

Protalix BioTherapeutics, Inc.
Form DEF 14A
September 01, 2017

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

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

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

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

Protalix BioTherapeutics, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x No fee required.
 o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No:

3) Filing Party:

4) Date Filed:

September 1, 2017

Dear Stockholder,

We cordially invite you to attend the Special Meeting of Stockholders of Protalix BioTherapeutics, Inc. to be held at 2:00 p.m. on October 19, 2017 at the offices of our Israeli counsel, Horn & Co., Law Offices, Amot Investments Tower, 2 Weizmann Street, 24th Floor, Tel Aviv 6423902, Israel.

The attached notice of special meeting and proxy statement describe the business we will conduct at the meeting and provide information about us that you should consider when you vote your shares. As set forth in the attached proxy statement, the meeting will be held to:

approve, in accordance with Section 713(a) of the NYSE American Company Guide, the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may result from the conversion of, or payment of accrued interest or make-whole payments on, the 7.50% Senior Secured Convertible Notes Due 2021 we issued on July 25, 2017 and the 4.50% Senior Convertible Notes Due 2022 we issued on July 25, 2017; and

approve an amendment to our Certificate of Incorporation, as amended, to increase the number of shares of our common stock, par value \$0.001 per share, authorized for issuance from 250,000,000 to 350,000,000.

Please take the time to carefully read each of the proposals stockholders are being asked to consider and vote on.

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

We appreciate your support and look forward to your attending the meeting.

Sincerely,

Yossi Maimon
Vice President and Chief Financial Officer
Corporate Secretary

2 Snunit Street, Science Park P.O.B. 455, Carmiel 20100, Israel
Tel: 972-4-988-9488 | Fax: 972-4-988-9489 | Web: www.protalix.com

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD OCTOBER 19, 2017

To the Stockholders of Protalix BioTherapeutics, Inc.:

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

TIME: 2:00 p.m., Israel time

DATE: October 19, 2017

PLACE: Horn & Co., Law Offices, Amot Investments Tower, 2 Weizmann Street, 24th Floor,
Tel Aviv 6423902, Israel

PURPOSES:

- To approve, in accordance with Section 713(a) of the NYSE American Company Guide, the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may
1. result from the conversion of, or payment of accrued interest or make-whole payments on, the 7.50% Senior Secured Convertible Notes Due 2021 we issued on July 25, 2017 and the 4.50% Senior Convertible Notes Due 2022 we issued on July 25, 2017.
 2. To approve an amendment to our Certificate of Incorporation, as amended, to increase the number of shares of our common stock, par value \$0.001 per share, authorized for issuance from 250,000,000 to 350,000,000.
- All of these proposals are more fully described in the proxy statement that follows. You may vote at the meeting and any adjournments if you were the record owner of our common stock at the close of business on August 23, 2017. A list of stockholders of record will be available at the meeting and, during the 10 days prior to the meeting, at the office of our Corporate Secretary at the above address.

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

BY ORDER OF THE BOARD OF DIRECTORS

Yossi Maimon
Vice President and Chief Financial Officer
and Corporate Secretary

Carmiel, Israel
September 1, 2017

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

**PROXY STATEMENT FOR PROTALIX
BIOTHERAPEUTICS, INC.
SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON OCTOBER 19, 2017**

**GENERAL INFORMATION ABOUT THE SPECIAL
MEETING**

Why Did You Send Me this Proxy Statement?

We sent you this proxy statement and the enclosed proxy card because the Board of Directors of Protalix BioTherapeutics, Inc. is soliciting your proxy to vote at the Special Meeting of Stockholders and any adjournments of the meeting to be held at 2:00 p.m., Israel time, on October 19, 2017 at the offices of our Israeli counsel, Horn & Co., Law Offices, Amot Investments Tower, 2 Weizmann Street, 24th Floor, Tel Aviv 6423902, Israel. This proxy statement, along with the accompanying Notice of Special Meeting of Stockholders, summarizes the purposes of the meeting and the information you need to know to vote at the special meeting. We anticipate that on or about September 1, 2017, we will begin sending this proxy statement, the attached Notice of Special Meeting and the form of proxy enclosed to all stockholders entitled to vote at the meeting.

Who Can Vote?

Only holders of record of our common stock, par value \$0.001 per share, on August 23, 2017, the record date, are entitled to vote at the special meeting. On the record date, there were 133,355,039 shares of our common stock

outstanding and entitled to vote. The common stock is currently our only outstanding class of voting stock.

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

How Many Votes Do I Have?

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

How Do I Vote?

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

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

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

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

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If your shares are held in street name (held in the name of a bank, broker or other nominee), but not including shares held through a Tel Aviv Stock Exchange Clearing House Ltd. (TASE) member, you must provide the bank, broker or other nominee with instructions on how to vote your shares and can generally do so as follows:

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

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

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

If you own shares that are traded through the TASE, you may vote your shares in one of the following two ways:

By mail. Complete, sign and date the proxy card and attach to it an ownership certificate from the TASE Clearing House member through which your shares are registered (i.e., your broker, bank or other nominee) indicating that you were the beneficial owner of the shares on August 23, 2017, the record date for voting, and return the proxy card or voting instruction form, along with the ownership certificate, to our designated address for that purpose in Israel, 2 Snunit Street, Science Park, P.O. Box 455, Carmiel 20100, Israel. If the TASE member holding your shares is not a TASE Clearing House member, please make sure to include an ownership certificate from the TASE Clearing House member in which name your shares are registered.

In person at the meeting. Attend the meeting, where ballots will be provided. If you choose to vote in person at the meeting, you need to bring an ownership certificate from the TASE Clearing House member through which your shares are registered (i.e., your broker, bank or other nominee) indicating that you were the beneficial owner of the shares on August 23, 2017, the record date for voting. If the TASE member holding your shares is not a TASE Clearing House member, please make sure to include an ownership certificate from the TASE Clearing House member in which name your shares are registered.

If you need assistance in voting by telephone or over the Internet or completing your proxy card or have questions regarding the meeting, please contact our proxy advisor:

Alliance Advisors, LLC
200 Broadacres Drive, 3rd Floor
Bloomfield, NJ 07003
+1 (833) 501-4837 (toll free in the United States)

What am I Voting On?

You are voting on:

To approve, in accordance with Section 713(a) of the NYSE American Company Guide, the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may result from the conversion of, or payment of accrued interest or make-whole payments on, our 7.50% Senior Secured Convertible Notes Due 2021 we issued on July 25, 2017 and the 4.50% Senior Convertible Notes Due 2022 we issued on July 25, 2017 (collectively, the New Convertible Notes).

To approve an amendment to our Certificate of Incorporation, as amended, to increase the number of shares of our common stock, par value \$0.001 per share, authorized for issuance from 250,000,000 to 350,000,000.

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

The Board of Directors recommends that you vote as follows:

FOR the approval, in accordance with Section 713(a) of the NYSE American Company Guide, of the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may result from the conversion of, or payment of accrued interest or make-whole payments on, the New Convertible Notes as described in Proposal 1: Approval, In Accordance with Section 713(a) of the NYSE American Company Guide, of the Potential Issuance of Shares Representing In Excess of 19.9% of Our Pre-transaction Total Shares of Common Stock Outstanding That May Result From the Conversion of, or Payment of Accrued Interest or Make-Whole Payments on, the New Convertible Notes section in this proxy statement.

FOR the amendment to our Certificate of Incorporation, as amended, to increase the number of shares of our common stock, par value \$0.001 per share, authorized for issuance from 250,000,000 to 350,000,000 as described in Proposal 2: Amendment to Increase the Number of Authorized Shares of Common Stock section in this proxy statement.

What Constitutes a Quorum for the Meeting?

Of the 133,355,039 shares of common stock outstanding as of the record date, the holders of at least one-third (1/3) of those shares, or at least 44,451,680 shares, must be present at the meeting in person or represented by proxy to hold the meeting and conduct business. Once a quorum is established at a meeting, it shall not be broken by the withdrawal of enough votes to leave less than a quorum. Shares held by stockholders of record who are present at the meeting in person or by proxy are counted for purposes of determining whether a quorum exists. Abstentions and broker non-votes are also counted as present and entitled to vote for purposes of determining whether a quorum exists. If a quorum is not present, the meeting will be adjourned until a quorum is obtained.

What are the Voting Requirements to Approve a Proposal?

Approval, in accordance with Section 713(a) of the NYSE American Company Guide, of the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may result from the conversion of, or payment of accrued interest or make-whole payments on, the New Convertible Notes

You may vote **FOR**, **AGAINST** or **ABSTAIN** on the proposal to, in accordance with Section 713(a) of the NYSE American Company Guide, approve the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may result from the conversion of, or payment of accrued interest or make-whole payments on, the New Convertible Notes. If a quorum is present, approval requires the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the resolution. Abstentions and broker non-votes will have no effect.

Amendment to Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock

You may vote **FOR**, **AGAINST** or **ABSTAIN** on the proposal to amend our Certificate of Incorporation, as amended, to increase the number of shares of our common stock authorized for issuance from 250,000,000 to 350,000,000. The affirmative vote of a majority of the shares of our common stock outstanding and entitled to vote at the special meeting is required to approve the amendment to our Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock from 250,000,000 to 350,000,000. Abstentions will have the same effect as an against vote.

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

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

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

May I Revoke My Proxy?

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

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

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

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

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

Can my broker vote my shares for me?

A broker non-vote occurs when a broker or nominee holding shares for a beneficial owner does not vote on a particular matter because the matter is not routine and such broker or nominee does not have the discretionary voting authority to vote the shares for which it is the holder of record with respect to a particular matter at the special meeting and such broker or nominee has not received instructions from the beneficial owner. Broker non-votes, and shares as to which proxy authority has been withheld with respect to any matter, are generally not deemed to be entitled to vote for purposes of determining whether stockholders' approval of that matter has been obtained. Pursuant to New York Stock Exchange (NYSE) Rule 452, the approval, in accordance with Section 713(a) of the NYSE American Company

Guide, of the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may result from the conversion of, or payment of accrued interest or make-whole payments on, the New Convertible Notes (Proposal No. 1) and the amendment to Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock (Proposal No. 2) are non-routine matters and, therefore, may not be voted upon by brokers without instruction from beneficial owners. **Please complete your proxy and return it as instructed so your vote can be counted.**

What if I Receive More than One Proxy Card?

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

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

If you return your proxy card without indicating your vote, your shares will be voted *for* the approval, in accordance with Section 713(a) of the NYSE American Company Guide, of the potential issuance of shares representing in excess of 19.9% of our pre-transaction total shares of common stock outstanding that may result from the conversion of, or payment of accrued interest or make-whole payments on, the New Convertible Notes; and *for* the amendment of our

Certificate of Incorporation, as amended, to increase the number of authorized shares of common stock.

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

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

If your shares are held in street name and you do not provide voting instructions to the bank, broker or other nominee that holds your shares as described above under **How Do I Vote?**, the bank, broker or other nominee has the authority to vote your shares on certain routine matters scheduled to come before the meeting even if it does not receive instructions from you. We encourage you to provide voting instructions. This ensures your shares will be voted at the meeting in the manner you desire.

Is Voting Confidential?

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

What are the Costs of Soliciting these Proxies?

We will pay all of the costs of soliciting these proxies. Our officers, directors and employees may solicit proxies in person or by telephone, fax or email. We will pay these employees and directors no additional compensation for these services. We will ask banks, brokers and other institutions, nominees and fiduciaries to forward these proxy materials to their principals and to obtain authority to execute proxies. We will then reimburse them for their expenses. From time to time, we may engage a proxy solicitor to help us attain a quorum for the meeting and solicit stockholder proxies. We have engaged Alliance Advisors LLC to assist it in soliciting proxies for the special meeting. We will pay Alliance Advisors a base fee of \$8,000, plus reasonable out-of-pocket expenses, plus an additional fee based upon the number of contacts with stockholders made and work performed. We estimate the total amount payable to Alliance Advisors will be approximately \$20,000.

Could other Matters be Decided at the Special Meeting?

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

What Happens if the Special Meeting is Postponed or Adjourned?

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

Do I Need a Ticket to Attend the Special Meeting?

Yes, you will need an admission ticket or proof of ownership of common stock to enter the special meeting. If you are a stockholder of record, your admission ticket is the bottom half of the proxy card sent to you. If you plan to attend the special meeting, please so indicate when you vote and bring the ticket with you to the special meeting. If your shares are held in the name of a bank, broker or other holder of record, your admission ticket is the left side of your voting information form. If you do not bring your admission ticket, you will need proof of ownership to be admitted to the special meeting. A recent brokerage statement or letter from a bank or broker is an example of proof of ownership. If you arrive at the special meeting without an admission ticket, we will admit you only if we are able to verify that you are a stockholder of our Company.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information, as of August 10, 2017, regarding beneficial ownership of our common stock:

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

each of our Chief Executive Officer, our Executive Vice President, Research and Development, our Senior Vice President, Product Development, our Vice President and Chief Financial Officer and our Chief Operating Officer; and all of our directors and executive officers collectively.

Unless otherwise noted, we believe that all persons named in the table have sole voting and investment power with respect to all shares of our common stock beneficially owned by each of them. For purposes of these tables, a person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from August 10, 2017 upon exercise of options, warrants and convertible securities. Each beneficial owner's percentage ownership is determined by assuming that options, warrants and convertible securities that are held by such person (but not those held by any other person) and that are exercisable within such 60 days from such date have been exercised. The information set forth below is based upon information obtained from the beneficial owners, upon information in our possession regarding their respective holdings and upon information filed by the holders with the U.S. Securities and Exchange Commission. The percentages of beneficial ownership are based on 133,355,039 shares of our common stock outstanding as of August 10, 2017.

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

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class (%)
Board of Directors and Executive Officers		
Shlomo Yanai ⁽¹⁾	150,000	*
Moshe Manor ⁽²⁾	725,000	*
Amos Bar Shalev	1,680	*
Zeev Bronfeld ⁽³⁾	2,162,481	1.6
Yodfat Harel Buchris ⁽⁴⁾	137,424	*
Aharon Schwartz, Ph.D.		
Einat Brill Almon, Ph.D. ⁽⁵⁾	782,522	*
Yossi Maimon ⁽⁶⁾	656,250	*
Tzvi Palash ⁽⁷⁾	340,125	*
Yoseph Shaaltiel, Ph.D. ⁽⁸⁾	1,426,519	1.1
All executive officers and directors as a group (10 persons) ⁽⁹⁾	6,382,001	4.7
5% Holders		
UBS O Connor LLC ⁽¹⁰⁾	8,064,479	5.7
Highbridge Capital Management LLC ⁽¹¹⁾	9,798,228	6.8

*

less than 1%.

- (1) Consists of 150,000 shares of our common stock issuable upon exercise of vested outstanding options.
Consists of 50,000 outstanding shares of our common stock and 675,000 shares of our common stock issuable
- (2) upon exercise of outstanding options within 60 days of August 10, 2017. Does not include 225,000 shares of our common stock underlying options that will not vest within 60 days of August 10, 2017.
- (3) Consists of shares of our common stock held by EBC Holdings Ltd., an investment company wholly-owned by Mr. Bronfeld.

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