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

**FORM S-8**

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**REGISTRATION STATEMENT  
UNDER THE  
SECURITIES ACT OF 1933**

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**CELSUS THERAPEUTICS PLC**

(Exact name of registrant as specified in its charter)

England and Wales  
(State or other jurisdiction of  
incorporation or organization)

Not Applicable  
(I.R.S. Employer  
Identification No.)

53 Davies Street  
London W1K 5JH  
United Kingdom  
Telephone: +44-203-318-3004  
(Address, including zip code, of principal executive offices)

Celsus Therapeutics PLC 2007 Stock Option Plan, As Amended  
Celsus Therapeutics PLC 2014 Equity Incentive Plan  
(Full Titles of the Plans)

Mark S. Cohen, Chairman  
Celsus Therapeutics PLC  
24 West 40th Street  
New York, NY 10018  
Telephone: (646) 350-0702  
(Name, address and telephone number, including area code, of agent for service)

Copies to:  
Kenneth R. Koch, Esq.  
Jeffrey P. Schultz, Esq.  
Mintz, Levin, Cohn, Ferris  
Glovsky and Popeo, P.C.  
666 Third Avenue  
New York, NY 10017  
Telephone: (212) 935-3000

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒ (Do not check if a smaller reporting company)

Smaller reporting company ☐

#### CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered (2)	Proposed Maximum Offering Price Per Share (3)	Proposed Maximum Aggregate Offering Price (3)	Amount of Registration Fee
Ordinary shares, par value £0.01 per share (1)	5,865,000 shares	\$0.57 – \$1.51	\$5,876,039	\$756.83

(1) American Depositary Shares (“ADSs”), evidenced by American Depositary Receipts, issuable upon deposit of Ordinary Shares, par value £0.01 per share (“Ordinary Shares”), of Celsus Therapeutics PLC (the “Registrant”) are registered on a separate registration statement. Each ADS represents ten Ordinary Shares.

(1) The number of Ordinary Shares of the Registrant stated above consists of the aggregate number of Ordinary Shares which may be sold (i) upon the exercise of options which have been granted under the Celsus Therapeutics PLC 2007 Stock Option Plan, as amended (the “2007 Plan”), (ii) upon the exercise of options which have been granted under the Celsus Therapeutics PLC 2014 Equity Incentive Plan (the “2014 Plan,” and together with the 2007 Plan, the “Plans”), and (iii) upon the exercise of options or issuance of share-based awards which may hereafter be granted under the 2014 Plan. The maximum number of Ordinary Shares which may be sold upon the exercise of such options or issuance of share-based awards granted under the Plans are subject to adjustment in accordance with certain anti-dilution and other provisions of the Plans. Accordingly, pursuant to Rule 416 under the Securities Act of 1933, as amended (the “Securities Act”), this Registration Statement covers, in addition to the number of Ordinary Shares stated above, an indeterminate number of Ordinary Shares which may be subject to grant or otherwise issuable after the operation of any such anti-dilution and other provisions.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(c) and Rule 457(h) promulgated under the Securities Act. The offering price per Ordinary Share and the aggregate offering price (a) for outstanding options granted under the 2007 Plan are based upon the weighted-average exercise price of such outstanding options, (b) for outstanding options granted under the 2014 Plan are based upon the weighted-average exercise price of such outstanding options and (c) for shares reserved for future grant or issuance under the 2014 Plan are based on the average of the high and low sales prices of the ADSs, as reported on the Nasdaq Capital Market on August 11, 2014. The chart below details the calculations of the registration fee:

Securities	Number of Shares	Offering Price Per Share (2)	Aggregate Offering Price
Shares issuable upon the exercise of outstanding options granted under the 2007 Plan	2,686,690	\$1.51 (2)(a)	\$4,056,902
Shares issuable upon the exercise of outstanding options granted under the 2014 Plan	250,000	\$0.60 (2)(b)	\$150,000
Shares reserved for future grant under the 2014 Plan	2,928,310	\$0.57 (2)(c)	\$1,669,137
Proposed Maximum Aggregate Offering Price	5,865,000		\$5,876,039
<b>Registration Fee</b>			<b>\$756.83</b>

#### **EXPLANATORY NOTE**

In accordance with the instructional Note to Part I of Form S-8 as promulgated by the Securities and Exchange Commission (the “Commission”), the information specified by Part I of Form S-8 has been omitted from this Registration Statement on Form S-8 for offers of Common Stock pursuant to the Plans. The documents containing the information specified in Part I will be delivered to the participants in the Plans covered by this Registration Statement as required by Rule 428(b)(1) under the Securities Act.

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**PART II**  
**INFORMATION REQUIRED IN THE REGISTRATION STATEMENT**

**Item 3. Incorporation of Documents by Reference.**

The following documents filed by the Registrant with the Commission are incorporated herein by reference:

1. Our Annual Report on Form 20-F for the fiscal year ended December 31, 2013 filed with the SEC on March 24, 2014 and as amended on April 7, 2014;
2. Our Forms 6-K filed with the SEC on March 31, 2014, May 12, 2014 and June 24, 2014; and
3. The section entitled “Description of Registrant’s Securities to be Registered” contained in the Registrant’s Registration Statement on Form 8-A filed with the Commission on January 30, 2014, including any amendment or report filed for the purpose of updating such description.

All reports and other documents filed by the Registrant after the date hereof pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (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 herein and to be part hereof from the date of filing of such reports and 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.**

None.

**Item 6. Indemnification of Directors and Officers.**

Our amended and restated memorandum and articles of association provide that, subject to the Companies Act, every person who is or was at any time a director or other officer (excluding an auditor) of our company may be indemnified out of the assets of our company against all costs, charges, expenses, losses or liabilities incurred by him in performing his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office.

Traditionally, companies cannot exempt directors and auditors from, or indemnify them against, liability where they are negligent, in default, or in breach of duty or trust. The reason for this is that directors owe duties to their company and Parliament has considered in the past that, in the interests of shareholders, directors should have to face the consequences of their derelictions of duty.

This basic prohibition still stands but pursuant to the 2006 Act, companies can take advantage of a specific exemption to indemnify directors against liabilities to third parties, and can pay directors' costs of defense proceedings as they are incurred (subject to an obligation to repay if the defense is not successful). This was to address concerns that directors of companies with a US listing may face class actions in the US and to help alleviate (at least in the short term) the cost to directors of lengthy court proceedings. The key points of the 2006 Act are:

- Companies may indemnify directors against the legal and financial costs of proceedings brought by third parties. This does not extend to the legal costs of unsuccessful defense of criminal proceedings, fines imposed by criminal proceedings and fines imposed by regulatory bodies;

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- Companies may pay directors' defense costs as they are incurred in civil or criminal cases, even if the action is brought by the company itself. However, a director in this situation will be required to pay any damages awarded to the company and to reimburse the company if he fails in his defense (unless the company has indemnified him in respect of his legal costs incurred in civil third party proceedings);

- Pension trustee companies (and their associated companies) may indemnify a director of a qualifying pension scheme against liability incurred in connection with the company's activities as trustee of that scheme;

- Companies may not provide indemnities to directors of UK-incorporated associated companies where it would be unlawful for that indemnity to be provided by the associated company;

- Companies may indemnify officers other than directors;

- Funds provided by the company to a director for these purposes are permitted under section 330 of the Companies Act 1985;

- Any indemnities provided by a company will need to be disclosed in the directors' report and shareholders will be able to inspect any indemnification agreement;

- A decision to indemnify directors under the new rules can be taken by a Company's board and no shareholder vote is required by the legislation; and

- Shareholders may by ordinary resolution ratify an act of a director, although the votes of the relevant director or any person connected with him will not be counted.

The registrant also maintains directors and officers insurance to insure such persons against certain liabilities.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Company pursuant to the charter provision, by-law, contract, arrangements, statute or otherwise, the Company acknowledges that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

In addition, U.K. companies can obtain liability insurance for directors and can also pay directors' legal costs if they are successful in defending legal proceedings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the charter provision, by-law, contract, arrangements, statute or otherwise, the Company acknowledges that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

#### **Item 7. Exemption from Registration Claimed.**

Not applicable.

#### **Item 8. Exhibits.**

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

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## Item 9. Undertakings.

(a) 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 of 1933;
- (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. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement.
- (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 (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, 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.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this 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.

(c) 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 indemnification provisions summarized in Item 6, 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 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.

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## SIGNATURES

*The Registrant.* 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 New York, New York on August 13, 2014.

### CELSUS THERAPEUTICS PLC

By /s/ Gur Roshwalb  
Gur Roshwalb, M.D.  
Chief Executive Officer

Each person whose signature appears below constitutes and appoints Mark Cohen, Gur Roshwalb and Dov Elefant, and each of them singly, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them singly, for him and in his name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement on Form S-8 of Celsius Therapeutics PLC, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting to the attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in or about the premises, as full to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that the attorneys-in-fact and agents or any of each of them or their substitute may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Mark S. Cohen</u> Mark S. Cohen	Executive Chairman of the Board	August 13, 2014
<u>/s/ Gur Roshwalb</u> Gur Roshwalb, M.D.	Chief Executive Officer and Director (principal executive officer)	August 13, 2014
<u>/s/ Dov Elefant</u> Dov Elefant	Chief Financial Officer (principal financial officer and principal accounting officer)	August 13, 2014
<u>/s/ David Sidransky</u> David Sidransky, M.D.	Director	August 13, 2014
<u>/s/ Dr. Johnson Yiu-Nam Lau</u> Dr. Johnson Yiu-Nam Lau	Director	August 13, 2014
<u>/s/ Amos Eiran</u> Amos Eiran	Director	August 13, 2014
<u>/s/ Robert F. Doman</u> Robert F. Doman	Director	August 13, 2014
<u>/s/ Allan Shaw</u> Allan Shaw	Director	August 13, 2014
<u>/s/ Mark S. Cohen</u> Mark S. Cohen	Authorized United States Representative	August 13, 2014

**Celsus Therapeutics PLC**

**INDEX TO EXHIBITS FILED WITH  
FORM S-8 REGISTRATION STATEMENT**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
3.1	Celsus Therapeutics PLC, Memorandum of Association**
3.2	Celsus Therapeutics PLC, New Articles of Association**
4.1	Form of Deposit Agreement among the Registrant, Deutsche Bank Trust Company Americas, as Depositary, and all Owners and Holders from time to time of American Depositary Shares issued thereunder #
4.2	Amendment to Deposit Agreement among the Registrant, Deutsche Bank Trust Company Americas, as Depositary, and all Owners and Holders from time to time of American Depositary Shares issued thereunder §
4.3	Form of American Depositary Receipt; the Form is Exhibit A of the Form of Amendment to the Deposit Agreement #
4.4	Celsus Therapeutics PLC 2007 Stock Option Plan (as amended and restated)***
4.5	Second Amendment to 2007 Stock Option Plan, dated June 20, 2012***
4.6	Celsus Therapeutics PLC 2014 Equity Incentive Plan @
4.7	Form of Stock Option Agreement
5.1	Opinion of Fladgate LLP
23.1	Consent of Fladgate LLP (filed as part of Exhibit 5.1)
23.2	Consent of registered public accounting firm
24.1	Power of Attorney (included on signature page)
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*	To be filed by amendment or as an exhibit to a report filed under the Exchange Act and incorporated herein by reference.
**	Incorporated by reference to the exhibit previously filed with the Registrant's Registration Statement on Form 20-F (No. 000-54749) filed on June 28, 2012.
***	Incorporated by reference to the exhibit previously filed with the Registrant's Registration Statement on Form 20-F/A (No. 000-54749) filed on August 8, 2012.
#	Incorporated by reference to the exhibit previously filed with the Registrant's Registration Statement on Form F-6 (No. 333-185197) filed on November 30, 2012.
§	Incorporated by reference to the registrant's Post-Effective Amendment No. 1 to Registration Statement on Form F-6 (No. 333-185197) filed on December 24, 2013.
@	Incorporated by reference to the exhibit previously filed with the Registrant's Report of Foreign Private Issuer on Form 6-K filed on June 24, 2014.
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Option No. \_\_\_\_\_

**CELSUS THERAPEUTICS PLC**  
**Stock Option Grant Notice of a**  
**Stock Option Grant under the Company's**  
**2014 Equity Incentive Plan**

1. Name and Address of Participant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
2. Date of Option Grant: \_\_\_\_\_
3. Type of Grant: \_\_\_\_\_
4. Maximum Number of Shares for which this Option is exercisable: \_\_\_\_\_
5. Exercise price per share: \_\_\_\_\_
6. Option Expiration Date: \_\_\_\_\_
7. Vesting Start Date: \_\_\_\_\_
8. Vesting Schedule: This Option shall become exercisable (and the Shares issued upon exercise shall be vested) as follows provided the Participant is an Employee, director or Consultant of the Company or of an Affiliate on the applicable vesting date:

<b>[On the first anniversary of the Vesting Start Date</b>	<b>up to _____ Shares</b>
<b>On the second anniversary of the Vesting Start Date</b>	<b>an additional _____ Shares</b>
<b>On the third anniversary of the Vesting Start Date</b>	<b>an additional _____ Shares]</b>

The foregoing rights are cumulative and are subject to the other terms and conditions of this Agreement and the Plan.

The Company and the Participant acknowledge receipt of this Stock Option Grant Notice and agree to the terms of the Stock Option Agreement attached hereto and incorporated by reference herein, the Company's 2014 Equity Incentive Plan and the terms of this Option Grant as set forth above.

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**CELSUS THERAPEUTICS PLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Participant

**CELSUS THERAPEUTICS PLC**

**STOCK OPTION AGREEMENT - INCORPORATED TERMS AND CONDITIONS**

AGREEMENT made as of the date of grant set forth in the Stock Option Grant Notice by and between Celsus Therapeutics PLC (the “Company”), a company formed under the laws of England and Wales, and the individual whose name appears on the Stock Option Grant Notice (the “Participant”).

WHEREAS, the Company desires to grant to the Participant an Option to purchase ordinary shares, £0.01 par value per share (the “Shares”), under and for the purposes set forth in the Company’s 2014 Equity Incentive Plan (the “Plan”);

WHEREAS, the Company and the Participant understand and agree that any terms used and not defined herein have the same meanings as in the Plan; and

WHEREAS, the Company and the Participant each intend that the Option granted herein shall be of the type set forth in the Stock Option Grant Notice.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. **GRANT OF OPTION.**

The Company hereby grants to the Participant the right and option to purchase all or any part of an aggregate of the number of Shares set forth in the Stock Option Grant Notice, on the terms and conditions and subject to all the limitations set forth herein, under United States securities and tax laws, and in the Plan, which is incorporated herein by reference. The Participant acknowledges receipt of a copy of the Plan.

2. **EXERCISE PRICE.**

The exercise price of the Shares covered by the Option shall be the amount per Share set forth in the Stock Option Grant Notice, subject to adjustment, as provided in the Plan, in the event of a stock split, reverse stock split or other events affecting the holders of Shares after the date hereof (the “Exercise Price”). Payment shall be made in accordance with Paragraph 9 of the Plan.

3. **EXERCISABILITY OF OPTION.**

Subject to the terms and conditions set forth in this Agreement and the Plan, the Option granted hereby shall become vested and exercisable as set forth in the Stock Option Grant Notice and is subject to the other terms and conditions of this Agreement and the Plan.

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Notwithstanding the foregoing, in the event of a Change of Control (as defined below), \_\_\_% of the Shares which would have vested in each vesting installment remaining under this Option will be vested and exercisable for purposes of Section 22(b) of the Plan unless this Option has otherwise expired or been terminated pursuant to its terms or the terms of the Plan.<sup>1</sup>

**Change of Control** means the occurrence of any of the following events:

(A) The approval by shareholders of the Company of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; (B) The approval by the shareholders of the Company of a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets.

4. **TERM OF OPTION.**

This Option shall terminate on the Option Expiration Date as specified in the Stock Option Grant Notice and, if this Option is designated in the Stock Option Grant Notice as an ISO and the Participant owns as of the date hereof more than 10% of the total combined voting power of all classes of capital stock of the Company or an Affiliate, such date may not be more than five years from the date of this Agreement, but shall be subject to earlier termination as provided herein or in the Plan.

If the Participant ceases to be an Employee, director or Consultant of the Company or of an Affiliate for any reason other than the death or Disability of the Participant, or termination of the Participant for Cause (the "Termination Date"), the Option to the extent then vested and exercisable pursuant to Section 3 hereof as of the Termination Date, and not previously terminated in accordance with this Agreement, may be exercised within [three]<sup>2</sup> months after the Termination Date, or on or prior to the Option Expiration Date as specified in the Stock Option Grant Notice, whichever is earlier, but may not be exercised thereafter except as set forth below. In such event, the unvested portion of the Option shall not be exercisable and shall expire and be cancelled on the Termination Date.

If this Option is designated in the Stock Option Grant Notice as an ISO and the Participant ceases to be an Employee of the Company or of an Affiliate but continues after termination of employment to provide service to the Company or an Affiliate as a director or Consultant, this Option shall continue to vest in accordance with Section 3 above as if this Option had not terminated until the Participant is no longer providing services to the Company. In such case, this Option shall automatically convert and be deemed a Non-Qualified Option as of the date that is three months from termination of the Participant's employment and this Option shall continue on the same terms and conditions set forth herein until such Participant is no longer providing service to the Company or an Affiliate.

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<sup>1</sup> Acceleration of the vesting of the option will result in the portion of the option in excess of \$100,000 (determined by the number of shares actually vesting in a calendar year times the exercise price) being treated as a Non-Qualified Stock Option.

<sup>2</sup> Three months is the maximum time period for an ISO. If the time period is longer, any option exercised more than three months after the individual ceases to be an employee of the company shall be deemed pursuant to the Code to be a non-qualified stock option.

Notwithstanding the foregoing, in the event of the Participant's Disability or death within three months after the Termination Date, the Participant or the Participant's Survivors may exercise the Option within one year after the Termination Date, but in no event after the Option Expiration Date as specified in the Stock Option Grant Notice.

In the event the Participant's service is terminated by the Company or an Affiliate for Cause, the Participant's right to exercise any unexercised portion of this Option even if vested shall cease immediately as of the time the Participant is notified his or her service is terminated for Cause, and this Option shall thereupon terminate. Notwithstanding anything herein to the contrary, if subsequent to the Participant's termination, but prior to the exercise of the Option, the Administrator determines that, either prior or subsequent to the Participant's termination, the Participant engaged in conduct which would constitute Cause, then the Participant shall immediately cease to have any right to exercise the Option and this Option shall thereupon terminate.

In the event of the Disability of the Participant, as determined in accordance with the Plan, the Option shall be exercisable within one year after the Participant's termination of service due to Disability or, if earlier, on or prior to the Option Expiration Date as specified in the Stock Option Grant Notice. **[In such event, the Option shall be exercisable:**

- (a) **to the extent that the Option has become exercisable but has not been exercised as of the date of the Participant's termination of service due to Disability; and**
- (b) **in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of the Participant's termination of service due to Disability of any additional vesting rights that would have accrued on the next vesting date had the Participant not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of the Participant's termination of service due to Disability.]**

In the event of the death of the Participant while an Employee, director or Consultant of the Company or of an Affiliate, the Option shall be exercisable by the Participant's Survivors within one year after the date of death of the Participant or, if earlier, on or prior to the Option Expiration Date as specified in the Stock Option Grant Notice. **[In such event, the Option shall be exercisable:**

- (x) to the extent that the Option has become exercisable but has not been exercised as of the date of death; and
- (y) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Participant not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Participant's date of death.]

5. METHOD OF EXERCISING OPTION.

Subject to the terms and conditions of this Agreement, the Option may be exercised by written notice to the Company or its designee, in substantially the form of Exhibit A attached hereto (or in such other form acceptable to the Company, which may include electronic notice). Such notice shall state the number of Shares with respect to which the Option is being exercised and shall be signed by the person exercising the Option (which signature may be provided electronically in a form acceptable to the Company). Payment of the Exercise Price for such Shares shall be made in accordance with Paragraph 9 of the Plan. The Company shall deliver such Shares as soon as practicable after the notice shall be received, provided, however, that the Company may delay issuance of such Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including, without limitation, state securities or "blue sky" laws). The Shares as to which the Option shall have been so exercised shall be registered in the Company's share register in the name of the person so exercising the Option (or, if the Option shall be exercised by the Participant and if the Participant shall so request in the notice exercising the Option, shall be registered in the Company's share register in the name of the Participant and another person jointly, with right of survivorship) and shall be delivered as provided above to or upon the written order of the person exercising the Option. In the event the Option shall be exercised, pursuant to Section 4 hereof, by any person other than the Participant, such notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and nonassessable.

6. PARTIAL EXERCISE.

Exercise of this Option to the extent above stated may be made in part at any time and from time to time within the above limits, except that no fractional share shall be issued pursuant to this Option.

7. NON-ASSIGNABILITY.

The Option shall not be transferable by the Participant otherwise than by will or by the laws of descent and distribution. If this Option is a Non-Qualified Option then it may also be transferred pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder. Except as provided above in this paragraph, the Option shall be exercisable, during the Participant's lifetime, only by the Participant (or, in the event of legal incapacity or incompetency, by the Participant's guardian or representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option or of any rights granted hereunder contrary to the provisions of this Section 7, or the levy of any attachment or similar process upon the Option shall be null and void.

8. NO RIGHTS AS STOCKHOLDER UNTIL EXERCISE.

The Participant shall have no rights as a stockholder with respect to Shares subject to this Agreement until registration of the Shares in the Company's share register in the name of the Participant. Except as is expressly provided in the Plan with respect to certain changes in the capitalization of the Company, no adjustment shall be made for dividends or similar rights for which the record date is prior to the date of such registration.

9. ADJUSTMENTS.

The Plan contains provisions covering the treatment of Options in a number of contingencies such as stock splits and mergers. Provisions in the Plan for adjustment with respect to stock subject to Options and the related provisions with respect to successors to the business of the Company are hereby made applicable hereunder and are incorporated herein by reference.

10. TAXES.

The Participant acknowledges that any income or other taxes due from him or her with respect to this Option or the Shares issuable pursuant to this Option shall be the Participant's responsibility. The Participant acknowledges and agrees that (i) the Participant was free to use professional advisors of his or her choice in connection with this Agreement, has received advice from his or her professional advisors in connection with this Agreement, understands its meaning and import, and is entering into this Agreement freely and without coercion or duress; (ii) the Participant has not received and is not relying upon any advice, representations or assurances made by or on behalf of the Company or any Affiliate or any employee of or counsel to the Company or any Affiliate regarding any tax or other effects or implications of the Option, the Shares or other matters contemplated by this Agreement; and (iii) neither the Administrator, the Company, its Affiliates, nor any of its officers or directors, shall be held liable for any applicable costs, taxes, or penalties associated with the Option if, in fact, the Internal Revenue Service were to determine that the Option constitutes deferred compensation under Section 409A of the Code.

If this Option is designated in the Stock Option Grant Notice as a Non-Qualified Option or if the Option is an ISO and is converted into a Non-Qualified Option and such Non-Qualified Option is exercised, the Participant agrees that the Company may withhold from the Participant's remuneration, if any, the minimum statutory amount of federal, state and local withholding taxes attributable to such amount that is considered compensation includable in such person's gross income. At the Company's discretion, the amount required to be withheld may be withheld in cash from such remuneration, or in kind from the Shares otherwise deliverable to the Participant on exercise of the Option. The Participant further agrees that, if the Company does not withhold an amount from the Participant's remuneration sufficient to satisfy the Company's income tax withholding obligation, the Participant will reimburse the Company on demand, in cash, for the amount under-withheld.

11. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares to be issued upon the particular exercise of the Option shall have been effectively registered under the Securities Act, the Company shall be under no obligation to issue the Shares covered by such exercise unless the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act and until the following conditions have been fulfilled:

- (a) The person(s) who exercise the Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon any certificate(s) evidencing the Shares issued pursuant to such exercise:

“The shares represented by this certificate have been taken for investment and they may not be sold or otherwise transferred by any person, including a pledgee, unless (1) either (a) a Registration Statement with respect to such shares shall be effective under the Securities Act of 1933, as amended, or (b) the Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws;” and

(b) If the Company so requires, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the Securities Act without registration thereunder. Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or “blue sky” laws).

12. RESTRICTIONS ON TRANSFER OF SHARES.

12.1 The Participant agrees that in the event the Company proposes to offer for sale to the public any of its equity securities and such Participant is requested by the Company and any underwriter engaged by the Company in connection with such offering to sign an agreement restricting the sale or other transfer of Shares, then it will promptly sign such agreement and will not transfer, whether in privately negotiated transactions or to the public in open market transactions or otherwise, any Shares or other securities of the Company held by him or her during such period as is determined by the Company and the underwriters, not to exceed 180 days following the closing of the offering, plus such additional period of time as may be required to comply with Marketplace Rule 2711 of the National Association of Securities Dealers, Inc. or similar rules thereto (such period, the “Lock-Up Period”). Such agreement shall be in writing and in form and substance reasonably satisfactory to the Company and such underwriter and pursuant to customary and prevailing terms and conditions. Notwithstanding whether the Participant has signed such an agreement, the Company may impose stop-transfer instructions with respect to the Shares or other securities of the Company subject to the foregoing restrictions until the end of the Lock-Up Period.



12.2 The Participant acknowledges and agrees that neither the Company, its shareholders nor its directors and officers, has any duty or obligation to disclose to the Participant any material information regarding the business of the Company or affecting the value of the Shares before, at the time of, or following a termination of the service of the Participant by the Company, including, without limitation, any information concerning plans for the Company to make a public offering of its securities or to be acquired by or merged with or into another firm or entity.

13. NO OBLIGATION TO MAINTAIN RELATIONSHIP.

The Participant acknowledges that: (i) the Company is not by the Plan or this Option obligated to continue the Participant as an employee, director or Consultant of the Company or an Affiliate; (ii) the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (iii) the grant of the Option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options; (iv) all determinations with respect to any such future grants, including, but not limited to, the times when options shall be granted, the number of shares subject to each option, the option price, and the time or times when each option shall be exercisable, will be at the sole discretion of the Company; (v) the Participant's participation in the Plan is voluntary; (vi) the value of the Option is an extraordinary item of compensation which is outside the scope of the Participant's employment or consulting contract, if any; and (vii) the Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

14. IF OPTION IS INTENDED TO BE AN ISO.

If this Option is designated in the Stock Option Grant Notice as an ISO so that the Participant (or the Participant's Survivors) may qualify for the favorable tax treatment provided to holders of Options that meet the standards of Section 422 of the Code then any provision of this Agreement or the Plan which conflicts with the Code so that this Option would not be deemed an ISO is null and void and any ambiguities shall be resolved so that the Option qualifies as an ISO. The Participant should consult with the Participant's own tax advisors regarding the tax effects of the Option and the requirements necessary to obtain favorable tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements.

Notwithstanding the foregoing, to the extent that the Option is designated in the Stock Option Grant Notice as an ISO and is not deemed to be an ISO pursuant to Section 422(d) of the Code because the aggregate Fair Market Value (determined as of the Date of Option Grant) of any of the Shares with respect to which this ISO is granted becomes exercisable for the first time during any calendar year in excess of \$100,000, the portion of the Option representing such excess value shall be treated as a Non-Qualified Option and the Participant shall be deemed to have taxable income measured by the difference between the then Fair Market Value of the Shares received upon exercise and the price paid for such Shares pursuant to this Agreement.

Neither the Company nor any Affiliate shall have any liability to the Participant, or any other party, if the Option (or any part thereof) that is intended to be an ISO is not an ISO or for any action taken by the Administrator, including without limitation the conversion of an ISO to a Non-Qualified Option.

15. NOTICE TO COMPANY OF DISQUALIFYING DISPOSITION OF AN ISO.

If this Option is designated in the Stock Option Grant Notice as an ISO then the Participant agrees to notify the Company in writing immediately after the Participant makes a Disqualifying Disposition of any of the Shares acquired pursuant to the exercise of the ISO. A Disqualifying Disposition is defined in Section 424(c) of the Code and includes any disposition (including any sale) of such Shares before the later of (a) two years after the date the Participant was granted the ISO or (b) one year after the date the Participant acquired Shares by exercising the ISO, except as otherwise provided in Section 424(c) of the Code. If the Participant has died before the Shares are sold, these holding period requirements do not apply and no Disqualifying Disposition can occur thereafter.

16. NOTICES.

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

If to the Company:

Celsus Therapeutics PLC  
24 West 40<sup>th</sup> Street, 8<sup>th</sup> Floor  
New York, NY 10018  
Attention: Chief Financial Officer

If to the Participant at the address set forth on the Stock Option Grant Notice

or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given upon the earlier of receipt, one business day following delivery to a recognized courier service or three business days following mailing by registered or certified mail.

17. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of England and Wales, without giving effect to the conflict of law principles thereof. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in New York and agree that such litigation shall be conducted in the state courts of New York, New York or the federal courts of the United States for the District of New York.

18. BENEFIT OF AGREEMENT.

Subject to the provisions of the Plan and the other provisions hereof, this Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. ENTIRE AGREEMENT.

This Agreement, together with the Plan, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict, the express terms and provisions of this Agreement, provided, however, in any event, this Agreement shall be subject to and governed by the Plan.

20. MODIFICATIONS AND AMENDMENTS.

The terms and provisions of this Agreement may be modified or amended as provided in the Plan.

21. WAIVERS AND CONSENTS.

Except as provided in the Plan, the terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

22. DATA PRIVACY.

By entering into this Agreement, the Participant: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of options and the administration of the Plan; and (ii) authorizes the Company and each Affiliate to store and transmit such information in electronic form for the purposes set forth in this Agreement.

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**NOTICE OF EXERCISE OF STOCK OPTION**

**[Form for Shares registered in the United States]**

To: Celsus Therapeutics PLC

IMPORTANT NOTICE: This form of Notice of Exercise may only be used at such time as the Company has filed a Registration Statement with the Securities and Exchange Commission under which the issuance of the Shares for which this exercise is being made is registered and such Registration Statement remains effective.

Ladies and Gentlemen:

I hereby exercise my Stock Option to purchase \_\_\_\_\_ shares (the "Shares") of the ordinary shares, £0.01 par value per share, of Celsus Therapeutics PLC (the "Company"), at the exercise price of \$ \_\_\_\_\_ per share, pursuant to and subject to the terms of that Stock Option Grant Notice dated \_\_\_\_\_, 201\_.

I understand the nature of the investment I am making and the financial risks thereof. I am aware that it is my responsibility to have consulted with competent tax and legal advisors about the relevant national, state and local income tax and securities laws affecting the exercise of the Option and the purchase and subsequent sale of the Shares.

I am paying the option exercise price for the Shares as follows:

\_\_\_\_\_

Please issue the Shares (check one):

☐ to me; or

☐ to me and \_\_\_\_\_, as joint tenants with right of survivorship,

at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Exhibit A-1

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My mailing address for shareholder communications, if different from the address listed above, is:

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Very truly yours,

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Participant (signature)

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Print Name

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Date

Exhibit A-2

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Celsus Therapeutics plc  
Thames House  
Portsmouth Road  
Esher  
Surrey KT10 9AD

Our ref: AK\27475\0001\9543032v1\CXC  
Your ref:  
Date: 13 August 2014

Dear Sirs

**Celsus Therapeutics plc (company number 05252842)**

We act for Celsus Therapeutics plc, a public limited company incorporated under the laws of England and Wales (**Company**) as its legal advisers in England in connection with the registration statement (**Registration Statement**) on Form S-8 to be filed by the Company with the Securities and Exchange Commission (**SEC**) on or about August 13, 2014 pursuant to the Securities Act of 1933, as amended (**Securities Act**), and the rules and regulations made pursuant to such Act (the **Rules**).

This opinion relates, and is limited, to those ordinary shares of £0.01 each in the capital of the Company (**Ordinary Shares**) which we understand from the Company are reserved for issue pursuant to the Celsus Therapeutics PLC 2007 Stock Option Plan, as amended (**2007 Plan**) and the Celsus Therapeutics PLC 2014 Equity Incentive Plan (**2014 Plan**, and together with the 2007 Plan, the **Plans**) as at the date of this opinion (together the **Shares**), which we understand from the Company, being:

1. 2,686,690 Ordinary Shares issuable upon exercise of outstanding options granted under the 2007 Plan (**2007 Grants**);
2. 250,000 Ordinary Shares issuable upon the exercise of outstanding options granted under the 2014 Plan; and
3. up to 2,928,310 Ordinary Shares reserved for future grant under the 2014 Plan, (such number to be reduced by the aggregate number of Ordinary Shares subject to the 2007 Grants, to the extent such 2007 Grants are not expired or forfeited, surrendered, cancelled or otherwise terminated, which Ordinary Shares, we understand from the Company, may then be made available for subsequent grants under the 2014 Plan).

**1. Documents**

For the purposes of this opinion, we have examined only the following:

- 1.1 a certificate (the **Secretary's Certificate**) from the Company Secretary of the Company (the **Secretary**) dated 13 August 2014 (a copy of which is attached to this opinion) confirming, inter alia, (i) that the copy of the Articles (referred to in paragraph 1.2 below) attached to the Secretary's Certificate is correct and up-to-date; (ii) that the board resolution referred to in paragraph 1.7 below were duly passed and signed by the chairman of the Company and were duly passed; (iii) that the Company no longer has an authorised share capital, and that there are no other limits under the constitution of the Company on the powers of the directors to allot shares or to grant rights to acquire shares; (iv) the nominal amount of shares which the directors are authorised to allot or grant rights to acquire under section 551 of the UK Companies Act 2006 (the **2006 Act**); (v) the extent of the powers to allot equity securities conferred on the directors without reference to section 570 of the 2006 Act; (vi) the number of Ordinary Shares remaining available for grants under the 2014 Plan as of 13 August 2014; and (vii) the number of Ordinary Shares subject to grants under the 2007 Plan and 2014 Plan that were outstanding as of 13 August 2014;

- 1.2 a Certificate of Good Standing issued by the Registrar of Companies in England and Wales in respect of the Company dated 4 August 2014.
- 1.3 copies of the certificate of incorporation, certificates of incorporation on change of name and articles of association (the **Articles**) of the Company, copies of which are attached to the Secretary's Certificate;
- 1.4 a copy of the resolutions of the Company's shareholders dated 28 June 2012, authorising the directors of the Company to allot shares and to grant rights to subscribe for or otherwise acquire shares and empowering the directors to allot equity securities, a copy of which is attached to the Secretary's Certificate;
- 1.5 a copy of the resolutions of the Company's shareholders dated 20 June 2013 adopting and approving the 2007 Plan and a copy of the resolutions of the Company's shareholders dated 19 June 2014 adopting and approving the 2014 Plan;
- 1.6 information on the file held at Companies House in respect of the Company disclosed by an online search of such file carried out by us at Companies House at 10.15 a.m. on 13 August 2014 (the **Companies Registry Search**);
- 1.7 minutes of the board of directors of the Company dated 30 April 2014 which approved the amendment to the 2007 Plan by adopting the 2014 Plan, subject to the approval of the members of the Company, a copy of which is attached to the Secretary's Certificate; and
- 1.8 a copy of each of the Plans, such copies are attached to the Secretary's Certificate and certified by the Secretary to be true, complete and up-to-date.

## 2. Assumptions

For the purposes of this opinion we have assumed without investigation:

- 2.1 the authenticity, accuracy and completeness of all documents submitted to us as originals or copies, the genuineness of all signatures and the conformity to original documents of all copies;
- 2.2 the capacity, power and authority of each of the parties (other than the Company) to any documents reviewed by us;
- 2.3 the due execution and delivery of any documents reviewed by us in compliance with all requisite corporate authorisations;
- 2.4 that the Plans are fully valid and binding and in full effect and validly constitute the options they purport to constitute, subject to the options being granted under all laws applicable to the Plans;
- 2.5 that all agreements examined by us that are governed by the laws of any jurisdiction other than England and Wales are legal, valid and binding under the laws by which they are (or are expressed to be) governed;



- 2.6 that the written resolutions of the directors of the Company referred to in paragraph 1.7 were duly signed by all the directors of the Company in accordance with requirements of the Company's articles of association and all other applicable requirements and that such resolutions have not been amended or rescinded and are in full force and effect and that the written resolutions have been filed in the Company's statutory books;
- 2.7 that no event has occurred since the issue of the Certificate of Good Standing referred to at 1.2 such that the Registrar of Companies would decline to issue a similar certificate as at the date of this opinion;
- 2.8 having undertaken the Companies Registry Search, having telephoned Companies Court in England and made oral enquiries regarding the Company on the Central Index of Winding Up Petitions at 10.17 a.m. on 13 August 2014 (the **Central Index Search**) and having made enquiries of the Secretary (together, the **Searches and Enquiries**) (but having made no other enquiries) and the Searches and Enquiries not revealing any of the same, that on the date of this opinion no members or creditors' voluntary winding up resolution has been passed and no petition has been presented and no order has been made for the administration, winding up or dissolution of the Company and no receiver, administrative receiver, administrator, liquidator, provisional liquidator, trustee or similar officer has been appointed in relation to the Company or any of its assets;
- 2.9 that no change has occurred to the information on the file at Companies House (including in relation to the Articles) since the time of the Companies Registry Search;
- 2.10 that the Companies Registry Search revealed all matters required by law to be notified to the Registrar of Companies and that the information revealed is complete and accurate as of the date of the Companies Registry Search and that further searches would not have revealed additional or different matters that could have affected the opinions contained in this opinion;
- 2.11 that the information revealed by the Central Index Search is complete and accurate as of the date of such search and that further searches would not have revealed additional or different matters that could have affected the opinions contained in this opinion;
- 2.12 that, in respect of the Shares to be registered on Form S-8:
- 2.12.1 a resolution of the members of the Company has been duly and properly passed at a validly held general meeting of the Company with the appropriate majority creating the Ordinary Shares with the rights attaching to them in the manner referred to in the Registration Statement and validly authorising the board of directors of the Company to issue and allot the Ordinary Shares and that such authority (**Authorisation**) has not expired or been revoked;
- 2.12.2 a meeting of the board of directors of the Company was or shall have been duly convened and held and a valid resolution passed at such meeting to approve each allotment and issue of Shares and each grant of rights to acquire Shares;
- 2.12.3 as at each date of allotment of Shares and grant of rights to subscribe for Shares, the directors of the Company shall have sufficient powers conferred on them to allot such Shares and to grant such rights (as applicable) under section 551 of the 2006 Act and under section 570 of the 2006 Act as if section 561 of the 2006 Act did not apply to such allotment or grant and the Company shall not issue (or purport to issue) Shares and shall not grant rights (or purport to grant rights) in excess of such powers or in breach of any other limitation on their powers to issue shares or grant rights;

- 2.12.4 the directors of the Company will use all their authorities and will exercise all their powers in connection with each allotment and issue of Shares and each grant of rights to subscribe for Shares bona fide in the interests of the Company and in a way most likely to promote the success of the Company for the benefit of its members as a whole;
- 2.12.5 no alteration shall have been made as at the date of allotment of such Shares to the Articles other than as referred to in paragraph 2.12.1;
- 2.12.6 the Company shall have received in full in cash the subscription price payable for such Shares (such subscription price being no less than the nominal value of such Shares) and shall have entered the holders of such Shares on the register of members of the Company showing that such Shares shall have been fully paid up as to their nominal value and any premium thereon as at the date of their allotment;
- 2.12.7 the number of shares being issued (after taking account of all the shares already issued by the Company under the Authorisation) and the number of shares the directors are authorised to allot pursuant to the directors' authority granted in the Shareholder Resolution) does not exceed a par value of £49,551,454.51 and any resolution of the Company's board of directors (**Board**) for the allotment and issue of any Shares is passed prior to the expiry of any period of authorisation granted to the Board by the relevant resolution; and
- 2.12.8 that the Shares will be issued in accordance with the terms of the Plans.
- 2.13 that the Shares and rights to subscribe for Shares have not been and shall not be offered to the public in the United Kingdom in breach of the Financial Services & Markets Act 2000 (**FSMA**) or of any other UK laws or regulations concerning the offer of securities to the public, and no communication has been or shall be made in relation to the Shares in breach of section 21 of FSMA or any other UK laws or regulations relating to offers or invitations to subscribe for, or to acquire rights to subscribe for or otherwise acquire, shares or other securities;
- 2.14 that no shares or securities of the Company are listed on any recognised investment exchange in the United Kingdom (as defined in section 285 of FSMA);
- 2.15 that in issuing and allotting the Shares, the Company is not carrying on a regulated activity for the purposes of section 19 of FSMA;
- 2.16 that the Company's place of central management is not in the UK, the Channel Islands or the Isle of Man for the purposes of the City Code on Takeovers and Mergers;
- 2.17 the Registration Statement shall have been declared effective and such effectiveness shall not have been terminated or rescinded;
- 2.18 that none of the terms of any security to be established subsequent to today's date, nor the issuance and delivery of such security, nor the compliance by the Company with the terms of such security will violate any applicable law or will result in a violation of any provision of any instrument or agreement then binding upon the relevant company, or any restriction imposed by any court or governmental body having jurisdiction over any of the companies in the Company's group or their respective assets;

- 2.19 that any Shares issued on exercise of an option under a Plan will be issued in accordance with the terms of that Plan and in accordance with the Articles;
- 2.20 that there will be no change to the Articles which would affect any of the opinions given in this opinion;
- 2.21 that the Company is not, and will not be, in breach of any borrowing limits or restrictions in its Articles or any other instrument or contract binding on the Company;
- 2.22 that the terms and conditions applicable to the Shares, will not be inconsistent with the Registration Statement;
- 2.23 that the Corporate Approvals referred to above were or will each be (as appropriate) passed at a meeting which was or will be duly convened, constituted and held in accordance with all applicable laws and regulations; that in particular, but without limitation, a duly qualified quorum of directors or, as the case may be, shareholders was or will be present in each case throughout the meeting and voted in favour of the resolutions; and that in relation to each meeting of the board of directors of the Company and of the Committee, each provision contained in the Companies Act 2006 or the articles of association of the Company relating to the declaration of directors' interests or the power of interested directors to vote and to count in the quorum was or will be duly observed;
- 2.24 the accuracy as to factual matters of each document we have reviewed, including, without limitation, the accuracy and completeness of all statements in the Secretary's Certificate;
- 2.25 that there are no provisions of the laws of any jurisdiction outside England and Wales that would have any implication for the opinions we express and that, insofar as the laws of any jurisdiction outside England and Wales may be relevant to this opinion letter, such laws have been and will be complied with;
- 2.26 the capacity, power, authority and ability of each of the parties other than the Company to enter into, carry out and fulfil their obligations and liabilities in connection with the Documents and that each of the parties other than the Company is currently in good standing in its jurisdiction of registration;
- 2.27 that the information contained in the Secretary's Certificate is true, complete, correct and not misleading; and
- 2.28 that the persons executing the Documents, were duly authorised to do so and had the power to bind the applicable party.

### 3. Opinion

- 3.1 Based upon and subject to the foregoing, and subject to the reservations mentioned below and to any matters not disclosed to us, we are of the opinion that:
  - 3.1.1 the Company is a company duly incorporated and validly existing and in good standing under English law;
  - 3.1.2 when the Shares are issued in accordance with the Plans based on the assumptions above, such Shares will be validly issued, fully paid and non-assessable;
- 3.2 For the purposes of this opinion we have assumed that the term “**non-assessable**” in relation to the Shares means under English law that holders of such Shares, in respect of which all amounts due on such Shares as to the nominal amount and any premium thereon have been fully paid, will be under no obligation to contribute to the liabilities of the Company solely in their capacity as holders of such Shares.

- 3.3 This opinion is strictly limited to the matters expressly stated in paragraphs 3.1 above and is not to be construed as extending by implication to any other matter. Other than as set out in paragraphs 3.1 above, we express no opinion as to any agreement, instrument or other document that may arise or be entered into as a result of or in connection with the Offering. Without prejudice to the generality of the foregoing, we express no opinion as to any aspect of tax law.
- 3.4 This opinion relates only to English law (being for these purposes, except to the extent we make specific reference to an English law “conflict of law” (private international law) rule or principle, English domestic law on the assumption that English domestic law applies to all relevant issues) as applied by the English courts as at today’s date, including the laws of the European Union to the extent such laws have the force of law in England.

#### 4. Reservations

Our reservations are as follows:

- 4.1 we express no opinion on European Community law as it affects any jurisdiction other than England. We also express no opinion as to whether or not a foreign court (applying its own conflict of laws rules) will act in accordance with the parties’ agreement as to jurisdiction and/or choice of law;
- 4.2 the obligations of the Company are subject to all laws from time to time in effect relating to bankruptcy, insolvency, liquidation, administration, reorganisation or any other laws (or other legal or equitable remedies) generally affecting the rights of creditors;
- 4.3 we express no opinion as to any law other than English law in force, and as interpreted, at the date of this opinion. We are not qualified to, and we do not, express an opinion on the laws of any other jurisdiction. In particular and without prejudice to the generality of the foregoing, we have not independently investigated the laws of the United States of America or the State of New York or the rules of any non-UK regulatory body (including, without limitation, the SEC) or any investment exchange outside the United Kingdom (including, without limitation, the NASDAQ Stock Market LLC) for the purpose of this opinion;
- 4.4 the choice of the law of the State of New York to govern any obligation to be performed in a jurisdiction outside England may not be recognised or upheld by an English court to the extent that to do so would prejudice the application of mandatory rules of law applicable in such other jurisdiction with which the relevant obligation is otherwise solely connected;
- 4.5 if an English Court assumes jurisdiction it would not apply the law of the State of New York if (i) the law of the State of New York were not pleaded or proved; or (ii) to do so would be contrary to English public policy or mandatory rules of English law (or the law of the European Union);
- 4.6 in our opinion under English law there is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of judgements of United States courts, of civil liabilities predicated solely upon the United States Federal or State securities laws;
- 4.7 for the purpose of paragraph 3.1.1 above, **duly incorporated** in relation to the Company means that the Registrar of Companies has issued a Certificate of Incorporation in relation to the Company which is, under the Companies Act 2006 (or its predecessor Acts), conclusive evidence that the requirements of the Companies Act 2006 (or its predecessor Acts) as to registration under that Act (or its predecessor Acts) had been complied with and that the Company is duly registered under the Companies Act 2006 (or its predecessor Acts);

- 4.8 the expression “in good standing” in paragraph 3.1 above means that according to the documents on the file of the Company in the custody of the Registrar of Companies, the Company has been in continuous and unbroken existence since the date of its incorporation and that no notification has been received by the Registrar of Companies that it is in liquidation or administration;
- 4.9 any Companies Registry Search may not completely and accurately reflect the situation of the Company at the time it was made due to (i) failure of the Company to file documents that ought to be filed, (ii) statutory prescribed time-periods within which documents evidencing actions may be filed, (iii) the possibility of additional delays (beyond the statutory time-limits) between the taking of the action and the necessary filing at the Registrar of Companies, (iv) the possibility of delays in the Registrar of Companies in the registration of documents and their subsequent copying onto public records and (v) errors and mis-filing that may occur;
- 4.10 any Central Index Search may not completely and accurately reveal whether or not petitions for winding-up orders or administration orders have been lodged, since (i) whilst in relation to winding-up petitions it should show all such petitions issued in England and Wales, it is limited to petitions for administration issued in London only, (ii) there may be delays in entering details of petitions on the index, (iii) County Courts may not notify the Central Index immediately (if at all) of petitions which they have issued, (iv) enquiries of the Central Index, in any event, only show petitions presented since June 1994 and (v) errors and mis-filing may occur;
- 4.11 the list of members maintained by the Company’s registrars does not disclose details of the payment up of any Shares, such details being recorded by or on behalf of the Company in a separate register of allotments which contains certain of the information required under the 2006 Act and we assume that the same procedure will be adopted in relation to the Shares to be registered as described in paragraph 1 above;
- 4.12 no allotment of any Shares or other securities to be registered as described in the opening two paragraphs of this opinion has (we understand) yet taken place as at the date of this opinion;
- 4.13 a member of a company incorporated under the laws of England and Wales may apply to the English courts under Part 30 of the 2006 Act on the grounds that the affairs of the company are being or have been conducted in a manner unfairly prejudicial to members’ interests, and in such circumstances, the court may (inter alia) require the company to refrain from doing or continuing an act complained of by the petitioner and such an order may extend to the allotment and/or issue;
- 4.14 we express no opinion as to any document other than the Documents and we express no opinion as to the validity of the Plans which are made pursuant to the laws of the State of New York;
- 4.15 without limiting any other assumption or reservation made in this opinion, we have not investigated whether the Company or any other party to any of the Documents is or will by reason of the execution of, or the transactions contemplated by, the Documents or any document referred to in the Documents be in breach of any of its obligations under any licence, authorisation, consent, agreement or document, other than in respect of the Articles;

- 4.16 we express no opinion as to the tax treatment or consequences of the Documents or the transactions contemplated by them including, without limitation, the transfer or issue of any shares in the share capital of the Company;
- 4.17 we have not carried out any of due diligence other than as specifically stated in this opinion concerning any factual matters relating to the transaction, arising out of any Documents, including having made no investigation into the truthfulness or accuracy of any of the warranties or representations given by the Company. Furthermore, we have not reviewed the Registration Statement; and
- 4.18 this opinion speaks only to today's date. Notwithstanding any reference in this opinion to future matters or circumstances, we have no obligation to advise the addressee (or any third party) of any changes in the law or facts that may occur after the date of this opinion.

This opinion is given on condition that it is governed by and shall be construed in accordance with English law as in force and as interpreted at the date of this opinion and that the English courts shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this opinion.

This opinion is given solely to you in connection with the filing of the Registration Statement. It may not be used nor relied upon for any other purpose. Furthermore, we are acting solely for the Company in giving this opinion and we do not owe any duty to, or accept any liability to, any other person and no other person may rely on this opinion.

Without prejudice to the preceding paragraph, we hereby consent to the filing of this opinion in its full form and the use of our name under the caption "Legal Matters" contained in the prospectus which is included in the Registration Statement or in such other form as we may approve in writing.

In giving such consent, if and to the extent that this might otherwise apply in relation to the giving of an opinion governed by English law, we do not admit that we are in the category of persons whose consent is required under Section 7 of the US Securities Act or the Rules and Regulations made pursuant to such legislation.

Yours faithfully

/s/ Fladgate LLP

Fladgate LLP

Direct Dial +44 (0)20 3036 7352  
Direct Fax +44 (0)20 3036 7852  
akelman@fladgate.com

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the 2007 Stock Option Plan, as amended and 2014 Equity Incentive Plan of Celsus Therapeutics Plc. of our report dated March 24, 2014, with respect to the consolidated financial statements of Celsus Therapeutics Plc. included in its Annual Report (Form 20-F) for the year ended December 31, 2013, filed with the Securities and Exchange Commission.

/s/ Kost Forer Gabbay & Kasierer

Tel-Aviv, Israel  
August 13, 2014

KOST FORER GABBAY & KASIERER  
A Member of Ernst & Young Global

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