As confidentially submitted to the Securities and Exchange Commission on October 7, 2014
pursuant to the Jumpstart Our Business Startups Act of 2012. All information herein is strictly confidential.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Amendment No. 2
to
Form F-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

PolyPid Ltd.

(Exact name of registrant as specified in its charter)

State of Israel	**2834**	**Not Applicable**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Amir Weisberg, Chief Executive Officer
PolyPid Ltd.
18 Hasivim Street

Petach Tikva 4959376 Israel
Tel: +972-74-7195700
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Zysman, Aharoni, Gayer and
Sullivan & Worcester LLP
1633 Broadway
New York, NY 10019
Tel: 212.660.5000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price[(1)]**	**Amount of Registration Fee**
Ordinary shares, par value NIS 0.01 per share[(2)(3)]	$	$
Representative's warrants to purchase ordinary shares[(4)]		
Ordinary shares underlying Representative's warrants[(5)]		
TOTAL	$	$

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

(2) Pursuant to Rule 416, the securities being registered hereunder include such indeterminate number of additional securities as may be issued after the date hereof as a result of stock splits, stock dividends or similar transactions.

(3) Includes shares of ordinary shares which may be issued upon exercise of a 45-day option granted to the underwriters to cover over-allotments, if any.

(4) In accordance with Rule 457(g) under the Securities Act, because the shares of the registrant's ordinary shares underlying the Representative's warrants are registered hereby, no separate registration fee is required with respect to the warrants registered hereby.

(5) As estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(g) under the Securities Act, the warrants are exercisable at a per share exercise price equal to 125% of the public offering price, and the proposed maximum aggregate offering price of the representative's warrants is $.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Explanatory Note

PolyPid Ltd. is filing this Amendment No. 2 (the "Amendment") to its Registration Statement on Form F-1 (the "Registration Statement") as an exhibits-only filing to file Exhibit 10.3 and restate the list of exhibits set forth in Item 8 of Part II of the Registration Statement. Accordingly, this Amendment consists only of the facing page, this explanatory note, Part II of the Registration Statement, including the signature page and the exhibit index, and the filed exhibits. The prospectus is unchanged and has been omitted.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors, Officers and Employees

An Israeli company may indemnify an office holder in respect of certain liabilities either in advance of an event or following an event provided that a provision authorizing such indemnification is inserted in its articles of association. Our amended and restated articles of association contain such a provision. An undertaking provided in advance by an Israeli company to indemnify an office holder with respect to a financial liability imposed on him or her in favor of another person pursuant to a judgment, settlement or arbitrator's award approved by a court must be limited to events which in the opinion of the board of directors can be foreseen based on the Company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking must detail the abovementioned events and amount or criteria.

In addition, a company may indemnify an office holder against the following liabilities incurred for acts performed as an office holder:

- reasonable litigation expenses, including attorneys' fees, incurred by the office holder as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent or as a monetary sanction; and
- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the Company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for a crime that does not require proof of criminal intent.

An Israeli company may insure a director or officer against the following liabilities incurred for acts performed as a director or officer:

- a breach of duty of care to the Company or to a third party, including a breach arising out of the negligent conduct of an office holder;
- a breach of duty of loyalty to the Company, provided the director or officer acted in good faith and had a reasonable basis to believe that the act would not prejudice the interests of the Company; and
- Financial liabilities imposed on the office holder for the benefit of a third party.

An Israeli company may not, however, indemnify or insure an office holder against any of the following:

- a breach of duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the Company;
- a breach of duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive unlawful personal benefit; or
- a fine, monetary sanction, penalty or forfeit levied against the office holder.

The Israeli Securities Law, provides that a company cannot obtain insurance against or indemnify a third party (including its officers and/or employees) for any administrative procedure conducted by the Israeli Securities Authority and/or monetary fine (other than for certain legal expenses and payments of damages to an injured party). The Israeli Securities Law permits insurance coverage and/or indemnification for certain liabilities incurred in connection with an administrative procedure, such as reasonable legal fees and certain

compensation payable to injured parties for damages suffered by them, provided that such insurance and/or indemnification is permitted under the company's articles of association. Our articles of association contain such a provision.

Under the Israeli Companies Law, indemnification and insurance of office holders must be approved by our compensation committee, our Board of Directors and, in certain circumstances, by our shareholders. We have obtained directors' and officers' liability insurance for the benefit of our office holders and intend to continue to maintain such coverage and pay all premiums thereunder to the fullest extent permitted by the Israeli Companies Law, and our articles of association. In addition, we have entered into indemnification agreements with each of our directors and officers providing them with indemnification for liabilities or expenses incurred as a result of acts performed by them in their capacity as our, or our subsidiaries', directors and officers. This indemnification is limited both in terms of amount and coverage. In the opinion of the SEC, however, indemnification of directors and office holders for liabilities arising under the Securities Act is against public policy and therefore unenforceable.

It is our intention to include in our office holders compensation policy to be brought for approval of the shareholders following the initial issuance of the securities hereunder (and as required under the Companies Law) applicable provisions with respect to directors’ and officers’ liability insurance for the benefit of our office holders, as well as with respect to indemnification of office holders.

Item 7. Recent Sales of Unregistered Securities

Set forth below are the sales of all securities by the Company since January 1, 2011.

- On December 28, 2011, we issued an aggregate of 4,390,387 series B preferred shares pursuant to a private placement, at a price per share of $.43.
- On March 20, 2012, we issued an aggregate of 349,243 series B preferred shares pursuant to a private placement, at a price per share of $.43.
- On December 30, 2012 we issued an aggregate of 4,128,137 series B-1 preferred shares pursuant to a private placement, at a price per share of $0.61.
- On February 12, 2013, we issued an aggregate of 371,937 series B-1 preferred shares pursuant to a private placement, at a price per share of $0.61.
- In April 2013, we issued an aggregate of 165,125 series B-1 preferred shares pursuant to a private placement, at a price per share of $0.61.
- On October 30, 2013, we issued an aggregate of 3,302,505 series B-1 preferred shares pursuant to a private placement, at a price per share of $0.61.
- In June 2014, we issued an aggregate of 6,605,019 series B-1 preferred shares pursuant to a private placement, at a price per share of $0.61.

We claimed exemption from registration under the Securities Act for the foregoing transactions under Regulation S under the Securities Act and/or Regulation D under the Securities Act and/or Section 4(a)(2) under the Securities Act. No underwriters were employed in connection with the securities issuances set forth in this Item 7.

Item 8. Exhibits and Financial Statement Schedules

Exhibits:

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement by and among the Company and the underwriters named therein.
3.1*	Articles of Association of the Company, as currently in effect.
3.2*	Amended and Restated Articles of Association of the Company, to be in effect upon completion of this offering.
4.1*	Form of Representative's Warrant.
4.2*	Registration Rights Agreement between the Company and the holders of Ordinary Shares that are parties thereto.
5.1*	Opinion of Zysman, Aharoni, Gayer & Co., Israeli counsel to the Company, as to the validity of the ordinary shares being offered (including consent).
10.1*	PolyPid Ltd. Plan.
10.2*	Employment Agreement between the Company and , effective December 1, 2008.
10.3**	English Translation of Binding Memorandum of Understanding between the Company and MIS Implants Technologies Ltd. (Confidential Treatment Requested).
23.1*	Consent of Kost Forer Gabbay & Kasierer (a member of Ernst & Young Global).
23.2*	Consent of Zysman, Aharoni, Gayer & Co. (included in Exhibit 5.1).
24.1	Power of Attorney (included on the signature page of the Registration Statement).

* To be filed by amendment.

** Filed herewith.

Financial Statement Schedules:

All financial statement schedules have been omitted because either they are not required, are not applicable or the information required therein is otherwise set forth in the Company's financial statements and related notes thereto.

Item 9. Undertakings

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 6 hereof, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

(1) That for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4), or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) That for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 has duly caused this registration statement on Form F-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Tel Aviv, Israel on , 2014.

POLYPID LTD.

By: _____
Amir Weisberg,
Chief Executive Officer

POWER OF ATTORNEY

The undersigned officers and directors of PolyPid Ltd. hereby constitute and appoint and with full power of substitution, our true and lawful attorney-in-fact and agent to take any actions to enable the Company to comply with the Securities Act, and any rules, regulations and requirements of the SEC, in connection with this registration statement on Form F-1, including the power and authority to sign for us in our names in the capacities indicated below any and all further amendments to this registration statement and any other registration statement filed pursuant to the provisions of Rule 462 under the Securities Act.

Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form F-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Anat Segal	Chairman of the Board of Directors	
Amir Weisberg	Chief Executive Officer and Director (Principal Executive Officer)	
Shaun Marcus	Chief Financial Officer (Principal Financial and Accounting Officer)	
Noam Emmanuel	Director	
Yechezkel Barenholz	Director	
Rami Lerner	Director	
Yafit Stark	Director	
Arik Lukach	Director	
Moshe Neuman	Director	

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of PolyPid Ltd., has signed this registration statement on , 2014.

ZYSMAN, AHARONI, GAYER AND
SULLIVAN & WORCESTER LLP

Exhibit 10.3

****CONFIDENTIAL PORTIONS HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION').****

Memorandum of Understanding

By: PolyPid Ltd., 20 Hamagshimim Street, Petah Tikva ("**PolyPid**"), and
Between: MIS Implant Technologies Ltd., Bar-Lev Industrial Zone ("**MIS**")

1. PolyPid is developing an innovative product for dental and orthopedic needs, based on the delayed release of the antibiotic Doxycycline (hyclate) from the surface of synthetic bone chips based on beta TCP, being also used as a bone growth factor, which is also meant to be used as a bone filler, and intends to develop an application of the said product to treat Preiimplantits (the "**Indication**") (the product to be developed for the Indication will be called the "**Product**"). The Product is based on Polypid's innovative technologies in the field of delayed release of materials with biological activities within medical devices coating. PolyPid confirms that the intellectual property based on the technology that enables the production and the marketing of the Product belong, to the best of its knowledge, exclusively to PolyPid, and that it filed patent applications and/or provisional patent applications regarding the inventions contained therein (the "**Patent**").

2.

   (a) Any marketing rights granted to MIS shall be solely in connection with the Indication. All of MIS's promotional and marketing materials for the Product shall be limited to the Indication only.

   (b) Shortly after the signing of this agreement, and within 6 months from the signing, PolyPid will provide the material for the planned implant to be developed by PolyPid as part of the Product, as determined by the technical specifications and the amount agreed upon between the parties, afterwards it shall send the Product to the place to be determined by MIS and approved by PolyPid. MIS shall terminate all necessary preparations to start the clinical phase on patients, pursuant this agreement. MIS undertakes to fund the clinical trial, preparations, execution, and a full summary. Following delivery of the required material by PolyPid, MIS will make every effort to ensure that the clinical study duration will not exceed 12 months. MIS undertakes to carry out the clinical trial in accordance with a mutually agreed plan, and that the Products provided by PolyPid will be used only pursuant to PolyPid's instructions. In addition, MIS shall not make any use of the Product in violation of the provisions herein. Without limiting the foregoing, MIS shall be responsible for the following actions, subject to the written instructions of PolyPid regarding the use of the product.

i. To locate and identify the researchers and medical centers. The number of patients and the objectives of the clinical trials will be determined with PolyPid, and pursuant to the instruction given to PolyPid by the applicable regulatory bodies in Europe and the United States, whichever is stricter;

ii. To provide appropriate insurance coverage for the clinical trials and to pay all expenses related to the clinical trials – which shall be in accordance with applicable regulation in the United States and Europe;

MIS guarantees that the controller of the clinical trial will deliver any relevant information, whether verbal or written, to the representatives of the two companies. If such information will be transferred only to one of the companies, the receiving company will provide the relevant information to the designated representative of the other company. In addition MIS is committed to transfer to PolyPid, immediately, any information regarding the clinical trial and its progress.

(c) MIS guarantees that all the clinical trials will be covered by suitable insurance and will be made pursuant to any ethical rules, relevant regulations and certifications of the country in which the trials take place. PolyPid undertakes to make efforts to provide the Product for use in human trials, and to deliver the relevant booklet to the examiner, in order to obtain the approval of the ethical committee for the trial.

(d) It is hereby agreed that after obtaining preliminary results in the clinical trial (recruitment of one-third of the patients and follow-up of a minimum of four months from the end of treatment), PolyPid will consult with the regulatory bodies in the United States and Europe, and receive its recommendations. PolyPid undertakes to complete the clinical trial in accordance with the regulatory bodies' recommendations.

(e) PolyPid shall supply the required quantities of the Product for the clinical trial at no charge, with the appropriate regulatory approval, according to quality control requirements.

(f) Subject to the successful completion of the clinical trials, PolyPid will fund and obtain all regulatory approvals needed for marketing the Product in the U.S and Europe. If MIS decides to continue the cooperation with PolyPid, MIS undertakes to obtain the needed approvals to market the Product in each country, at its own expense. In the event that the regulatory body in Europe or the U.S. requires additional regulatory actions with respect to the clinical trials, MIS undertakes to perform, at its own expense, such actions within a reasonable time. If any further regulatory requirements concerning the Product will arise, PolyPid undertakes to make any efforts to comply with such requirements; however, PolyPid may decide that due to high costs, it will not comply with the additional regulatory requests. In such case, PolyPid will reimburse MIS any amounts paid by MIS, regarding the territory in question. If MIS is not interested in obtaining regulatory approvals regarding specific states or countries, PolyPid shall be entitled to act to obtain such permits by itself or through a third party, and MIS will not be permitted to market the Product in such state or country.

(g) In the event that the FDA imposes additional requirements regarding a clinical trial, MIS may choose not to comply with such requirements if they would result in high costs, subject to providing PolyPid with 30 days' prior written notice. In such event, PolyPid will exclude the U.S. from MIS's marketing license and PolyPid shall be free to grant any other entity a license to market the Product in the U.S., and MIS shall not have any claims for, nor shall it be entitled to any compensation therefor. Nothing stated herein shall derogate from MIS's obligation to pay PolyPid any amounts due pursuant to Section 3(b), excluding the payments in Subsections 3(b)(4)-(6). In the event that MIS had already made a payment (pursuant to Subsections 3(b)(4)-(6), PolyPid shall refund such payment. Furthermore, if MIS does not obtain regulatory approvals on PolyPid's behalf, pursuant to section 2(f), within a period agreed upon by the parties, PolyPid may market the Product independently or grant a license to market the Product to a third party, after providing MIS with 30 day's prior written notice. If MIS does not execute the clinical trial according to the requirements of the FDA, and in accordance with the schedule established by the parties, PolyPid shall be entitled to exclude the U.S. from MIS's marketing license and may grant to any other entity or itself the license to market the Product in the U.S. Nothing stated herein shall derogate from MIS's obligation to pay PolyPid any amounts due pursuant to Section 3(b), excluding the payments in Subsections 3(b)(4)-(6). In the event that MIS had already made a payment (pursuant to Subsections 3(b)(4)-(6), PolyPid shall refund such payment. In the event that MIS does not fulfill its material obligations and/or commits a material breach hereunder, without curing such breach within 60 days (upon written notice), PolyPid shall be entitled to terminate this agreement immediately, and PolyPid shall not be obligated to return any payments received from MIS, and MIS shall not be entitled to any further payments.

(h) Neither party guarantees the success of the clinical trial. PolyPid does not give any representation regarding the Product or PolyPid's technology, and delivers the material to MIS as is.

(a) MIS will notify PolyPid in writing within 45 days of the delivery of the final report of the clinical trial, if it wishes to continue the collaboration with PolyPid, pursuant to the terms of this agreement. If MIS gives a positive notification, it will be nominated as the exclusive worldwide distributer of the Product for the Indication. For this purpose, PolyPid will grant MIS an exclusive, non-transferable worldwide license (the "**License**") to market the Product. If MIS decides not to continue the collaboration with PolyPid, this agreement will terminate and neither party shall have any financial or other liability to the other party, except that PolyPid shall return the milestone payments paid by MIS of the total **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** according to Section 3(b). However all the amounts paid by MIS until such date, related to the clinical trial or any other expense of MIS, shall not be returned to MIS.

(b) In consideration for the said exclusive marketing right, MIS will pay PolyPid **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.**, plus VAT, in accordance with the following milestone payments: (1) **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** plus VAT, shall be paid upon the execution of this agreement; (2) **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** plus VAT shall be paid upon the receipt of approvals to begin the clinical trial and delivery of materials from PolyPid to MIS; (3) **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** plus VAT shall be paid upon receipt of European regulatory approval for marketing (CE); (4) **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** plus VAT shall be paid upon the engagement with the FDA regulatory; (5) **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** shall be paid upon the commencing of the clinical trial which supports FDA approval and supplying the materials for this trial; and (6) the remaining amount **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** shall be paid upon receipt of regulatory approval to market the product in the United States (FDA).

4.

(a) Three months prior to the expected date of receiving a regulatory approval to sell the Product, MIS will provide PolyPid with an 18-months' order estimation. Upon receiving regulatory approval, MIS will provide an 18-months' order estimation. PolyPid will strive to fulfil orders on a quarterly basis. The package design of the final boxed Product shall clearly identify PolyPid as the manufacturer and the owner of all intellectual property, and shall be made at the expense of MIS. The intellectual property rights relating to the package design of the final boxed Product design and any marketing materials shall belong solely to MIS. MIS will sell the Product under its own brand.

(b) PolyPid will manufacture and produce the Product, at its own expense, in basic, sterile packaging, and will provide the Product in such form to MIS, accompanied by the relevant documents. MIS shall be responsible for, and shall bear the costs of, package design, the package material, and the leaflet to the doctor and the patient, all in accordance with the instructions of the regulatory authorities in each country.

(c) PolyPid is responsible for shipping the product, FOB, from its manufacturing facility, pursuant to the requirements of the regulatory body which is stricter, to three destinations that shall be determined in advance with MIS.

(d) MIS shall pay the advertising, marketing and sales expenses of the product and undertakes to bear these costs to be agreed upon between the parties in a definitive agreement. MIS shall sell the product to its customers under its own brand without altering the markings on the original packaging and without creating the impression that MIS is the owner of the product or the related patents. MIS shall market the Product in each country only in accordance with the License granted and pursuant to applicable regulatory authorities.

(e) During the first five years after receiving the first regulatory approval, MIS shall strive to purchase an annual amount of the Product (the "**Purchasing Objective**"), to be agreed upon between the parties in a definitive agreement. In each of the five years, the objective will be increased and examined. If MIS does not meet the Purchasing Objective, PolyPid may terminate the agreement, without the foregoing being considered a breach of the agreement by either party. The parties shall make an evaluation of whether MIS is meeting the Purchasing Objective at the end of each year after the target date. The target date is three months after the first regulatory authorization. In such event, PolyPid will not reimburse MIS for any amount paid by MIS, and MIS will not be entitled to any compensation or payment in connection with the Product in the future. In the event that MIS meets the purchasing objective, the parties shall agree on a new Purchasing Objective for the following year, this agreement shall reflect the growth of the sales each year.

(f) In the event that the parties do not reach an agreement on any matter (including but not limited to the Purchasing Objective), within 60 days, the parties shall resort to arbitration by a single arbitrator. The decisions of the arbitrator shall be considered as those agreed upon by the parties.

5. The price MIS will pay PolyPid for the Product shall be calculated as follows:

(a) Prior to the beginning of sales, the parties shall agree upon the selling price of the Product from PolyPid to MIS, considering in-product cost plus a reasonable profit target based on a commercial 'golden ratio' of **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** (the ratio between the expected sale price from MIS' distributers to their customers and the sale price from PolyPid to MIS). The parties will examine the costs at the end of each year, and may change the price. Consideration for the delivered Product will be made within 90 days from the date of the invoice. It is further agreed that 2% of the Products provided to MIS in the first three years, will be provided at no cost for purposes of promoting the Product. Notwithstanding the foregoing, if MIS sells such Products, MIS shall pay to PolyPid the price of the Product in accordance with this section.

(b) From the beginning of the marketing of the product by MIS and during the entire period, MIS shall provide PolyPid a detailed report, on a three months' basis, which shall contain: the identity of the distributor, the amount of Products sold to the distributor, the sale price to the distributor, and any other detail reasonably requested by PolyPid. MIS further undertakes to immediately provide PolyPid with any information MIS obtains in connection with the Product. PolyPid shall be entitled to use any such information, and MIS and any other party shall not be entitled to use such information without Polypid's consent. The information generated by MIS and anyone engaged with MIS for the performance of clinical trials of the Product, including all intellectual property rights inherent therein, shall remain the exclusive property of PolyPid. In addition, each party engaged with MIS for the purpose of conducting the clinical trials shall not be entitled to use the Product or any other information resulting therefrom in any way, unless PolyPid provides a license to use the information.

6.

(a) PolyPid shall be responsible for adjusting the Product, product quality and safety of the Product in accordance with the relevant regulatory terms. PolyPid declares, that to the best of its knowledge, the Product does not violate the intellectual property rights of third parties. PolyPid shall not be liable for product defects arising after transmission to MIS. Each party shall ensure, separately, to purchase appropriate insurance for product liability and damages to third parties. Each party shall bear its individual insurance costs.

(b) MIS shall market the Product solely for indication, in accordance with regulatory requirements. MIS will make reasonable efforts at its discretion to maintain the Purchasing Objective, to be determined by the parties. PolyPid shall be responsible for any breach of a third party's intellectual property rights caused by the Product and the product packaging provided by PolyPid. MIS shall be responsible for any breach of a third party's intellectual property rights caused by the package design of the Product as well as the marketing and advertising materials.

7.

(a) Any information, idea, development, improvement, different use, derivative, or any concept or change in relation to the Product or in the technology of PolyPid, whether formulated or developed by MIS or its representatives, and all intellectual property rights embodied in them, shall belong to and be exclusively owned by PolyPid, and MIS shall irrevocably assign to PolyPid any right which it may have in connection therewith, including the right to any royalties or any similar consideration. MIS, and any party on its behalf, shall sign any document so as to allow PolyPid to protect its intellectual property (including patent registration). MIS undertakes that each third party that MIS engages with regarding the clinical trial, shall execute an intellectual property undertaking identical to this section (providing that all intellectual property created with respect to the Product and or PolyPid's technology shall exclusively belong to PolyPid). This agreement does not entitle MIS to any rights regarding PolyPid's intellectual property related to the Product and/or its technology or any other of PolyPids products; all such rights remain in the exclusive ownership of PolyPid. MIS's intellectual property rights relating to the Product, as well as the marketing and advertising materials, shall be the exclusive property of MIS.

(b) MIS and/or its representatives are obligated to maintain secrecy and to keep confidential information in secret with regards to any technical confidential information of PolyPid that is related to the Product, technology or other products of PolyPid, and not make any use of such information except for the purpose of marketing the Product under the agreement and as approved in advance and in writing by PolyPid. Furthermore, MIS is responsible that any party acting on its behalf shall be obligated to maintain confidentiality. In addition, any other party that shall enter into an agreement with MIS, regarding the clinical trial, is obligated to maintain confidentiality. The confidentiality obligation shall not apply to information in the public domain, not due to a breach of this agreement by MIS and/ or another party on its behalf, or held by MIS prior to the agreement, or provided to MIS or by a third party authorized to do so, or developed by or for MIS independently, without using the information of PolyPid after the term of the agreement, solely when MIS can prove that the information developed by it, or for it, was created after the term of the agreement.

(c) MIS commits not to develop, produce or market, directly or indirectly, products for the Indication (Preiimplantits), which are not produced by PolyPid, for a period of five years following the beginning of marketing of the Product. Notwithstanding the foregoing, this section shall not apply to the marketing of the Perio-Patch, which MIS already markets upon the signing of this agreement.

(d) It is further agreed, that for a period of three years following the termination of this agreement for any reason, MIS will not use the commercial name of the Product, or any other similar name, for the marketing of a product that competes with the Indication.

8. Each party to this agreement is an independent contractor acting upon its own accord and responsible for its respective actions and liabilities. There shall not be partnership, employee-employer or representative relationships between the parties hereto.

9. This agreement shall be effective for as long as all patents are effective, and for as long as MIS maintains its undertakings in accordance with this Agreement, and in any case for a minimum duration of five years following the beginning of the sales following initial regulatory approval. At the end of the 5 year term, and subject to MIS fulfilling all of its obligations herein, the parties will renegotiate the terms of this Agreement.

Notwithstanding the forgoing, either party may terminate this agreement by a written notice, following a breach by the other party that is not rectified within 60 days. In addition, either party may terminate the agreement following a force measure that exceeds a 30 day period, and in case of a bankruptcy, liquidation and other similar events. In addition, MIS is entitled to terminate the agreement at any time with 90 day's prior notice. If MIS chooses to terminate the agreement not following a breach by PolyPid, PolyPid will not return MIS any sums of money paid to it, and PolyPid will be entitled to market the Product in any manner. Without derogating from the generality of the forgoing, it is clarified that if MIS breaches this agreement, and does not rectify the breach within 60 days, PolyPid will be entitled to terminate the License and the agreement immediately. In such an event, MIS will not be entitled to any consideration.

Each party's obligations and liabilities shall survive the termination of the agreement for any reason (except pursuant to a breach by the other party), provided that such obligation or liability was incurred prior to the termination of the agreement, including completing production due until the termination of the agreement (as applicable), providing and paying for Products ordered prior to the termination of the agreement and any additional payments due to Polypid, in accordance with this agreement. Upon termination of this agreement, MIS's License shall expire, and all confidential information and property owned by PolyPid shall be returned to PolyPid immediately.

10. In the event of a Re-organization of either party, the re-organized party undertakes to make its best efforts to ensure that the new party will commit to maintain all undertakings pursuant to this agreement. If the re-organization is to take place in PolyPid, and the new controlling party will not maintain PolyPid's undertakings, PolyPid will be entitled to terminate the agreement, with 90 day's prior notice, provided that the following conditions shall apply;

    1. If the agreement is terminated by PolyPid before the end of five years, PolyPid shall return to MIS all payments made until such date, pursuant to Section 3(b) above, along with compensation that will be calculated as follows; the average monthly income of MIS from selling the Product for the 12 month period prior to the termination (not including the price paid to PolyPid for the product and not including VAT), multiplied by the number of months from the date of termination of the agreement until the end of five years from the start of the sales, however, in any case not less than 6 months. VAT shall be added to such compensation amount.

    2. If the agreement is not extended by PolyPid after the expiry of five years from the target date, for reasons other than disagreements regarding the Purchasing Objective as stated in section 4(b) above or the requested price, PolyPid shall not be required to reimburse MIS any sums (including any consideration paid up to that date pursuant to section 3(b) above); however MIS will be entitled, during a period of one year from the termination of the agreement, to continue to market the Product under the terms of this agreement provided that the License will be non-exclusive. It is further agreed that during this year, PolyPid shall be entitled to grant, in parallel with MIS, marketing and sale rights of the Product (including product design, packaging and preparation of marketing materials) provided that during this year, the following rule shall apply: If PolyPid sells its Product to a third party at a price lower than the price offered to MIS, then MIS shall be entitled to receive the lower price, retroactively from the beginning of that year;

    3. Notwithstanding the foregoing, if PolyPid will receive an offer of engagement from a different marketer after the expiry of five years from the target date, PolyPid will grant MIS the right to extend its engagement under the same terms and conditions offered by the such marketer, including a **THE CONFIDENTIAL PORTION HAS BEEN SO OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAS BEEN FILED SEPARATELY WITH THE COMMISSION.** discount of the price and terms offered, within 30 days of receipt of the proposal.

    As used herein, the term "**Re-organization**" shall mean any of the following: change of control, merger, sale of Relevant Assets or investment by a strategic investor. The term "**Relevant Assets**" shall mean (intellectual property and tangible assets) those assets that the same party uses during the manufacturing and supply of the Product.

11. If PolyPid enters into bankruptcy, liquidation or other similar proceedings, and such proceedings are not canceled within 60 days, MIS will retain its License and 10% of the royalties will be paid to PolyPid. If MIS enters into bankruptcy or liquidation proceedings that are not canceled within 60 days, the License will expire immediately.

12. Following the signing of this agreement, the parties will negotiate to reach a definitive agreement within 90 days that will include, *inter alia*, limited liability clauses, representations and warranties, etc. (the "**Definitive Agreement**"). The parties agree that if a Definitive Agreement is not signed, this Agreement will be valid. With the termination of this Agreement, MIS shall return to PolyPid immediately, all of PolyPid's confidential information and properties that were held by MIS or on its behalf.

13. Notwithstanding any section of this Agreement, it is hereby agreed that under no circumstance shall either party be liable for indirect and/or incidental and/or consequential damages, whether direct or indirect, whether due to a contractual liability, tort (including negligence) liability or any other legal liability, even if the other party has been notified or if either party should have or could have expected such damages. For the avoidance of doubt, any sum owed by a party to the Agreement to a third party which is also subject to the duty of Indemnification as stated in Section 15 hereinafter, shall be regarded as a direct damage and the foregoing limitations shall not apply.

14. In any event, the total liability of any party to the other party in accordance with this Agreement shall not exceed a sum that is equal to the total sums of money received by PolyPid from MIS under the Agreement (not including VAT) during the 12 months preceding the event that caused the liability. The foregoing ceiling of liability will not apply with respect to a party's liability toward a third party. In addition, with respect to a loss and/or damage of up to $20,000, no indemnification will be granted. In the event that the amount of cumulative damages exceed the minimum amount of indemnity, the indemnification obligation under this section shall apply in respect to the full amount

15. Each party (the "**Indemnifying Party**") shall be responsible and indemnify the other party (the "**Indemnified Party**") for any damage or cost sustained by the Indemnified Party due to a suit and/or claim and/or demand against the Indemnified Party by a third party due to actions and/or omissions of the Indemnifying Party (including breach of the third party's intellectual property and rights) or due to a breach of this Agreement and the Definitive Agreement by the Indemnifying Party.

16. This agreement shall be governed by Israeli law, and the Israeli courts shall have the exclusive jurisdiction with respect to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement as of February ___ 2013

/s/ Amir Weisberg	/s/ Idan Kleifeld
PolyPid Ltd.	MIS Implant Technologies Ltd.