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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): September 7, 2010 (August 29, 2010)

Protalix BioTherapeutics, Inc.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

001-33357
(Commission File Number)

65-0643773
(IRS Employer
Identification No.)

2 Sunit Street
Science Park, POB 455
Carmiel, Israel
(Address of principal executive offices)

20100
(Zip Code)

Registrant's telephone number, including area code +972-4-988-9488

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On August 29, 2010, Protalix Ltd. (“Protalix”), a wholly-owned subsidiary of Protalix BioTherapeutics, Inc. (the “Company”), entered into an employment agreement with Tzvi Palash (the “Employment Agreement”), pursuant to which Mr. Palash will serve as the Company’s Chief Operating Officer. A description of the Employment Agreement is contained in Item 5.02 below, which is incorporated by reference into this Item 1.01.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Protalix appointed Mr. Palash as its Chief Operating Officer, effective September 6, 2010. Pursuant to the Employment Agreement, Mr. Palash’s current monthly base salary is NIS 69,000 (approximately \$18,000) and he is entitled to an annual discretionary bonus for performance subject to the sole discretion of the Company’s compensation committee. The monthly salary is subject to cost of living adjustments from time to time as may be required by law. The Board of Directors also approved a grant of options to purchase 160,000 shares of the Company’s common stock at an exercise price equal to \$7.55 per share. The first 25% of such options shall vest on the first anniversary of the grant date and the remainder shall vest quarterly in 12 equal increments. The Employment Agreement is terminable by either party on 60 days’ written notice for any reason and we may terminate the agreement for cause without notice. Mr. Palash is entitled to be insured by Protalix under a Manager’s Policy in lieu of severance, company contributions towards vocational studies, annual recreational allowances, a company car, a company phone, a company laptop and lodging accommodations in the Carmiel area. Mr. Palash is entitled to 24 working days of vacation.

Prior to joining Protalix, Mr. Palash, 54, from 2006 through 2010, served as a General Manager of ColBar LifeScience Ltd., a biotechnology company specializing in reconstructive medicine and tissue engineering that was acquired by a division of Johnson & Johnson in 2006. In that position, Mr. Palash served as a member of the Global Aesthetic Management Team at the Consumer Group of Johnson & Johnson. Prior to that, from 2001 through 2006, Mr. Palash served as the Vice President, Operations of ColBar LifeScience. Mr. Palash holds an M.Sc. in Biochemistry from the Hebrew University, Jerusalem, Israel, and a B.Sc. in Biology from the Tel Aviv University, Israel.

Item 8.01. Other Events

On September 7, 2010, the Company issued a press release announcing the hiring of Mr. Palash. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

10.1 Employment Agreement by and between Protalix Ltd., and Tzvi Palash dated as of August 29, 2010.

99.1 Press release dated September 7, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PROTALIX BIOTHERAPEUTICS, INC.

Date: September 7, 2010

By: /s/ David Aviezer
Name: David Aviezer, Ph.D.
Title: President and
Chief Executive Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "**Agreement**") is made as of August 29, 2010, by and between Protalix Ltd., a company organized under the laws of the State of Israel (the "**Company**") and Mr. Tzvi Palash, Israel Identification No. 54319249 (the "**Employee**") (each of the Company and Employee shall be referred to herein, as a "**Party**" and collectively, the "**Parties**").

WHEREAS, the Company is engaged, inter alia, in the research and development of proteins and expression thereof in plant cells cultures; and

WHEREAS, the Company desires to employ the Employee in the position of Company's Chief Operating Officer ("**COO**") and the Employee desires to be employed by the Company in such position, on the terms and conditions hereinafter set forth;

NOW, THEREFORE, based on the representations contained herein and in consideration of the mutual promises and covenants set forth herein, the Parties agree as follows:

1. Employment

- 1.1. Commencing as of the Effective Date, the Company shall employ the Employee in the position of COO, reporting to the Chief Executive Officer of the Company ("**CEO**"). The Employee will serve as part of the executive management team of the Company.
- 1.2. The Employee's duties and responsibilities shall be those duties and responsibilities customarily performed by a COO of a company, as may be determined from time to time by the CEO. These will include, inter alia, the following:
 - Supervision over manufacturing;
 - Set up, construction and operation of new and current facilities and improvement of current facilities;
 - Supervision over Engineering and maintenance;
 - Supervision over Information Technology and administration housekeeping;
 - The VP QA will have a dotted line relationship with the COO and will report directly to CEO and
 - Implementing GMP in manufacturing to ensure regulatory compliance.

The Employee shall be employed on a full-time basis. The Employee shall devote his full and undivided attention and full working time to the business and affairs of the Company and the fulfillment of his duties and responsibilities under this Agreement.

During the term of this Agreement the Employee shall not be engaged in any other employment nor engage in any other business activity or render any services, with or without compensation, for any other person or entity. Notwithstanding, subject to the prior written approval

of the CEO, the Employee may render consulting services (the “**Consulting Services**”), with or without compensation, for any other person or entity, provided however, that: (i) the time expended in connection with the Consulting Services is limited; (ii) the person or entity receiving such Consulting Services does not directly or indirectly compete with the business of the Company, as conducted or proposed to be conducted; (iii) there is no conflict of interests between the performance of the Consulting Services and the services performed pursuant to this Agreement; and (iv) that such engagement does not interfere or otherwise affect the performance of services pursuant to this Agreement.

The Employee shall notify the Company immediately of any event or circumstance which may hinder the performance of his obligations hereunder or result in the Employee having a conflict of interest with his position with the Company. In addition, if such conflict or interference arises in connection with the Consulting Services, then the Employee undertakes to immediately terminate such Consulting Services.

- 1.3. The Employee acknowledges that the Company’s facilities are located in Carmiel and that he will be required to attend such facilities. Employee further acknowledges and agrees that the performance of his duties hereunder may require significant domestic and international travel at the Company’s request. International travel shall be made in accordance with Company’s policy.
 - 1.4. It is agreed between the Parties that the position that Employee holds within the Company is a management position, which demands a special level of loyalty and accordingly the Work Hours and Rest Law (1951) shall not apply to Employee’s employment by the Company and this Agreement. The Employee further acknowledges and agrees that his duties and responsibilities may entail irregular work hours, for which he is adequately rewarded by the compensations provided for in this Agreement. The Parties confirm that this is a personal services contract and that the relationship between the Parties shall not be subject to any general or special collective bargaining agreement or any custom or practice of the Company in respect of any of its other employees or contractors.
 - 1.5. Without derogating from anything in this Agreement, the Employee further acknowledges that he has been provided with a copy of the policies adopted by the Parent Company titled: “Code of Business Conduct and Ethics”, “Insider Trading Policy” and “Pre-clearance and Blackout Policy”, and undertakes to comply and perform his duties and obligations hereunder in accordance with the provision of such policies.
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1.6. The Employee agrees that the execution and delivery by the Employee of this Agreement and the fulfillment of the terms hereof (i) does not conflict with any agreement or undertaking by which the Employee is bound, including an undertaking to any former employer; and (ii) do not require the consent of any person or entity. The Employee further represents and warrants to the Company that in the course of his employment hereunder he will not make use of (i) any confidential or proprietary information belonging to any third party, or (ii) any information to which the Employee is restricted from disclosing or using due to contractual undertakings (such as Non Disclosure Agreements) or by law, in the provision of the services herein.

2. **Salary and Employee Benefits**

In full consideration of Employee's employment with the Company, commencing as of the Effective Date, the Employee shall be entitled to the following payments and benefits, it being understood and agreed that any Salary-based benefits shall be calculated exclusively on the basis of the base Salary (without consideration to any other benefit). All and any payment and benefit herein have received the required approval by the Company, including but not limited to the approval by the compensation committee of Protalix BioTherapeutics Inc., the parent company of the Company (the "**Parent Company**"):

2.1. **Salary**. The Company shall pay the Employee a gross salary of NIS 69,000 per month (the "**Salary**"). The Salary will be adjusted from time to time in accordance with the Cost of Living Index ("Tosefet Yoker") as may be required by law. The Salary shall be payable monthly in arrears, and shall be paid to the Employee not later than the 10th of each month. The Salary payable hereunder will be reviewed annually by the compensation committee of the Parent Company during the term of this Agreement. Notwithstanding, such review shall initially take place at the end of 2011.

2.2. **Annual Bonus**.

At the end of each year the Employee may be entitled to an annual bonus for his achievements and performance during the respective year. The grant of the bonus and the bonus amount shall be at the sole discretion of the Parent Company's compensation committee and the recommendation of the CEO, however, no assurance is made that any bonus shall be granted. It is customary that the Company grants executive employees a bonus in an amount of a multiple of the respective monthly salary payment. The exact bonus amount in each year shall be determined by the Company based on: (i) the Employee's contribution, measured according to Employee's performance, dedication, efforts and time spent; and (ii) the financial resources of the Company at such time.

- 2.3. Option. Employee shall be entitled to an option (the “**Option**”) to purchase 160,000 shares of common stock, par value US\$0.001 per share of the Parent Company (“**Shares**”). The grant of the Option is subject to the approval and the sole and absolute discretion of the Parent Company’s Compensation Committee or its Board of Directors (the “**Administrator**”). The Option shall be granted under the Parent Company’s 2006 Stock Option Plan (the “**Plan**”), and shall be further subject to the following additional terms and conditions:
- 2.3.1. vesting over a period of four (4) years as follows: one fourth of the Option shall vest upon the lapse of one year from the date of grant of the Option (the “**Initial Vesting Date**”). The remainder of the Option shall vest on a quarterly basis in twelve equal installments, commencing on the Initial Vesting Date;
 - 2.3.2. a purchase price per Share to be determined by the Administrator (based on market value at the execution date of this Agreement); and
 - 2.3.3. the execution of the standard option agreement under the Plan.
 - 2.3.4. The Option shall be granted to Employee pursuant to Section 102 of the Tax Ordinance and the rules, regulations, orders and procedures promulgated hereunder.

It is the parties’ intention that following an increase of the number of shares reserved for allocation under the Plan or any new similar plan, the Administrator shall review the Employee’s request to be granted additional options. Nothing contained herein shall be deemed an undertaking that the number of shares reserved under the Plan shall be increased or that any further grant to the Employee shall take place.

- 2.4. Manager’s Insurance. The Company shall insure the Employee under a Manager’s Insurance Policy, including insurance in the event of illness or loss of capacity for work (the “**Policy**”), in accordance with the following terms or as otherwise agreed by the Parties. The Company shall pay a sum of up to an aggregate of 15.83% of the Salary towards the Policy, of which (i) 8.33% shall be on account of severance compensation, which shall be payable to the Employee upon severance, in accordance with the provisions of this Agreement; (ii) 5% of the Salary on account of pension fund payments; and (iii) up to 2.5% of the Salary on account of disability pension payments. The Company shall deduct 5% from the Salary to be paid on behalf of the Employee towards the Policy. The Employee may extend an existing policy or plan and incorporate it into the Policy, at his discretion or as otherwise agreed between the Parties.

The Company and the Employee agree and acknowledge that in the event the Company transfers ownership of the Policy or the right to receive such policy to the Employee, then such transfer shall be credited against any obligation that the Company may have to pay severance pay to the Employee pursuant to the Severance Pay Law — 1963 (the “**Severance Pay Law**”). Employee agrees that the payments

by the Company to the Policy in accordance with the terms hereof, shall be instead of any statutory obligation of the Company to pay severance pay to the Employee, and not in addition thereto, all in accordance with Section 14 of the Severance Pay Law. The Parties hereby adopt the General Approval of the Minister of Labor and Welfare, *on Employers' Payments to Pension Funds and Insurance Policies Instead of Severance Pay According to Section 14 of the Severance Pay Law*, attached hereto as **Exhibit A**.

The Company hereby waives its right to a refund of payments it made to the Policy, except: (i) in the event that Employee's right to severance pay was denied by a final judgment pursuant to Section 16 or 17 of the Severance Pay Law (in which case Company shall only be entitled to a refund of such funds to the extent that severance pay was denied); or (ii) in the event that the Employee withdrew monies from the Policy (other than by reason of an "Entitling Event", i.e. death, disability or retirement at or after the age of sixty (60)).

- 2.5. Vocational Studies. The Company shall open and maintain a "Keren Hishtalmut" Fund for the benefit of the Employee (the "**Fund**"). The Company shall contribute to such Fund an amount equal to 7-1/2% of the Salary and the Employee shall contribute to the Fund an amount equal to 2-1/2% of the Salary. The Employee hereby instructs the Company to transfer to the Fund Employee's contribution from the Salary. Upon termination of this Agreement by either Party, other than termination by the Company for Cause, the Company shall assign and transfer to the Employee the ownership in the Fund.
 - 2.6. Vacation. The Employee shall be entitled to annual paid vacation of 24 working days. Subject to applicable law, up to two (2) years' equivalent of vacation days may be accumulated and may, at the Employee's option, upon thirty (30) days' prior written notice to the Company, be converted into cash payments in an amount equal to the proportionate part of the Salary for such days.
Employee shall coordinate in advance with the CEO the dates of the vacation hereunder.
 - 2.7. Sick Leave. The Employee shall be entitled to fully paid sick leave pursuant to the Sick Pay Law (1976).
 - 2.8. Annual Recreation Allowance (Dme'i Havra'a). The Employee shall be entitled to annual recreation allowance according to applicable law.
 - 2.9. Company Car.
 - 2.9.1. The Company shall provide the Employee with a Company car (the "**Company Car**"), as determined by the CEO, at his discretion, which car shall be categorized "Group 4". The Company Car shall be placed with the Employee for his business and personal use. Employee shall take good care of the Company Car and ensure that the provisions of the insurance policy and the Company's rules relating to the Company Car are strictly, lawfully and carefully observed.
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- 2.9.2. Subject to applicable law, the Company shall bear all fixed and ongoing expenses relating to the Company Car and to the use and maintenance thereof, excluding expenses incurred in connection with any violations of law, which shall be paid solely by Employee. Employee shall bear any and all taxes applicable in connection with said Company Car and the use thereof, in accordance with applicable income tax regulations. Without derogating from the above, all such expenses borne by the Company pursuant to this Section 2.9.2 are included in the Salary.
- 2.9.3. Upon the termination of employment hereunder, the Employee shall return the Company Car (together with its keys and any other equipment supplied and/or installed therein by Company and any documents relating to the Company Car) to the Company's principal office. Employee shall have no rights of lien with respect to the Company Car and/or any of said equipment and documents.
- 2.10. Telephone. The Company shall furnish, for the use of the Employee, a cellular telephone (the "**Company Phone**"), and shall bear all the costs and expenses associated with the use of the Company Phone up to NIS 5,000 per month. The Company will bear the tax applicable to the use of the Company Phone by the Employee, according to applicable law. Without derogating from the above, all such costs, expenses and tax payments borne and payable by the Company pursuant to this Section 2.10 are included in the Salary. The provisions of Section 2.9.3 above shall apply to the Company Phone, *mutatis mutandis*.
- 2.11. Laptop. The Company shall furnish, for the use of the Employee, a Company's laptop (the "**Company Laptop**"). The Company will bear the tax applicable to the use of the Company Laptop by the Employee, according to applicable law, if any. Without derogating from the above, all such costs, expenses and tax payments borne and payable by the Company pursuant to this Section 2.11 are included in the Salary. The provisions of Section 2.9.3 above shall apply to the Company Laptop, *mutatis mutandis*.
- 2.12. Lodging. The Company shall bear Employee's lodging accommodation expenses in the Carmiel area, in accordance with Company's policy.
- 2.13. Certain Reimbursements. Unless stated otherwise, the Employee shall be entitled to full reimbursement from the Company for reasonable expenses incurred during the performance of his duties hereunder up to a limit of NIS 1,500 per month, upon submission of substantiating documents, according to the Company's policy. The reimbursement of any expenses in excess of the foregoing limit shall require the prior approval of the CEO.
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2.14. Taxes. The Employee will bear any tax applicable on the payment or grant of any of the above Salary and/or benefits, according to the then applicable law. The Company shall be entitled to and shall deduct and withhold from any amount or benefit payable to the Employee, any and all taxes, withholdings or other payments as required under any applicable law.

3. Confidentiality

3.1. The Employee hereby agrees that he shall not, directly or indirectly, disclose or use at any time any trade secrets or other confidential information of any type or nature, whether patentable or not, of the Company, its subsidiaries, affiliates or parent company now or hereafter existing, including but not limited to, any (i) processes, formulas, trade secrets, copyrights, innovations, inventions, discoveries, improvements, research or development and test results, specifications, data, patents, patent applications and know-how of any type or nature; (ii) marketing plans, business plans, strategies, forecasts, financial information, budgets, projections, product plans and pricing; (iii) personnel information, salary, and qualifications of employees; (iv) agreements, customer and supplier information, including identities and product sales forecasts; and (v) any other information of a confidential or proprietary nature (collectively, "**Confidential Information**"), of which the Employee is or becomes informed or aware during the employment, whether or not developed by the Employee, it being agreed that for purposes of this Section 3.1, the term Confidential Information shall not include information that has entered into the public domain through no wrongful act by Employee. Upon termination of this Agreement, or at any other time upon request of the Company, the Employee shall promptly deliver to the Company all physical and electronic copies and other embodiments of Confidential Information and all memoranda, notes, notebooks, records, reports, manuals, drawings, blueprints and any other documents or things belonging to the Company, and all copies thereof, in all cases, which are in the possession or under the control of the Employee.

3.2. Employee hereby acknowledges and that all Confidential Information and any other rights in connection therewith are and shall at all times remain the sole property of the Company.

4. Non-Competition and Non-Solicitation

4.1. The Employee agrees and undertakes that he will not, for so long as this Agreement is in effect and for a period of one (1) year thereafter (the "**Non-Competition Period**"), directly compete or to assist others to directly compete with the business of the Company, as currently conducted and as conducted and/or proposed to be conducted during the Non-Competition Period.

- 4.2. The Employee further agrees and undertakes that during the Non-Competition Period, he will not directly solicit any business which is similar to the Company's business from individuals or entities that are customers, suppliers or contractors of the Company, any of its subsidiaries, affiliates or parent company during the Non-Competition Period, without the prior written consent of the CEO.
- 4.3. The Employee further agrees and undertakes that during the Non-Competition Period, without the prior written consent of the CEO, he will not employ, offer to employ, or in any way directly or indirectly solicit or seek to obtain or achieve the employment by any business or entity of any person employed by either the Company, its subsidiaries, affiliates, parent company or any successors or assigns thereof during the Non-Competition Period.
- 4.4. The Parties hereto agree that the duration and area for which the covenants set forth in this Section 4 are to be effective are necessary to protect the legitimate interests of the Company and its development efforts and accordingly are reasonable, in terms of their geographical and temporal scope. In the event that any court determines that the time period and/or area are unreasonable and that such covenants are to that extent unenforceable, the Parties hereto agree that such covenants shall remain in full force and effect for the greatest period of time and in the greatest geographical area that would not render them unenforceable. A breach of Sections 3, 4 or 5 hereof, shall cause irreparable harm to the Company, its subsidiaries, affiliates and/or parent company and that the Company shall be entitled to any remedy available to it under applicable law, including specific performance of this Agreement or an injunction relief, together with the costs and reasonable attorney's fees and disbursements incurred by the Company in enforcing its rights under Sections 3, 4 or 5. The Employee acknowledges that the compensation and benefits he receives hereunder are paid, inter alia, as consideration for his undertakings contained in Sections 3, 4 and 5.

5. **Creations and Inventions**

- 5.1. The Company shall be the sole and exclusive owner of any Inventions (as defined below), and Employee hereby assigns to the Company any and all of his rights, title and interest in such intellectual property free and clear of any third parties rights. The Employee shall inform the Company of any Invention relating to the Company's technology, its applications components or any intellectual property relating thereto, and shall execute any necessary assignments, patent forms and the like and will assist in the drafting of any description or specification of the Invention as may be required for the Company's records and in connection with any application for patents or other forms of legal protection that may be sought by the Company. The Employee shall treat all information relating to any Invention as Confidential Information according to Section 3 above.
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- 5.2. Without limiting the foregoing, “**Inventions**” shall include any and all intellectual property, including without limitation, ideas, inventions, processes, formulas, source and object codes, data, programs, know how, improvements, discoveries, designs, techniques, trade secrets, patents and patents applications, copyrights, mask work and any other intellectual property rights throughout the world, generated, produced, reduced to practice, or developed by Employee during or in connection with his employment by the Company.
- 5.3. The Company’s rights under this Section 5 shall be worldwide, and shall apply to any such Invention notwithstanding that it is perfected or reduced to specific form after the Employee has ceased his services hereunder.

6. **Term and Termination.**

- 6.1. This Agreement shall be in effect commencing as of August 22, 2010 (the “**Effective Date**”) and shall continue in full force and effect for an undefined period, unless and until terminated by either Party by sixty (60) days prior written notice to the other Party. Such prior notice periods shall be referred to as the “**Notice Period**”, as applicable.
- 6.2. Notwithstanding anything to the contrary herein, and subject to any applicable law, the Company may terminate this Agreement in the event of the inability of the Employee to perform his duties hereunder, whether by reason of injury (mental or physical), illness or otherwise, incapacitating the Employee for a period exceeding 90 days.
- 6.3. Notwithstanding anything to the contrary herein, the Company may terminate this Agreement at any time, effective immediately and without need for prior written notice, and without derogating from any other remedy to which the Company may be entitled, for Cause.

For the purposes of this Agreement, the term “**Cause**” shall mean: (i) a material breach by Employee of this Agreement; (ii) any breach by Employee of his fiduciary duties or duties of care to the Company; (iii) Employee’s dishonesty or fraud or felonious conduct; (iv) Employee’s embezzlement of funds of the Company; (v) any conduct by Employee, alone or together with others, which is materially injurious to the Company, monetary or otherwise; (vi) Employee’s gross negligence or willful misconduct in performance of his duties and/or responsibilities hereunder; (vii) Employee’s disregard or insubordination of any lawful resolution and/or instruction of the CEO with respect to Employee’s duties and/or responsibilities towards the Company; (viii) the occurrence of an event or circumstance which may result in the Employee having a conflict of interest with his position with the Company, without Employee having notified the Company thereof, as provided herein; (ix) any breach by Employee of his confidentiality undertakings to the Company; or (x) any consequences which would entitle the Company to terminate Employee’s employment without severance payments under the Severance Pay Law.

- 6.4. During the Notice Period, the Employee shall cooperate with the Company and assist the integration into the Company's organization of the person or persons who will assume the Employee's responsibilities, pursuant to Company's instructions. At the option of the Company, the Employee shall, during such period, either continue with his duties or remain absent from the premises of the Company, subject to applicable law. At any time during the Notice Period, the Company may elect to terminate this Agreement and the relationship with the Employee immediately, provided, that Employee shall be entitled to all payments and other benefits due to him hereunder as he would have been entitled to receive for the remaining period of the Notice Period.
- 6.5. Upon termination of Employee's employment with the Company hereunder, for any reason whatsoever, the Company shall have no further obligation or liability towards the Employee in connection with his employment as aforesaid. The Company may set-off any outstanding amounts due to it by Employee against any payment due by the Company to the Employee, subject to applicable law. Without limiting the generality of the foregoing, in the event that Employee fails to comply with his prior notice or other obligations hereunder or under applicable law, the Company shall be entitled to set-off any amount to which Employee would have been entitled during the Notice Period, from any payment due by the Company to the Employee, all without prejudice to any other remedy to which the Company may be entitled pursuant to this Agreement or applicable law.
- 6.6. The provisions of Sections 2.9.3, last sentence of Section 2.10, last sentence of Section 2.11, Sections 3, 4, 5, 6.6, 6.7 and 8.4 and any provision of the policies specified in Section 1.5 that by its terms survives the termination of employment shall survive the termination or expiration of this Agreement for any reason whatsoever. The provisions of section 2.4 and Section 2.5 shall survive the termination of this Agreement subject to the terms set forth applicable to termination in the respective section.

7. **Notices.**

- 7.1. Any and all notices and communications in connection with this Agreement shall be in writing, addressed to the parties as follows:

If to the Company: **Protalix Ltd.**

2 Snunit Street, POB 455, Carmiel, 20100, Israel

If to the Employee: **Tzvi Palash**

Aharon Boxer 12/4, Ness Ziona, Israel

7.2. All notices shall be given by registered mail (postage prepaid), by facsimile or email or otherwise delivered by hand or by messenger to the Parties' respective addresses as above or such other address as may be designated by notice. Any notice sent in accordance with this Section 7 shall be deemed received upon the earlier of: (i) if sent by facsimile or email, upon transmission and electronic confirmation of transmission or (if transmitted and received on a non-business day) on the first business day following transmission and electronic confirmation of transmission, (ii) if sent by registered mail, upon 3 (three) days of mailing, (iii) if sent by messenger, upon delivery; and (iv) the actual receipt thereof.

8. **Miscellaneous.**

- 8.1. **Headings; Interpretation.** Section and Subsection headings contained herein are for reference and convenience purposes only and shall not in any way be used for the interpretation of this Agreement.
- 8.2. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matters hereof and cancels and supersedes all prior agreements, understandings and arrangements, oral or written, between the Parties with respect to such subject matters.
- 8.3. **Amendment; Waiver.** No provision of this Agreement may be modified or amended unless such modification or amendment is agreed to in writing and signed by the Employee and the Company. The observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) only with the written consent of the Party against which/whom such waiver is sought. No waiver by either Party at any time to act with respect to any breach or default by the other Party of, or compliance with, any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.
- 8.4. **Governing Law; Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Israel. Any dispute arising out of or relating to this Agreement shall be exclusively resolved by the competent court in Tel-Aviv Jaffa.
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- 8.5. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any part of this Agreement is determined to be invalid, illegal or unenforceable, such determination shall not affect the validity, legality or enforceability of any other part of this Agreement; and the remaining parts shall be enforced as if such invalid, illegal, or unenforceable part were not contained herein, provided, however, that in such event this Agreement shall be interpreted so as to give effect, to the greatest extent consistent with and permitted by applicable law, to the meaning and intention of the excluded provision as determined by such court of competent jurisdiction.
- 8.6. Assignment. Neither this Agreement or any of the Employee's rights, privileges, or obligations set forth in, arising under, or created by this Agreement may be assigned or transferred by the Employee without the prior consent in writing of the Company. The Company shall be entitled to assign its rights and obligations hereunder to any entity acquiring a material part of its assets or to a subsidiary, affiliate or parent company thereof (as such terms are defined in the Israeli Securities Law-1968).
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[Signature Page to Protalix Ltd. Employment Agreement]

IN WITNESS WHEREOF, the Parties hereto have executed this Employment Agreement as of the date first above-mentioned.

/s/ David Aviezer

PROTALIX LTD.

Date: 22/8/2010

By: David Aviezer

/s/ Tzvi Palash

TZVI PALASH

Date: 22/8/2010

Protalix BioTherapeutics Names Tzvi Palash Chief Operating Officer

CARMIEL, Israel, September 7, 2010 — Protalix BioTherapeutics, Inc. (NYSE-Amex: PLX) today announced the appointment of Mr. Tzvi Palash as the Company's Chief Operating Officer. In this newly created position, Mr. Palash will be responsible for overseeing the Company's manufacturing activities and implementing the expansion phase of the Company's facility as it transitions from a research and development organization to a fully-integrated biotechnology company.

Mr. Palash brings over 25 years of expertise in commercial operations in the healthcare industry to the Company, including experience in the planning, construction and scale-up of manufacturing facilities, product quality assurance (QA) and validation, regulatory compliance and general production oversight for biotechnology and pharmaceutical companies. Prior to joining the Company, he served as General Manager at ColBar LifeScience Ltd., a subsidiary of Johnson & Johnson, Plant Manager at C.T.S., (a drug manufacturing facility), QA manager at Teva Pharmaceutical Industries and Production Manager at Interpharm Laboratories, a subsidiary of Serono.

"Protalix is at an exciting stage in its evolution as it prepares for the anticipated launch of taliglucerase alfa for the treatment of Gaucher disease and advances its drug pipeline through clinical development. It is crucial that we continue to maintain the quality and supply of our product candidates as we embark on commercialization and continue to grow. We are delighted to have Tzvi join us, given his experience in manufacturing and commercial operations," said Dr. David Aviezer, the Company's President and Chief Executive Officer. "His knowledge and experience in product operations, particularly in biologics manufacturing, scale-up and quality assurance, is an important asset for Protalix."

As General Manager at ColBar LifeScience, he was responsible for overseeing all operations, including product development and manufacturing for the Company's Collagen based Glymatrix technology. He successfully led FDA audits for Evolence® and Ossix®, and was a member of the Global Aesthetic Management Team within the Consumer Group of Johnson & Johnson. At ColBar LifeScience, Mr. Palash led the planning, construction, scale-up and regulatory oversight of their manufacturing facility. Prior to joining ColBar LifeScience in 2001, Mr. Palash has, amongst other roles, led the planning and construction of a pharmaceutical manufacturing facility for C.T.S. and was involved in the construction and scale up of a recombinant interferon plant for Interpharm Laboratories, where he was Production Manager for human fibroblast interferon production.

Mr. Palash received a B.Sc. in Biology from the Tel Aviv University and a M.Sc. in Biochemistry from the Hebrew University, Jerusalem.

About Protalix

Protalix is a biopharmaceutical company focused on the development and commercialization of recombinant therapeutic proteins expressed through its proprietary plant cell based expression system. Protalix's ProCellEx™ presents a proprietary method for the expression of recombinant proteins that Protalix believes will allow for the cost-effective, industrial-scale production of recombinant therapeutic proteins in an environment free of mammalian components and viruses. Protalix is also advancing additional recombinant biopharmaceutical drug development programs. Taliglucerase alfa is an enzyme replacement therapy in development under a Special Protocol Assessment with the FDA for Gaucher

disease. The Company's new drug application (NDA) for taliglucerase alfa has been accepted by the U.S. Food and Drug Administration (FDA) and granted a Prescription Drug User Fee Act (PDUFA) action date of February 25, 2011.

Safe Harbor Statement

To the extent that statements in this press release are not strictly historical, all such statements are forward-looking, and are made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual future experience and results to differ materially from the statements made. These statements are based on our current beliefs and expectations as to such future outcomes. Drug discovery and development involve a high degree of risk. Factors that might cause material differences include, among others, risks relating to: the successful preclinical development of our product candidates; the completion of our clinical trials; the review process of the FDA, the EMEA, other foreign regulatory bodies and other governmental regulatory bodies, including the FDA's and the EMEA's review of any filings we make in connection with the treatment protocol for taliglucerase alfa and including the risk that regulatory authorities may find that the data from our clinical trials and other studies is insufficient for regulatory approval; delays in the FDA's, the EMEA's or other health regulatory authorities' approval of any applications we file or refusals to approve such filings, including the NDA we filed with the FDA for taliglucerase alfa for the treatment of Gaucher disease; refusals by such regulatory authorities to approve the marketing and sale of a drug product even after acceptance of an application we file for any such drug product; and other factors described in our filings with the Securities and Exchange Commission. Companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced or late-stage clinical trials, even after obtaining promising earlier trial results or in preliminary findings for such clinical trials. Further, even if favorable testing data is generated by clinical trials of drug products, the FDA, EMEA or any other foreign regulatory authority may not accept or approve an NDA filed by a pharmaceutical or biotechnology company for such drug product. Failure to obtain approval from the FDA, EMEA or any other foreign regulatory authority of any of our drug candidates in a timely manner, if at all, will severely undermine our business and results of operations by reducing our potential marketable products and our ability to generate corresponding product revenues. The statements in this release are valid only as of the date hereof and we disclaim any obligation to update this information.

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