This way, your shares will be voted by you whether or not you actually attend the meeting.

May I Revoke My Proxy?

If you give us your proxy, you may revoke it at any time before it is voted at the meeting. There will be no double counting of votes. You may revoke your proxy in any one of the following ways:

entering a new vote or by granting a new proxy card or new voting instruction bearing a later date (which automatically revokes the earlier instructions);

if your shares are held in street name, re-voting by Internet or by telephone as instructed above (only your latest Internet or telephone vote will be counted);

notifying our Corporate Secretary, Yossi Maimon, in writing before the annual meeting that you have revoked your proxy; or

attending the meeting in person and voting in person. Attending the meeting in person will not in and of itself revoke a previously submitted proxy unless you specifically request it.

What if I Receive More than One Proxy Card?

You may receive more than one proxy card or voting instruction form if you hold shares of our common stock in more than one account, which may be in registered form or held in street name. Please vote in the manner described under How Do I Vote? for each account to ensure that all of your shares are voted.

What if I do not Vote for Some of the Matters Listed on My Proxy Card?

If you return your proxy card without indicating your vote, your shares will be voted *for* the nominees listed on the card and *for* the ratification of the appointment of Kesselman & Kesselman.

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What if I Abstain ?

An abstention on any matter, other than the election of directors, will have the effect of a vote *against* the matter.

Will My Shares be Voted if I do not Return My Proxy Card and do not Attend the Annual Meeting?

If your shares are registered in your name or if you have stock certificates, they will not be voted if you do not return your proxy card by mail or vote at the meeting as described above under **How Do I Vote?** .

If your shares are held in street name and you do not provide voting instructions to the bank, broker or other nominee that holds your shares as described above under **How Do I Vote?**, the bank, broker or other nominee has the authority to vote your shares on any of the matters scheduled to come before the meeting even if it does not receive instructions from you. We encourage you to provide voting instructions. This ensures your shares will be voted at the meeting in the manner you desire. If your broker cannot vote your shares on a particular matter because it has not received instructions from you and does not have discretionary voting authority on that matter, this is referred to as a broker non-vote. A broker non-vote will have no effect on the proposal to elect directors or the proposal to ratify the appointment of auditors scheduled to be considered at the meeting.

Is Voting Confidential?

Yes. Only the inspector of elections and our employees that have been assigned the responsibility for overseeing the legal aspects of the annual meeting will have access to your proxy card. The inspector of elections will tabulate and certify the vote. Any comments written on the proxy card will remain confidential unless you ask that your name be disclosed.

What are the Costs of Soliciting these Proxies?

We will pay all of the costs of soliciting these proxies. Our directors and employees may solicit proxies in person or by telephone, fax or email. We will pay these employees and directors no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their principals and to obtain authority to execute proxies. We will then reimburse them for their expenses.

Could other Matters be Decided at the Annual Meeting?

We do not know of any other matters that will be considered at the annual meeting. If any other matters arise at the annual meeting at or by the direction of the board of directors, the proxies will be voted at the discretion of the proxy holders.

What Happens if the Annual Meeting is Postponed or Adjourned?

Your proxy will still be valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

Do I Need a Ticket to Attend the Annual Meeting?

Yes, you will need an admission ticket or proof of ownership of common stock to enter the annual meeting. If you are a shareholder of record, your admission ticket is the bottom half of the proxy card sent to you. If you plan to attend the annual meeting, please so indicate when you vote and bring the ticket with you to the annual meeting. If your shares are held in the name of a bank, broker or other holder of record, your admission ticket is the left side of your voting

information form. If you do not bring your admission ticket, you will need proof of ownership to be admitted to the annual meeting. A recent brokerage statement or letter from a bank or broker is an example of proof of ownership. If you arrive at the annual meeting without an admission ticket, we will admit you only if we are able to verify that you are a shareholder of our company.

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The following table sets forth information, as of September 15, 2009, regarding beneficial ownership of our common stock:

each person who is known by us to own beneficially more than 5% of our common stock;

each director;

each of our Chief Executive Officer, our Executive Vice President, Research and Development, our Vice President, Product Development, our Vice President of Operations and our Chief Financial Officer; and

all of our directors and executive officers collectively.

Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all shares of our common stock beneficially owned by them. For purposes of these tables, a person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from September 15, 2009 upon exercise of options, warrants and convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and convertible securities that are held by such person (but not those held by any other person) and that are exercisable within such 60 days from such date have been exercised. The information set forth below is based upon information obtained from the beneficial owners, upon information in our possession regarding their respective holdings and upon information filed by the holders with the SEC. The percentages of beneficial ownership are based on 76,614,924 shares of our common stock outstanding as of September 15, 2009.

The address for all directors and officers is c/o Protalix BioTherapeutics, Inc., 2 Snunit Street, Science Park, POB 455, Carmiel, Israel, 20100.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Board of Directors and Executive Officers		
Eli Hurvitz(1)	6,270,949	8.0%
David Aviezer, Ph.D., MBA(2)	1,534,481	2.0
Yoseph Shaaltiel, Ph.D.(3)	1,559,176	2.0
Alfred Akirov(4)	6,186,046	8.1
Amos Bar-Shalev(5)		
Zeev Bronfeld(6)	14,466,319	18.9
Yodfat Harel Gross		
Roger D. Kornberg, Ph.D.(7)	18,750	*
Eyal Sheratzky		
Einat Brill Almon, Ph.D.(8)	343,965	*
Yossi Maimon(9)	285,048	*
All executive officers and directors as a group (11 persons)(10)	30,664,734	37.2

5% Holders

Biocell Ltd.(11)	14,466,319	18.9
Pontifax G.P. Ltd.(12)	6,270,949	8.0
Marathon Investments Ltd.(13)	5,143,906	6.7
Techno-Rov Holdings (1993) Ltd.(14)	6,186,046	8.1
Frost Gamma Investment Trust(15)	7,610,167	9.9

* less than 1%.

- (1) Consists of 3,043,112 shares of our common stock held by Pontifax (Cayman) L.P., 1,400,710 of which shares are owned of record and 1,642,402 of which shares are issuable upon exercise of

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options that are exercisable within 60 days of September 15, 2009, and 3,227,837 shares of our common stock held by Pontifax (Israel) L.P., 1,485,737 of which shares are owned of record and 1,742,100 of which shares are issuable upon exercise of options that are exercisable within 60 days of September 15, 2009. Pontifax (Cayman) L.P. and Pontifax (Israel) L.P. are governed by Pontifax Management L.P. Pontifax G.P. Ltd. is the general partner of Pontifax Management L.P. Pontifax G.P. Ltd.'s investment and voting decisions are made collectively by its Board of Directors. Mr. Hurvitz is the chairman of Pontifax G.P. Ltd.

- (2) Consists of 1,534,481 shares of our common stock issuable upon exercise of outstanding options within 60 days of September 15, 2009. Does not include 716,573 shares of common stock issuable upon exercise of outstanding options that are not exercisable within 60 days of September 15, 2009.
- (3) Consists of 195,422 shares of our common stock issuable upon exercise of outstanding options within 60 days of September 15, 2009. Does not include 240,468 shares of common stock issuable upon exercise of outstanding options that are not exercisable within 60 days of September 15, 2009.
- (4) Consists of 6,186,046 shares of our common stock held by Techno-Rov Holdings (1993) Ltd. Mr. Akirov is the chief executive officer of Techno-Rov Holdings and has the power to control its investment decisions.
- (5) Mr. Bar-Shalev is the manager of Techno-Rov Holdings.
- (6) Consists of 14,466,319 shares of our common stock held by Biocell Ltd. Mr. Bronfeld is a director and chief executive officer of Biocell. Mr. Bronfeld disclaims beneficial ownership of these shares.
- (7) Consists of 18,750 shares of our common stock issuable upon exercise of outstanding options within 60 days of September 15, 2009. Does not include 31,250 shares of common stock issuable upon exercise of outstanding options that are not exercisable within 60 days of September 15, 2009.
- (8) Consists of 343,965 shares of our common stock issuable upon exercise of outstanding options within 60 days of September 15, 2009. Does not include 348,109 shares of common stock issuable upon exercise of outstanding options that are not exercisable within 60 days of September 15, 2009.
- (9) Consists of 285,048 shares of our common stock issuable upon exercise of options within 60 days of September 15, 2009. Does not include 331,383 shares of common stock issuable upon exercise of outstanding options that are not exercisable within 60 days of September 15, 2009.
- (10) Consists of 5,762,168 shares of our common stock issuable upon exercise of options within 60 days of September 15, 2009. Does not include 1,667,783 shares of common stock issuable upon exercise of outstanding options that are not exercisable within 60 days of September 15, 2009.
- (11) The address is Moshe Aviv Tower, 7 Jabotinsky Street, Ramat Gan, Israel. Biocell Ltd.'s investment and voting decisions are made collectively by its Board of Directors.
- (12) The address of Pontifax (Israel) L.P. and Pontifax (Cayman) L.P. is 8 Hamenofim Street, Herzliya Pituach 46725, Israel. Consists of 3,043,112 shares of our common stock held by Pontifax (Cayman) L.P., 1,400,710 of which shares are owned of record and 1,642,402 of which shares are issuable upon exercise of options that are exercisable within 60 days of September 15, 2009, and 3,227,837 shares of our common stock held by Pontifax (Israel) L.P., 1,485,737 of which shares are owned of record and 1,742,100 of which shares are issuable upon exercise of options that are exercisable within 60 days of September 15, 2009. Pontifax (Cayman) L.P. and Pontifax (Israel) L.P. are governed by Pontifax Management L.P. Pontifax G.P. Ltd. is the general partner of

Pontifax Management L.P. Pontifax G.P. Ltd. s investment and voting decisions are made collectively by its Board of Directors.

- (13) The address is 7 Hanagar Street, Holon, Israel. Marathon Investments Ltd. s investment and voting decisions are made collectively by its board of directors. The holdings of Marathon

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Investments described herein are based solely on information supplied to us by or on behalf of Marathon Investments.

- (14) The address is Alrov Tower, 46 Rothschild Blvd., Tel Aviv, Israel. Mr. Akirov is the chief executive officer of Techno-Rov Holdings and Mr. Bar-Shalev is the manager of Techno-Rov Holdings. Mr. Akirov has the power to control the investment decisions of Techno-Rov Holdings.
- (15) The address is 4400 Biscayne Blvd., Miami, Florida 33137. Frost Gamma, L.P. is the sole and exclusive beneficiary of Frost Gamma Investments Trust. Dr. Phillip Frost is the sole limited partner of Frost Gamma, L.P. The general partner of Frost Gamma, L.P. is Frost Gamma, Inc. and the sole shareholder of Frost Gamma, Inc. is Frost-Nevada Corporation. Dr. Frost is also the sole shareholder of Frost-Nevada Corporation. The holdings of Frost Gamma Investment Trust described herein are based solely on information supplied to us by or on behalf of the shareholder and on Form 4s and other public documents filed with the SEC.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our common stock to file with the SEC reports regarding their ownership and changes in ownership of our equity securities. Dr. Aviezer, Dr. Shaaltiel, Dr. Almon and Mr. Maimon each filed a late Form 4 in connection with the grant of options in February 2008. Each of Mr. Bar-Shalev, Mr. Akirov and Dr. Kornberg each filed a late Form 3 in connection with their becoming directors of our company in 2008. Last, Dr. Kornberg filed a late Form 4 in connection with the options granted to him in 2008. Otherwise, we believe that all Section 16 filings requirements were met during 2008. In making this statement, we have relied solely upon examination of the copies of Form 3s, 4s and 5s provided to us and the written representations of our former and current directors, officers and 10% shareholders.

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At the annual meeting, our shareholders will be asked to elect nine directors for a one-year term expiring at the next annual meeting of shareholders. Each director will hold office until his or her successor has been elected and qualified or until the director's earlier resignation or removal.

Our Board of Directors recommends that the persons named below be elected as directors of our company and it is intended that the accompanying proxy will be voted for their election as directors, unless the proxy contains contrary instructions. Shares of common stock represented by all proxies received by the Board of Directors and not so marked as to withhold authority to vote for any individual nominee or for all nominees will be voted (unless one or more nominees are unable to serve) for the election of the nominees named below. The Board of Directors knows of no reason why any such nominee should be unable or unwilling to serve, but if such should be the case, proxies will be voted for the election of some other person or the size of the Board of Directors will be fixed at a lower number.

Each of the nominees currently serves as a member of our Board of Directors. The directors are elected by a plurality of the votes cast by the shareholders present or represented by proxy and entitled to vote at the annual meeting.

Nominees for Election to the Board of Directors

The names of the nominees for election to the Board of Directors and certain information about such nominees are set forth below. For information concerning the number of shares of common stock beneficially owned by each nominee, see "Security Ownership of Certain Beneficial Owners and Management" above.

Name	Age	Position
Eli Hurvitz	77	Chairman of the Board
David Aviezer, Ph.D., MBA	44	Director, President and Chief Executive Officer
Yoseph Shaaltiel, Ph.D.	56	Director and Executive VP, Research and Development
Alfred Akirov	68	Director
Amos Bar-Shalev	56	Director
Zeev Bronfeld	58	Director
Yodfat Harel Gross	37	Director
Roger D. Kornberg, Ph.D.	62	Director
Eyal Sheratzky	40	Director

Eli Hurvitz. Mr. Hurvitz serves as Chairman of our Board of Directors and has served as a director of Protalix Ltd. since 2005 and as our director since December 31, 2006. Mr. Hurvitz has served as Chairman of the Board of Teva since April 2002. Previously, he served as Teva's President and Chief Executive Officer for over 25 years and has been employed at Teva in various capacities for over 40 years. He serves as Chairman of the Board of The Israel Democracy Institute (IDI), Chairman of the Board of NeuroSurvival Technologies Ltd. (a private company) and a director of Vishay Intertechnology. He served as Chairman of the Israel Export Institute from 1974 through 1977 and as the President of the Israel Manufacturers Association from 1981 through 1986. He served as Chairman of the Board of Bank Leumi Ltd. from 1986 through 1987. He was a director of Koor Industries Ltd. from 1997 through 2004 and a member of the Belfer Center for Science and International Affairs at the John F. Kennedy School of Government at Harvard University from 2002 through 2005. He received his B.A. in Economics and Business Administration from the Hebrew University of Jerusalem in 1957.

David Aviezer, Ph.D., MBA. Dr. Aviezer has served as Chief Executive Officer of Protalix Ltd. since 2002 and its director since 2005 and as our director since December 31, 2006. On December 31, 2006,

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he became our President and Chief Executive Officer. Dr. Aviezer has over a decade of experience in biotechnology management, advancing products from early-stage research up to their regulatory approval and commercialization. Prior to joining Protalix Ltd., from 1996 to 2002, he served as General Manager of ProChon Biotech Ltd., an Israeli company focused on orthopedic disorders. Previously, Dr. Aviezer was a visiting scientist at the Medical Research Division of American Cyanamid, a subsidiary of Wyeth (NYSE:WEY), in New York. Since 1996, Dr. Aviezer has served as an Adjunct Lecturer at Bar Ilan University. Dr. Aviezer is the recipient of the Clore Foundation Award and the J.F. Kennedy Scientific Award. He holds a Ph.D. in Molecular Biology and Biochemistry from the Weizmann Institute of Science and an M.B.A. from the Bar Ilan University Business School.

Yoseph Shaaltiel, Ph.D. Dr. Shaaltiel founded Protalix Ltd. in 1993 and has served as a member of our Board of Directors and as our Vice President, Research and Development since December 31, 2006. Prior to establishing Protalix Ltd., from 1988 to 1993, Dr. Shaaltiel was a Research Associate at the MIGAL Technological Center. He also served as Deputy Head of the Biology Department of the Biological and Chemical Center of the Israeli Defense Forces and as a Biochemist at Makor Chemicals Ltd. Dr. Shaaltiel was a Postdoctoral Fellow at the University of California at Berkeley and at Rutgers University in New Jersey. He has co-authored over 40 articles and abstracts on plant biochemistry and holds seven patents. Dr. Shaaltiel received his Ph.D. in Plant Biochemistry from the Weizmann Institute of Science, an M.Sc. in Biochemistry from the Hebrew University and a B.Sc. in Biology from the Ben Gurion University.

Alfred Akirov. Mr. Akirov has served as our director since January 2008. Mr. Akirov is the founder, chairman of the Board of Directors and chief executive officer of the Alrov Group (TASE: ALRO), an Israeli publicly-traded company that is listed on the Tel Aviv Stock Exchange. Mr. Akirov founded the Alrov Group in 1978 and it is currently one of Israel's largest real-estate companies. The Alrov Group holds 80% of the capital stock of Techno-Rov Holdings, one of our shareholders. Mr. Akirov serves in different capacities, including chairman, chief executive officer and director, for a number of private companies in the Alrov Group and Techno-Rov portfolios. Mr. Akirov serves on the Executive Council and the Board of Governors of the Tel Aviv University.

Amos Bar-Shalev. Mr. Bar-Shalev has served as our director since July 2008. Mr. Bar-Shalev served as a director of Protalix Ltd. from 2005 through January 31, 2008, and as our director from December 31, 2006 through January 31, 2008. Mr. Bar-Shalev was not nominated for reelection at our annual meeting of shareholders on January 31, 2008. On July 14, 2008, our Board of Directors reappointed Mr. Bar-Shalev to our board of directors. Mr. Bar-Shalev brings to us extensive experience in managing technology companies. Currently, Mr. Bar-Shalev manages the Techno-Rov portfolio. Until 2004, he was the Managing Director of TDA Capital Partners, a management company of the TGF (Templeton Tadiran) Fund. Prior to that, from 2004 through 2007, he was the President of Win Buyer Ltd. From 2000 through 2007, Mr. Bar-Shalev served the Director of Techno-Rov Holdings (1993) Ltd. and from 2004 through 2007 he served as the Director of Golden Wings Investment Company Ltd. He has served on the board of directors of many companies, such as Golden Wings Investment Company Ltd., Win Buyer Ltd. and Sun Light. He received his B.Sc. in Electrical Engineering from the Technion, Israel in 1978 and M.B.A. from the Tel Aviv University in 1981. He holds the highest award from the Israeli Air Force for technological achievements.

Zeev Bronfeld. Mr. Bronfeld has served as a director of Protalix Ltd. since 1996 and as our director since December 31, 2006. Mr. Bronfeld brings to us vast experience in management and value building of biotechnology companies. Mr. Bronfeld is an experienced businessman who is involved in a number of biotechnology companies. He is a co-founder of Biocell Ltd., an Israeli publicly traded holding company specializing in biotechnology companies and has served as its Chief Executive Officer since 1986. Mr. Bronfeld currently serves as a director of Biocell Ltd., D. Medical Industries Ltd., and Biomedix Incubator Ltd., all of which are public companies traded on the Tel Aviv Stock Exchange. Mr. Bronfeld is also a director of each of the following privately-held companies: Meitav Technological Incubator Ltd., Ecocycle Israel Ltd., Contipi Ltd., Nilimedix Ltd., G-Sense Ltd., Sindolor Medical Ltd., L.N. Innovative Technologies, A.T.I Ashkelon Industries Information Technologies Ltd., T.I.F. Ventures

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Ltd., MOFET B Yehuda Industrial Research & Development in Judea Ltd., Incubator for Management of Technological Entrepreneurship Misgav Ltd., A.Y.M.B. Holdings and Investments Ltd., Macrocare Ltd., Medx-set Ltd., Braintact Ltd., Active P Ltd., and Angio B Ltd. Mr. Bronfeld received a B.A. in Economics from the Hebrew University in 1975.

Yodfat Harel Gross. Ms. Harel Gross has served as our director since June 2007. Since 2006, Ms. Harel Gross has been a Managing Director of Tamares Capital Ltd., a private investment group with interests in real estate, technology, manufacturing, leisure and media. At Tamares Capital, Ms. Harel Gross serves as the Business Development Director and the head of the Israel office. Prior to joining Tamares Capital, from 2004 to 2006, she was the Head of the Medical Desk of Orbotech, Ltd., a company providing high-tech inspection and imaging solutions for bare printed circuit board (PCB), flat panel display (FPD) and PCB assembly manufacturing worldwide. Prior to that, from 1994 to 2003, she was a Managing Director of Harel-Hertz Investment House Ltd., a business investment company with offices in Tel Aviv, Israel, and Tokyo, Japan. In 2002, Harel-Hertz Investment House became the Israeli representative office for ITX Corporation, a publicly-traded company in Japan. Ms. Harel Gross currently serves on the board of directors of Tamares Capital, Tamares Hotels, Tamares Real Estate, Storewiz and Halman-Aldubi Provident Funds, Ltd. Ms. Harel Gross holds a B.A. in Communication and Political Science from Bar Ilan University and an executive M.B.A. from Bradford University, Great Britain. She has also completed programs in Directors Studies and Advanced Advertising and Marketing at the Israel Management Center.

Roger D. Kornberg, Ph.D. Professor Kornberg has served as our director since February 2008. He has served as a director of Teva since 2007. Professor Kornberg is a member of the U.S. National Academy of Sciences and the Winzer Professor of Medicine in the Department of Structural Biology at Stanford University, Stanford, California. He has been a member of the faculty of Stanford University since 1972. Prior to that, he was a professor at Harvard Medical School. In 2006, Professor Kornberg was awarded the Nobel Prize in Chemistry in recognition for his studies of the molecular basis of eukaryotic transcription, the process by which DNA is copied to RNA. Professor Kornberg is also the recipient of several awards, including the 2001 Welch Prize, the highest award granted in the field of chemistry in the United States, and the 2002 Leopold Mayer Prize, the highest award granted in the field of biomedical sciences from the French Academy of Sciences. He received his B.S. in Chemistry from Harvard University in 1967 and his Ph.D. in Chemistry from Stanford University in 1972. He holds honorary degrees from universities in Europe and Israel, including the Hebrew University in Jerusalem, where he currently is a visiting professor.

Eyal Sheratzky. Mr. Sheratzky has served as a director of Protalix Ltd. since 2005 and as our director since December 31, 2006. Mr. Sheratzky has served as a director of Ituran Location & Control, a publicly-traded company quoted on the Nasdaq, since 1995 and as a co-chief executive officer since 2003. Prior to such date, he served as an alternate chief executive officer of Ituran from 2002 through 2003 and as Vice President of Business Development from 1999 through 2002. Mr. Sheratzky is the Chairman of the board of directors of Biocell and serves as a director of Moked Ituran Ltd. and of Ituran's subsidiaries. From 1994 to 1999 he served as the chief executive officer of Moked Services, Information and Investments Ltd. and as legal advisor to several of Ituran's affiliated companies. Mr. Sheratzky holds LL.B and LL.M degrees from Tel Aviv University School of Law and an Executive M.B.A. degree from Kellogg University.

Independent Directors

We believe a majority of the members of our Board of Directors are independent from management. When making determinations from time to time regarding independence, the Board of Directors will reference the listing standards adopted by the NYSE Amex as well as the independence standards set forth in the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated by the SEC under that Act. In particular, our Audit Committee periodically evaluates and reports to the Board of Directors on the independence of each member of the Board of Directors. We

anticipate our audit

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committee will analyze whether a director is independent by evaluating, among other factors, the following:

Whether the member of the Board of Directors has any material relationship with us, either directly, or as a partner, shareholder or officer of an organization that has a relationship with us;

Whether the member of the Board of Directors is a current employee of our company or of our subsidiaries or was an employee of our company or our subsidiaries within three years preceding the date of determination;

Whether the member of the Board of Directors is, or in the three years preceding the date of determination has been, affiliated with or employed by (i) a present internal or external auditor of our company or any affiliate of such auditor or (ii) any former internal or external auditor of our company or any affiliate of such auditor, which performed services for us within three years preceding the date of determination;

Whether the member of the Board of Directors is, or in the three years preceding the date of determination has been, part of an interlocking directorate, in which any of our executive officers serve on the Compensation Committee of another company that concurrently employs the member as an executive officer;

Whether the member of the Board of Directors receives any compensation from us, other than fees or compensation for service as a member of the Board of Directors and any committee of the Board of Directors and reimbursement for reasonable expenses incurred in connection with such service and for reasonable educational expenses associated with Board of Directors or committee membership matters;

Whether an immediate family member of the member of the Board of Directors is a current executive officer of our company or was an executive officer of our company within three years preceding the date of determination;

Whether an immediate family member of the member of the Board of Directors is, or in the three years preceding the date of determination has been, affiliated with or employed in a professional capacity by (i) a present internal or external auditor of ours or any of our affiliates or (ii) any former internal or external auditor of our company or any affiliate of ours which performed services for us within three years preceding the date of determination; and

Whether an immediate family member of the member of the Board of Directors is, or in the three years preceding the date of determination has been, part of an interlocking directorate, in which any of our executive officers serve on the Compensation Committee of another company that concurrently employs the immediate family member of the member of the Board of Directors as an executive officer.

The above list is not exhaustive and we anticipate that the Audit Committee will consider all other factors which could assist it in its determination that a director will have no material relationship with us that could compromise that director's independence.

Under these standards, our Board of Directors has determined that Messrs. Akirov, Bar-Shalev, Bronfeld and Sheratzky, Ms. Harel Gross and Dr. Kornberg are independent pursuant to the rules of the NYSE Amex. Our Board of Directors has also determined that, for purposes of membership on the Audit Committee, Messrs. Bar-Shalev and Akirov, and Ms. Harel Gross are considered independent pursuant to the rules of the NYSE Amex and Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended. In addition, our Board of Directors has determined that at least two of these directors are able to read and understand fundamental financial statements and

have substantial business experience that results in their financial sophistication.

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Board and Committee Meetings

Our Board of Directors has an Audit Committee, a Compensation Committee and a Nominating Committee. The following indicates the members of each committee and provides a description of the committees' primary functions:

Audit Committee

We require that all Audit Committee members possess the required level of financial literacy and at least one member of the Audit Committee meet the current standard of requisite financial management expertise as required by the NYSE Amex and applicable rules and regulations of the SEC. Messrs. Bar-Shalev and Akirov, and Ms. Harel Gross have been appointed by the Board of Directors to serve on the Audit Committee until their re