

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

FORM S-8

REGISTRATION STATEMENT UNDER  
THE SECURITIES ACT OF 1933

AMDOCS LIMITED  
(Exact name of registrant as specified in its charter)

Island of Guernsey Not Applicable  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

Suite 5, Tower Hill House Le Bordage  
St. Peter Port, Island of Guernsey, GY1 3QT Channel Islands  
(Address of registrant's principal executive offices)

Sig Value Technologies, Inc. 2003 Israeli Stock Option Plan  
(Full Title of the Plan)

Amdocs, Inc.  
1390 Timberlake Manor Parkway, Chesterfield, Missouri 63017  
Attention: Thomas G. O'Brien, Treasurer  
(Name and address of agent for service)

(314) 212-8328  
(Telephone Number, Including Area Code, of Agent For Service)

The commission is requested to send copies of all communications to:

Robert A. Schwed, Esq.  
Wilmer Cutler Pickering Hale and Dorr LLP  
399 Park Avenue  
New York, New York 10022  
(212) 937-7200

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Ordinary Shares, (pound)0.01 par value...	48,218 Ordinary Shares	\$0.876 (2)	\$42,239 (2)	\$5

(1) Consists of (i) 48,218 Ordinary Shares, par value(pound)0.01, of Amdocs Limited (the "Registrant") issuable under the SigValue Technologies Inc. ("SigValue") 2003 Israeli Stock Option Plan (the "Plan"). Pursuant and subject to the terms of the Share Sale and Purchase Agreement relating to SigValue, dated January 2, 2007, by and among the Registrant, SigValue and certain shareholders of SigValue (the "Agreement"), the Registrant assumed the Plan, and intends to grant replacement options under the Plan to certain SigValue employees who continued to be employed by the Registrant following the acquisition, each with appropriate adjustments to the number of shares and exercise price of each option or award. Pursuant to Rule 416 of the Securities Act, this Registration Statement shall also cover any additional Ordinary Shares that become issuable under the plan being registered pursuant to this Registration Statement by reason of any stock dividend, stock split, recapitalization or any other similar transaction

effected without the receipt of consideration that results in an increase in the number of the Registrant's outstanding Ordinary Shares.

- (2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(h) of the Securities Act of 1933, as amended. The price per share and aggregate offering price are calculated on the basis of \$0.876, the exercise price of the 48,218 Ordinary Shares subject to replacement option grants under the Plan.

#### EXPLANATORY NOTE

This Registration Statement on Form S-8 is being filed to register Ordinary Shares of Amdocs Limited (the "Registrant") issuable pursuant to the SigValue Technologies Inc. ("SigValue") 2003 Israeli Stock Option Plan (the "Plan"). On February 7, 2007, a subsidiary of the Registrant completed its acquisition of all the shares of capital stock of SigValue on the terms and conditions set forth in the Share Sale and Purchase Agreement relating to SigValue, dated January 2, 2007, by and among the Registrant, SigValue and certain shareholders of SigValue (the "Agreement"). Pursuant to the Agreement, among other things SigValue became an indirect wholly owned subsidiary of the Registrant, and the Registrant assumed the Plan.

#### PART I

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

###### ITEM 1. PLAN INFORMATION

The information required by Item 1 is included in documents sent or provided to participants in the Plan covered by this Registration Statement pursuant to Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act").

###### ITEM 2. REGISTRANT INFORMATION AND EMPLOYEE PLAN ANNUAL INFORMATION.

The written statement required by Item 2 is included in documents sent or provided to participants in the Plan covered by this Registration Statement pursuant to Rule 428(b)(1) of the Securities Act.

#### PART II

##### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

###### ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The Registrant is subject to the informational and reporting requirements of Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). The following documents, which are on file with the Commission, are incorporated in this registration statement by reference:

(a) The Registrant's latest annual report filed pursuant to Section 13(a) or 15(d) of the Exchange Act or the latest prospectus filed pursuant to Rule 424(b) under the Securities Act that contains audited financial statements for the Registrant's latest fiscal year for which such statements have been filed.

(b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the document referred to in (a) above.

(c) The description of the Registrant's Ordinary Shares contained in the Registrant's Registration Statement on Form 8-A as filed with the Commission on June 17, 1998, including any amendment or report filed for updating such description.

All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered

hereby have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this registration statement and to be part hereof from the date of the filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this registration statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein 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.

Guernsey law permits a company's articles of association to provide for the indemnification of officers and directors except to the extent that such a provision may be held by the courts of Guernsey to be contrary to public policy (for instance, for purporting to provide indemnification against the consequences of committing a crime) and except to the extent that Guernsey law prohibits the indemnification of any director against any specific provisions of Guernsey Company law under which personal liability may be imposed or incurred.

Under the Registrant's Articles of Association, the Registrant is obligated to indemnify any person who is made or threatened to be made a party to a legal or administrative proceeding by virtue of being a director, officer or agent of the Registrant, provided that it has no such obligation to indemnify any such persons for any claims they incur or sustain by or through their own willful act or default.

The Registrant has entered into an indemnity agreement with its directors and some of its officers, under which it has agreed to pay the indemnified party the amount of Loss (as defined therein) suffered by that party due to claims made against that party for a Wrongful Act (as defined therein).

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

The Exhibit Index immediately preceding the exhibits is incorporated herein by reference.

ITEM 9. UNDERTAKINGS.

1. Item 512(a) of Regulation S-K. 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; and

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 (i) and (ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic 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 therein, 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.

2. Item 512(b) of Regulation S-K. 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 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Item 512(h) of Regulation S-K. 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, 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 to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, State of New York, on this 15th day of February, 2007.

AMDOCS LIMITED

By: /s/ Thomas G. O'Brien

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Thomas G. O'Brien  
Treasurer and Secretary  
Authorized U.S. Representative

POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Amdocs Limited, hereby severally constitute Bruce K. Anderson and Thomas G. O'Brien, and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Registration Statement on Form S-8 filed herewith and any and all subsequent amendments to said Registration Statement, and generally to do all such things in our names and behalf in our capacities as officers and directors to enable Amdocs Limited to comply with all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by said attorneys, or any of them, to said Registration Statement and any and all amendments thereto.

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

Signature

Title

Date

Signature	Title	Date
/s/ Bruce K. Anderson ----- Bruce K. Anderson	Chairman of the Board	February 15, 2007
/s/ Dov Baharav ----- Dov Baharav	Director and Principal Executive Officer	February 15, 2007
/s/ Ron Moskovitz ----- Ron Moskovitz	Principal Financial and Accounting Officer	February 15, 2007
/s/ Robert A. Minicucci ----- Robert A. Minicucci	Director	February 15, 2007
/s/ Adrian Gardner ----- Adrian Gardner	Director	February 15, 2007
/s/ Julian A. Brodsky ----- Julian A. Brodsky	Director	February 15, 2007
/s/ Charles E. Foster ----- Charles E. Foster	Director	February 15, 2007
/s/ Eli Gelman ----- Eli Gelman	Director	February 15, 2007
/s/ James S. Kahan ----- James S. Kahan	Director	February 15, 2007
/s/ Nehemia Lemelbaum ----- Nehemia Lemelbaum	Director	February 15, 2007
/s/ John T. McLennan ----- John T. McLennan	Director	February 15, 2007

/s/ Simon Olswang Director  
-----  
Simon Olswang

February 15, 2007

/s/ Mario Segal Director  
-----  
Mario Segal

February 15, 2007

/s/ Joseph Vardi Director  
-----  
Joseph Vardi

February 15, 2007

EXHIBIT INDEX

Exhibit Number	Description
5.1	Opinion of Carey Olsen.
23.1	Consent of Carey Olsen (included in Exhibit 5.1).
23.2	Consent of Ernst & Young LLP.
24.1	Power of Attorney (included on the signature page of this Registration Statement).
99.1	2003 Israeli Stock Option Plan of SigValue Technologies Inc.



[Letterhead of Carey Olsen]

Amdocs Limited  
Tower Hill House  
The Bordage  
St. Peter Port  
Guernsey

15 February 2007

Dear Sirs:

RE: REGISTRATION STATEMENT ON FORM S-8

The following opinion is furnished to you in connection with the filing by Amdocs Limited (the "Company") of its registration statement on Form S-8 (the "Registration Statement"), under the Securities Act of 1933, as amended, relating to the registration of 48,218 of its ordinary shares, (pound)0.01 par value ("Ordinary Shares"), issuable upon the exercise of certain stock options issued pursuant to the SigValue Technologies Inc. ("SigValue") 2003 Israeli Stock Option Plan (the "Plan"), which was assumed by the Company in connection with its February 7, 2007 acquisition of SigValue.

In that connection, we have examined originals, or copies certified or otherwise identified to our satisfaction, of all such documents, corporate records and other instruments as we have deemed necessary or appropriate for the purposes of this opinion, including the Plan, Articles of Association and Memorandum of Association of the Company.

Based upon such examination, we are of opinion that:

1. The Company has been duly organized and validly exists as a corporation under the laws of Guernsey, Channel Islands.
2. When issued and sold upon the exercise of options granted or pursuant to awards made in accordance with the terms of the Plan as contemplated by the Registration Statement, each of the Shares will be validly issued, fully paid and non-assessable.

We express no opinion on any law other than the law of Guernsey as of the date hereof.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement.

Yours faithfully,

/s/ Carey Olsen

Carey Olsen

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-\_\_\_\_\_) pertaining to the 2003 Israeli Stock Option Plan of SigValue, of our reports dated November 30, 2006, with respect to the consolidated financial statements and schedule of Amdocs Limited, Amdocs Limited management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Amdocs Limited, included in its Amendment No. 1 to Form 20-F (Annual Report) for the year ended September 30, 2006, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

New York, NY  
February 14, 2007

ISRAELI SHARE OPTION PLAN

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Appendix A

SIGVALUE TECHNOLOGIES INC.

THE 2003  
ISRAELI STOCK OPTION PLAN

(\*In compliance with Amendment No. 132 of the Israeli Tax Ordinance, 2002)

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## ISRAELI SHARE OPTION PLAN

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### 1. NAME

This plan, as amended from time to time, shall be known as the SigValue Technologies Inc. 2003 Israeli Stock Option Plan (the "ISOP").

### 2. PURPOSE OF THE ISOP

The ISOP is intended as an incentive to retain, in the employ of SigValue Technologies Inc. (the "Company") and its Affiliates (as defined below), persons of training, experience, and ability, to attract new employees directors, consultants and service providers, whose services are considered valuable, to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company by providing them with opportunities to purchase shares in the Company, pursuant to the ISOP.

### 3. DEFINITIONS

As used herein, the following definitions shall apply:

3.1 "AFFILIATE" means any "employing company" within the meaning of Section 102(a) of the Ordinance.

3.2 "APPROVED 102 OPTION" means an Option granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Optionee.

3.3 "BOARD" means the Board of Directors of the Company.

3.4 "CAPITAL GAIN OPTION" or "CGO" as defined in Section 6.4 below.

3.5 "CAUSE" shall mean (i) conviction of any felony involving moral turpitude or affecting the Company; (ii) any refusal to carry out a reasonable directive of the CEO which involves the business of the Company or its affiliates and was capable of being lawfully performed; (iii) embezzlement of funds of the Company or its affiliates; (iv) any breach of the Optionee's fiduciary duties or duties of care of the Company; including without limitation disclosure of confidential information of the Company; and (v) any conduct (other than conduct in good faith) reasonably determined by the Board of Directors to be materially detrimental to the Company.

3.6 "CHAIRMAN" means the chairman of the Committee.

3.7 "COMMITTEE" means a share option compensation committee appointed by the Board, which shall consist of no fewer than two members of the Board.

3.8 "COMPANY" means SigValue Technologies Inc.

ISRAELI SHARE OPTION PLAN

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- 3.9 "COMPANIES LAW" means the Israeli Companies Law 5759-1999.
- 3.10 "CONTROLLING SHAREHOLDER" shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- 3.11 "DATE OF GRANT" means, the date of grant of an Option, as determined by the Board and set forth in the Optionee's Option Agreement.
- 3.12 "EMPLOYEE" means a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding Controlling Shareholder.
- 3.13 "EXPIRATION DATE" means the date upon which an Option shall expire, as set forth in Section 11.2 of the ISOP.
- 3.14 "FAIR MARKET VALUE" means, as of any date, the value of a Share determined as follows:
- (i) If the Shares are listed on any established stock exchange or a national market system, including without limitation the NASDAQ National Market system, or The NASDAQ SmallCap Market of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported in the Wall Street Journal, or such other source as the Committee deems reliable. Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the Date of Grant the Company's shares are listed on any established stock exchange or a national market system or if the Company's shares will be registered for trading within ninety (90) days following the Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of the Company's shares on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be;
  - (ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or;
  - (iii) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Committee.
- 3.15 "IPO" means the initial public offering of the Company's shares.
- 3.16 "ISOP" means this 2003 Israeli Share Option Plan.
- 3.17 "ITA" means the Israeli Tax Authorities.

ISRAELI SHARE OPTION PLAN

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- 3.18 "NON-EMPLOYEE" means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.
- 3.19 "ORDINARY INCOME OPTION" or "OIO" as defined in Section 6.5 below.
- 3.20 "OPTION" means an option to purchase one or more Shares of the Company pursuant to the ISOP.
- 3.21 "102 OPTION" means any Option granted to Employees pursuant to Section 102 of the Ordinance.
- 3.22 "3(i) OPTION" means an Option granted pursuant to Section 3(i) of the Ordinance to any person who is Non- Employee.
- 3.23 "OPTIONEE" means a person who receives or holds an Option under the ISOP.
- 3.24 "OPTION AGREEMENT" means the share option agreement between the Company and an Optionee that sets out the terms and conditions of an Option.
- 3.25 "ORDINANCE" means the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.
- 3.26 "PURCHASE PRICE" means the price for each Share subject to an Option.
- 3.27 "SECTION 102" means section 102 of the Ordinance as now in effect or as hereafter amended.
- 3.28 "SHARE" means the ordinary shares, U.S. \$0.01 par value each, of the Company.
- 3.29 "SUCCESSOR COMPANY" means any entity the Company is merged to or is acquired by, in which the Company is not the surviving entity.
- 3.30 "TRANSACTION" means (i) merger, acquisition or reorganization of the Company with one or more other entities in which the Company is not the surviving entity, (ii) a sale of all or substantially all of the assets of the Company.
- 3.31 "TRUSTEE" means any individual appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.
- 3.32 "UNAPPROVED 102 OPTION" means an Option granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.
- 3.33 "VESTED OPTION" means any Option, which has already been vested according to the Vesting Dates.

3.34 "VESTING DATES" means, as determined by the Board or by the Committee, the date as of which the Optionee shall be entitled to exercise the Options or part of the Options, as set forth in section 13 of the ISOP.

4. ADMINISTRATION OF THE ISOP

The Board shall have the power to administer the ISOP either directly or upon the recommendation of the Committee, all as provided by applicable law and in the Company's incorporation documents. 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.

The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places as the Chairman shall determine all in accordance with the Company's By-Laws or Certificate of Incorporation. The Committee shall keep records of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

Any member of such Committee shall be eligible to receive Options under the ISOP while serving on the Committee, unless otherwise specified herein and subject to any applicable law.

The Committee shall have full power and authority to:

- 4.1 Designate participants;
- 4.2 Determine the terms and provisions of respective Option Agreements (which need not be identical) including, but not limited to, the number of Shares in the Company to be covered by each Option, provisions concerning the time or times when and the extent to which the Options may be exercised and the nature and duration of restrictions as to transferability or restrictions constituting substantial risk of forfeiture;
- 4.3 Accelerate of the right of an Optionee to exercise, in whole or in part, any previously granted Option;
- 4.4 Make an election as to the type of Approved 102 Option;
- 4.5 Designate the type of Options;
- 4.6 Interpret the provisions and supervise the administration of the ISOP;
- 4.7 Determine the Fair Market Value of the Shares;
- 4.8 Determine any other matter which is necessary or desirable for, or incidental to administration of the ISOP.

The Committee shall have the authority to grant, subject to the Company's By-Laws or Certificate of Incorporation, in its discretion, to the holder of an outstanding Option, in



exchange for the surrender and cancellation of such Option, a new Option having a purchase price equal to, lower than or higher than the Purchase Price provided in the Option so surrendered and canceled, and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the ISOP and in accordance with the Company's By-Laws or Certificate of Incorporation.

All decisions and selections made by the Board or the Committee pursuant to the provisions of the ISOP and subject to the Company's By-Laws or Certificate of Incorporation shall be made by a majority of its members except that no member of the Board or the Committee shall vote on, or be counted for quorum purposes, with respect to any proposed action of the Board or the Committee relating to any Option to be granted to that member. Any decision reduced to writing and signed by all of the members who are authorized to make such decision shall be fully effective as if it had been made by a majority at a meeting duly held.

The interpretation and construction by the Committee of any provision of the ISOP or of any Option thereunder shall be final and conclusive unless otherwise determined by the Board. Subject to the company's decision and to all approvals legally required, each member of the Board or the Committee shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the ISOP unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the member may have as a director or otherwise under the Company's By-Laws or Certificate of Incorporation, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise.

5. DESIGNATION OF PARTICIPANTS

The persons eligible for participation in the ISOP as Optionees shall include any Employees and/or Non-Employees of the Company or of any Affiliate; provided, however, that (i) Employees may only be granted 102 Options; (ii) Non-Employees may only be granted 3(i) Options; and (iii) Controlling Shareholders may only be granted 3(i) Options.

The grant of an Option hereunder shall neither entitle the Optionee thereof to participate nor disqualify him from participating in, any other grant of Options pursuant to the ISOP or any other option or stock plan of the Company or any of its affiliates. To the extent applicable and anything in the ISOP to the contrary notwithstanding, all grants of Options to directors and office holders shall be authorized and implemented in accordance with the provisions of the applicable corporate law, as in effect from time to time.

ISRAELI SHARE OPTION PLAN

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6. DESIGNATION OF OPTIONS PURSUANT TO SECTION 102

- 6.1 The Company may designate Options granted to Employees pursuant to Section 102 as Unapproved 102 Options or Approved 102 Options.
- 6.2 The grant of Approved 102 Options shall be made under this ISOP adopted by the Board as described in Section 16 below, and shall be conditioned upon the approval of this ISOP by the ITA.
- 6.3 Approved 102 Option may either be classified as Capital Gain Option ("CGO") or Ordinary Income Option ("OIO").
- 6.4 Approved 102 Option elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) shall be referred to herein as CGO.
- 6.5 Approved 102 Option elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) shall be referred to herein as OIO.
- 6.6 The Company's election of the type of Approved 102 Options as CGO or OIO granted to Employees (the "ELECTION"), shall be appropriately filed with the ITA before the Date of Grant of an Approved 102 Option. Such Election shall become effective beginning the first Date of Grant of an Approved 102 Option under this ISOP and shall remain in effect until the end of the year following the year during which the Company first granted Approved 102 Options. The Election shall obligate the Company to grant only the type of Approved 102 Option it has elected, and shall apply to all Optionees who were granted Approved 102 Options during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Options simultaneously.
- 6.7 All Approved 102 Options must be held in trust by a Trustee, as described in Section 7 below.
- 6.8 For the avoidance of doubt, the designation of Unapproved 102 Options and Approved 102 Options shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and the regulations promulgated thereunder.
- 6.9 With regards to Approved 102 Options, the provisions of the ISOP and/or the Option Agreement shall be subject to the provisions of Section 102 and the Tax Assessing Officer's permit, and the said provisions and permit shall be deemed an integral part of the ISOP and of the Option Agreement. Any provision of Section 102 and/or the said permit which is necessary in order to receive and/or to keep any tax benefit pursuant to Section 102, which is not expressly specified in the ISOP or the Option Agreement, shall be considered binding upon the Company and the Optionees.

7. TRUSTEE

- 7.1 Approved 102 Options which shall be granted under the ISOP and/or any Shares allocated or issued upon exercise of such Approved 102 Options and/or other shares received subsequently following any realization of rights, including without limitation bonus shares, shall be allocated or issued to the Trustee and held for the benefit of the Optionees for such period of time as required by Section 102 or any regulations, rules or orders or procedures promulgated thereunder (the "HOLDING PERIOD"). In the case the requirements for Approved 102 Options are not met, then the Approved 102 Options may be treated as Unapproved 102 Options, all in accordance with the provisions of Section 102 and regulations promulgated thereunder.
- 7.2 Notwithstanding anything to the contrary, the Trustee shall not release any Shares allocated or issued upon exercise of Approved 102 Options prior to the full payment of the Optionee's tax liabilities arising from Approved 102 Options which were granted to him and/or any Shares allocated or issued upon exercise of such Options.
- 7.3 With respect to any Approved 102 Option, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, an Optionee shall not sell or release from trust any Share received upon the exercise of an Approved 102 Option and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Optionee.
- 7.4 Upon receipt of Approved 102 Option, the Optionee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the ISOP, or any Approved 102 Option or Share granted to him thereunder.

8. SHARES RESERVED FOR THE ISOP; RESTRICTION THEREON

- 8.1 The Company has reserved 15,005 authorized but unissued Shares for the purposes of the ISOP and for the purpose of any other stock option plans which may be adopted by the Company in the future, subject to adjustment as set forth in paragraph 9 below. Any of such Shares covered by the ISOP, which remain unissued and are not subject to outstanding Options at the termination of the ISOP, shall cease to be reserved for the purpose of the ISOP. Should any Option for any reason expire or be canceled prior to its exercise or relinquishment in full, the Shares therefore subject to such Option may again be subjected to an Option under the ISOP.
- 8.2 Until an IPO, the Shares issued upon the exercise of Options shall be voted by an irrevocable Proxy (attached hereto as EXHIBIT "C" to the Option Agreement)(the "PROXY") pursuant to the directions of the Board, such Proxy to be assigned to the person or persons designated by the Board. Such person or persons designated by the Board

shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the voting of such Proxy unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the person(s) may have as a director or otherwise under the Company's By-Laws or Certificate of Incorporation, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise. Without derogating from the above, with respect to Approved 102 Options, such shares shall be voted in accordance with the provisions of Section 102 and any rules, regulations or orders promulgated thereunder.

8.3 Each Option granted pursuant to the Plan, shall be evidenced by a written Option Agreement between the Company and the Optionee, in such form as the Board or the Committee shall from time to time approve. Each Option Agreement shall state a number of the Shares to which the Option relates and the type of Option granted thereunder (whether a CGO, OIO, Unapproved 102 Option or a 3(i) Option).

#### 9. PURCHASE PRICE

9.1 The Purchase Price of each Share subject to an Option granted or any portion thereof shall be determined by the Committee in its sole and absolute discretion in accordance with applicable law, subject to any guidelines as may be determined by the Board from time to time. Each Option Agreement will contain the Purchase Price determined for each Optionee, and in any event not less than the nominal value of the shares subject to the Option

9.2 The Purchase Price shall be payable upon the exercise of the Option in a form satisfactory to the Committee, including without limitation, by cash or check. The Committee shall have the authority to postpone the date of payment on such terms as it may determine.

#### 10. ADJUSTMENTS

Upon the occurrence of any of the following described events, Optionee's rights to purchase Shares under the ISOP shall be adjusted as hereafter provided:

10.1 In the event of a Transaction while unexercised Options remain outstanding under the ISOP, then each unexercised Option shall be assumed, or substituted for by an appropriate number of shares, of each class of shares or other securities of the Successor Company (or a parent or subsidiary of the Successor Company) which were distributed to the shareholders of the Company in respect of such shares. In the case of such assumption and/or substitution of shares, appropriate adjustments shall be made in the Purchase Price to reflect such action, and all other terms and conditions of the Option Agreements, such as the Vesting Dates, shall remain in force, all as will be determined by the Committee whose determination shall be final.

- 10.2 Notwithstanding the above and subject to any applicable law, unless the Board or the Committee determines otherwise with respect to certain Option Agreements, there shall be a clause in each Option Agreement instructing that if in any such Transaction as described in section 10.1 above, the Successor Company (or parent or subsidiary of the Successor Company) does not agree to assume or substitute for the Options, all unexercised Options shall be expired as of the date of the Transaction.
- 10.3 For the purposes of section 10.1 above, the Option shall be considered assumed or substituted if, following the Transaction, the Option confers the right to purchase or receive, for each Share underlying an Option immediately prior to the Transaction, the consideration (whether shares, options, cash, or other securities or property) received in the Transaction by holders of Shares for each Share held on the effective date of the Transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Transaction is not solely ordinary shares (or their equivalent) of the Successor Company or its parent or subsidiary, the Committee may, with the consent of the Successor Company, provide for the consideration to be received upon the exercise of the Option to be solely ordinary shares (or their equivalent) of the Successor Company or its parent or subsidiary equal in Fair Market Value to the per Share consideration received by holders of a majority of the outstanding Shares in the Transaction; and provided further that the Committee may determine, in its discretion and subject to the board's approval, that in lieu of such assumption or substitution of Options for options of the Successor Company or its parent or subsidiary, such Options will be substituted for any other type of asset or property including cash which is fair under the circumstances.
- 10.4 If the Company is liquidated or dissolved while unexercised Options remain outstanding under the ISOP, then the Company shall immediately notify all unexercised Option holders of such liquidation, and the Option holders shall then have ten (10) days to exercise any unexercised Vested Option held by them at that time, in accordance with the exercise procedure set forth herein. Upon the expiration of such ten-days period, all remaining outstanding Options will terminate immediately.
- 10.5 If the outstanding shares of the Company shall at any time be changed or exchanged by declaration of a stock dividend (bonus shares), stock split, combination or exchange of shares, recapitalization, or any other like event by or of the Company, and as often as the same shall occur, then the number, class and kind of Shares subject to the ISOP or subject to any Options therefore granted, and the purchase prices, shall be appropriately and equitably adjusted so as to maintain the proportionate number of Shares without changing the aggregate purchase price, provided, however, that no adjustment shall be made by reason of the distribution of subscription rights (rights offering) on outstanding shares. Upon happening of any of the foregoing, the class and aggregate number of Shares issuable pursuant to the ISOP (as set forth in paragraph 6 hereof), in respect of which Options have not yet been exercised, shall be appropriately adjusted, all as will be determined by the Board whose determination shall be final.

10.6 Anything herein to the contrary notwithstanding, if prior to the completion of an IPO all or substantially all of the shares of the Company are to be sold, or upon a Transaction, reorganization or the like, all or substantially all of the shares of the Company are to be exchanged for securities of another Company, then each Optionee shall be obliged to sell or exchange, as the case may be, any Shares such Optionee purchased under the ISOP, in accordance with the instructions issued by the Board in connection with the Transaction, whose determination shall be final.

11. TERM AND EXERCISE OF OPTIONS

11.1 Options shall be exercised by the Optionee by giving written notice to the Company, in such form and method as may be determined by the Company and the Trustee when applicable, in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and the payment of the Purchase Price at its principal office (the "DATE OF EXERCISE"). The notice shall specify the number of Shares with respect to which the Option is being exercised.

11.2 Options, to the extent not previously exercised, shall terminate forthwith upon the earlier of: (i) the date set forth in the Option Agreement; and - (ii) the expiration of any extended period in any of the events set forth in Section 11.5 below.

11.3 The Options may be exercised by the Optionee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable, prior to the Expiration Date, and provided that, subject to the provisions of Section 11.5 below and unless the Board or Committee resolves otherwise, the Optionee is employed by or providing services to the Company or its Affiliates, at all times during the period beginning with the granting of the Option and ending upon the date of exercise.

11.4 Subject to the provisions of Section 11.5 below, in the event of termination of Optionee's employment or service with the Company or any of its Affiliates all Options granted to him will immediately expire. A notice of termination of employment or services shall be deemed to constitute termination of employment or services.

11.5 Notwithstanding anything to the contrary hereinabove and unless otherwise determined in the Optionee's Option Agreement, an Option may be exercised after the date of termination of Optionee's service or employment with the Company or any Affiliate of the Company only with respect to the number of Options already vested and unexpired at the time of such termination according to the Vesting Dates and Expiration Date of the Options set forth in exhibit B of such Optionee's Option Agreement, and only provided that either:

11.5.1 prior to the date of such termination, the Board or Committee shall authorize an extension of the terms of all or part of the Options beyond the date of such termination for a period not to exceed the period during which the Options by their terms would otherwise have been exercisable; or -

11.5.2 such termination is without Cause, in which event the Options may be exercised within a period of 90 days from the date of such termination; or -

11.5.3 termination is the result of death or disability of the Optionee, in which event the Options may be exercised within a period of 12 (twelve) months from such date of termination.

For avoidance of any doubt, if termination of employment or service is for Cause, any outstanding unexercised Option (whether vested or non-vested), will immediately expire and terminate, and the Optionee shall not have any right in connection to such outstanding Options.

11.6 Subject to the provisions of Section 12 below, the holders of Options shall not have any of the rights or privileges of shareholders of the Company in respect of any Shares purchasable upon the exercise of any part of an Option, until registration of the Optionee as holder of such Shares in the Company's register of shareholders upon exercise of the Option in accordance with the provisions of the ISOP, but in case of Options and Shares held by the Trustee, subject to the provisions of Section 7 of the ISOP.

11.7 Any form of Option Agreement authorized by the ISOP may contain such other provisions as the Committee may, from time to time, deem advisable.

11.8 With respect to Unapproved 102 Option, if the Optionee ceases to be employed by the Company or any Affiliate, the Optionee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulation or orders promulgated thereunder.

## 12. SHARES SUBJECT TO RIGHT OF FIRST REFUSAL

12.1 Notwithstanding anything to the contrary in the By-Laws or Certificate of Incorporation of the Company, none of the Optionees shall have a right of first refusal in relation with any sale of shares in the Company.

12.2 The sale of Shares by the Optionee shall be subject to the right of first refusal of other shareholders as set forth in the By-Laws or Certificate of Incorporation of the Company. In the event that the By-Laws or Certificate of Incorporation of the Company shall not contain any provision regarding rights of first refusal, then, unless otherwise provided by the Board, until such time as the Company shall effectuate an IPO, the sale of Shares issuable upon exercise of an Option, shall be subject to a right of first refusal on the part of the Repurchaser(s).

Repurchaser(s) means (i) the Company, if permitted by applicable laws; (ii) if the Company is not permitted by applicable laws, then any affiliate of the Company designated by a unanimous decision reached by the Board; or (iii) if no unanimous decision is reached by the Board, then the company's existing shareholders (save, for

avoidance of doubt , for other Optionees who already exercised their Options), pro rata in accordance with their shareholding.

The right of first refusal shall not be exercised before the lapse of 6 months and one day following the later of the exercise of an option or the issuance of shares. The Optionee shall not sell shares during such six-month period. The Optionee shall give a notice of sale (the "NOTICE") to the Company in order to offer the Shares to the Repurchaser(s), and the Company will forward the Notice to the existing shareholders.

The Notice shall specify the Number of Shares offered for sale, the price per Share, the payment terms the name of each proposed purchaser or other Transferee (the "PROPOSED TRANSFEREE"). The Repurchaser(s) will be entitled for 30 days from the day of receipt of the Notice (the "30 DAYS PERIOD"), to purchase all or part of the offered Shares. If by the end of the 30 Days Period not all of the offered Shares have been purchased by the Repurchaser(s), the Optionee will be entitled to sell such Shares at any time during the 90 days following the end of the 30 Days Period on terms not more favorable than those set out in the Notice, provided that the Proposed Transferee agrees in writing that the provisions of this section shall continue to apply to the Shares in the hands of such Proposed Transferee.

13. VESTING OF OPTIONS

Subject to the provisions of the ISOP, each Option shall vest following the Vesting Dates and for the number of Shares as shall be provided in the Option Agreement. However, no Option shall be exercisable after the Expiration Date.

An Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Board may deem appropriate. The vesting provisions of individual Optionees may vary.

14. DIVIDENDS

With respect to all Shares (in contrast to unexercised Options) issued upon the exercise of Options purchased by the Optionee and held by the Optionee or the Trustee, as the case may be, the Optionee shall be entitled to receive dividends in accordance with the quantity of such Shares, subject to the provisions of the Company's incorporation documents (and all amendments thereto) and subject to any applicable taxation on distribution of dividends and when applicable subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

15. ASSIGNABILITY AND SALE OF OPTIONS

No Option, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect to them given to any third party whatsoever, and during the lifetime of the Optionee each and all of such Optionee's rights to purchase Shares hereunder shall be exercisable only by the Optionee. Any such



action made directly or indirectly, for an immediate validation or for a future one, shall be void.

As long as the Shares are held by the Trustee in favor of the Optionee, than all rights the last possesses over the Shares are personal, can not be transferred, assigned, pledged or mortgaged, other than by will or laws of descent and distribution.

16. TERM OF THE ISOP

The ISOP shall be effective as of the date that it is adopted by the Board and shall terminate at the end of ten (10) years from such day of adoption.

17. AMENDMENTS OR TERMINATION

The Board may, at any time and from time to time, but after consultation with the Trustee, amend, alter or discontinue the ISOP, except that no amendment or alteration shall be made which would impair the rights of the holder of any Option therefore granted, without his written consent. Termination of the ISOP shall not affect the Committee's and/or the Board's ability to exercise the powers granted to it hereunder with respect to the Options granted under the ISOP prior to the date of such termination.

18. GOVERNMENT REGULATIONS & JURISDICTION

The ISOP, the granting and exercise of Options hereunder, and the obligation of the Company to sell and deliver Shares under such Options, shall be subject to all applicable laws, rules, and regulations, whether of the State of Israel or of the United States or any other State having jurisdiction over the Company and the Optionee, including the registration of the Shares under the United States Securities Act of 1933, and to such approvals by any governmental agencies or national securities exchanges as may be required. The competent courts of Tel-Aviv, Israel shall have sole jurisdiction in any matters pertaining to the ISOP.

19. CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES

Neither the ISOP nor the Option Agreement with the Optionee shall impose any obligation on the Company or an Affiliate thereof, to continue any Optionee in its employ, or the hiring by the Company of the Optionee's services and nothing in the ISOP or in any Option granted pursuant thereto shall confer upon any Optionee any right to continue in the employ or service of the Company or an Affiliate thereof or restrict the right of the Company or an Affiliate thereof to terminate such employment or service at any time.

20. TAX CONSEQUENCES

Any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby or from any other event or act (of the Company and/or its Affiliates, the Trustee or the Optionee), hereunder, shall be borne solely by the Optionee. The Company and/or its Affiliates and/or the Trustee shall withhold taxes according to

the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Optionee shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Optionee.

The Committee and/or the Trustee shall not be required to release any Share certificate to an Optionee until all required payments have been fully made.

21. NON-EXCLUSIVITY OF THE ISOP

The adoption of the ISOP by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock Options otherwise than under the ISOP, and such arrangements may be either applicable generally or only in specific cases. For the avoidance of doubt, prior grant of options to Optionees of the Company under their employment agreements, and not in the framework of any previous option plan, shall not be deemed an approved incentive arrangement for the purpose of this Section.

22. MULTIPLE AGREEMENTS

The terms of each Option may differ from other Options granted under the ISOP at the same time, or at any other time. The Committee may also grant more than one Option to a given Optionee during the term of the ISOP, either in addition to, or in substitution for, one or more Options previously granted to that Optionee.

