ORAMED PHARMACEUTICALS INC.
Form PRE 14A
January 04, 2011

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

SCHEDULE 14A
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
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 ¨

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

ORAMED PHARMACEUTICALS 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
¨ 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:
(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:

ORAMED PHARMACEUTICALS INC.
Hi-Tech Park 2/5 Givat Ram
PO Box 39098
Jerusalem, Israel 91390

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 1, 2011

To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Oramed Pharmaceuticals Inc. (the "Company"). The Annual Meeting will be held at Hi-Tech Park 2/5 Givat Ram, Jerusalem, Israel, on March 1, 2011, at 4:00 p.m. (Israel time), or at any adjournment or postponement thereof, for the purpose of considering and taking appropriate action with respect to the following:

1. To re-elect five directors of the Company to hold office until our next annual meeting of stockholders and until their respective successors shall be elected and qualified;

2. To ratify the appointment of Kesselman & Kesselman, certified public accountants in Israel, a member of PricewaterhouseCoopers International Limited, as the auditors of the Company for the fiscal year ending August 31, 2011;

3. To authorize the Board of Directors to effect a reverse stock split of the Company's shares of common stock at a ratio not to exceed one-for-eighteen and to approve related amendments to the Company’s Articles of Incorporation and Bylaws;

4. To approve the reincorporation of the Company from the State of Nevada to the State of Delaware (including the form of the plan of conversion to accomplish such reincorporation, together with the exhibits thereto, and the transactions contemplated thereby); and

5. To transact any other business as may properly come before the meeting or any adjournments thereof.

Our Board of Directors has fixed the close of business on January 31, 2011, as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and at any adjournments or postponement thereof.

All stockholders are invited to attend the Annual Meeting in person. Whether or not you plan to attend the meeting, please complete, date and sign the enclosed proxy card and return it in the enclosed envelope, as promptly as possible. If you attend the meeting, you may withdraw the proxy and vote in person. If you have any questions regarding the completion of the enclosed proxy card or would like directions to the Annual Meeting, please call + 972-2-566-0001.

You are entitled to dissenters’ rights under Nevada law with respect to the proposal to reincorporate the Company from the State of Nevada to the State of Delaware, provided that you strictly comply with the procedures as described in the accompanying Proxy Statement.

By Order of the Board of
Directors,

Nadav Kidron
President, Chief Executive
Officer and Director

Jerusalem, Israel
January 31, 2011

PROXY STATEMENT
OF
ORAMED PHARMACEUTICALS INC.

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 1, 2011

The enclosed proxy is solicited on behalf of the Board of Directors (the "Board") of Oramed Pharmaceuticals Inc. (the "Company," "we," "us," or "our"), for use at the Annual Meeting of Stockholders to be held on March 1, 2011, at 4:00 p.m. (Israel time) (the "Annual Meeting"), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at our offices, Hi-Tech Park 2/5 Givat Ram, Jerusalem, Israel. We intend to first mail this proxy statement, as well as the enclosed proxy card, on or about February 1, 2011, to all stockholders entitled to vote at the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The proxy statement, proxy card, and our annual report on Form 10-K are available at
http://ir.oramed.com/phoenix.zhtml?c=180902&p=irol-sec
Stockholders may also obtain a copy of these materials by writing to Oramed Pharmaceuticals Inc., Hi-Tech Park 2/5 Givat Ram, PO Box 39098, Jerusalem, Israel 91390, attention: Secretary or by e-mailing yifat@oramed.com.

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We sent you this proxy statement, as well as the enclosed proxy card, because our Board of Directors is soliciting your proxy to vote at the 2011 Annual Meeting of Stockholders. You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement. The Annual Meeting will be held on Tuesday, March 1, 2011 at 4:00 p.m. (Israel time) at Hi-Tech Park 2/5 Givat Ram, Jerusalem, Israel. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on January 31, 2011, will be entitled to vote at the Annual Meeting.

Stockholder of Record: Shares Registered in Your Name

If on January 31, 2011, your shares were registered directly in your name with our transfer agent, Continental Stock Transfer & Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on January 31, 2011, your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name" and these proxy

materials are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

The matters scheduled for a vote at the Annual Meeting are:

- the re-election of five directors of the Company to hold office until our next annual meeting of stockholders and until their respective successors shall be elected and qualified;

- the ratification of the appointment of Kesselman & Kesselman, certified public accountants in Israel, a member of PricewaterhouseCoopers International Limited, as the auditors of the Company for the fiscal year ending August 31, 2011;

- the authorization of the Board of Directors effecting a reverse stock split of the Company's shares of common stock at a ratio not to exceed one-for-eighteen and to approve related amendments to the Company's Articles of Incorporation and Bylaws; and

- the approval of the reincorporation of the Company from the State of Nevada to the State of Delaware (including the form of the plan of conversion to accomplish such reincorporation, together with the exhibits thereto, and the transactions contemplated thereby).

Our Board of Directors recommends that you vote FOR all of the above proposals.

How do I vote?

The procedures for voting are as follows:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting, or vote by proxy using the enclosed proxy card. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

- To vote in person, come to the Annual Meeting, where a ballot will be made available to you. Directions to attend the Annual Meeting where you may vote in person can be found at: http://www.oramed.com/ufiles/map_directions.pdf.

- To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us no less than 24 hours before the Annual Meeting, we will vote your shares as you direct. The chairman of the Annual Meeting may, at his discretion, decide to accept proxy cards even if received less than 24 hours before the Annual Meeting.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or bank, if your broker or bank makes telephone or Internet voting available. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

How many votes do I have?

You have one vote for each share of common stock you own as of the close of business on January 31, 2011.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted "For" matters on the agenda of the Annual Meeting. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return each proxy card to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

- You may submit another properly completed proxy card with a later date.
- You may send a written notice that you are revoking your proxy to our Secretary at Hi-Tech Park 2/5 Givat Ram, PO Box 39098, Jerusalem, Israel 91390.
- You may attend the meeting and vote in person. Simply attending the Annual Meeting will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count "For," "Abstain" and "Withhold."

If your shares are held by your broker as your nominee (that is, in "street name"), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not give instructions to your broker, your broker can vote your shares with respect to "discretionary" items, but not with respect to "non-discretionary" items. Discretionary items are proposals considered routine under the rules of the New York Stock Exchange on which your broker may vote shares held in street name in the absence of your voting instructions. On non-discretionary items for which you do not give your

broker instructions, the shares will be treated as broker non-votes. There are no discretionary items scheduled for a vote at the Annual Meeting, except for Proposal 2.

How many votes are needed to approve each proposal?

The approval of Proposals 1, 2, 3 and 4 require the affirmative vote of the holders of a majority of shares of common stock present, in person or by proxy, and voting on the matter. Other than for the purpose of establishing a quorum, as discussed in the following paragraph, abstentions and broker non-votes will not affect the outcome of the election of directors.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if holders of at least 10% of the outstanding shares are represented by stockholders present at the meeting or by proxy. As of [_____], 2011, there were [_____] shares of common stock outstanding and entitled to vote. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, either the chairman of the meeting or a majority of the votes present may adjourn the meeting to another date.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be reported in an immediate report on Form 8-K.

INTERNAL REVENUE SERVICE CIRCULAR 230 NOTICE:

TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, STOCKHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS PROXY STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY STOCKHOLDER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THE STOCKHOLDER UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) STOCKHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common stock as of [_____], 2011 by: (i) by each person who is known by us to own beneficially more than 5% of our common stock; (ii) each director and nominee for director; (iii) each of our current executive officers; and (iv) all of our directors and executive officers as a group. On such date, we had [_____] shares of common stock outstanding.

As used in the table below and elsewhere in this form, the term “beneficial ownership” with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship, or otherwise, including a right to acquire such power(s) during the next 60 days following [_____], 2011. Inclusion of shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, each person or entity named in the table has sole voting power and investment power (or shares that power with that person’s spouse) with respect to all shares of capital stock listed as owned by that person or entity.

Name and Address of Beneficial Owner	Number of Shares	Percentage of Shares Beneficially Owned
Nadav Kidron †‡ 10 Itamar Ben Avi St. Jerusalem, Israel	[_____](1)	[__]%
Zeev Bronfeld 6 Uri St. Tel-Aviv, Israel	[_____]	[__]%
Miriam Kidron †‡ 2 Elza St. Jerusalem, Israel	[_____](2)	[__]%
Apollo Nominees Inc One Financial Place Suite 100 Lower Collymore Rock St. Michael, Barbados	[_____](3)	[__]%
Hadasit Medical Research Services & Development Ltd. P.O. Box 12000 Jerusalem, Israel	[_____]	[__]%
Leonard Sank † 3 Blair Rd Camps Bay Cape Town, South Africa	[_____](4)	[__]%
Harold Jacob † Haadmur Mebuyon 26 Jerusalem, Israel	[_____](5)	*
Michael Berelowitz † 415 East 37th Street New York, NY, USA	—	—
Yifat Zommer ‡ P.O. Box 39098, Jerusalem, Israel	[_____](6)	*
All current executive officers and directors, as a group (six persons)	[_____](7)	[__]%

_____

* Less than 1%

† Indicates Director

‡ Indicates Officer

(1) Includes [_____] shares of common stock issuable upon the exercise of outstanding stock options.

(2) Includes [_____] shares of common stock issuable upon the exercise of outstanding stock options.

(3) Includes [_____] shares of common stock issuable upon the exercise of warrants beneficially owned by the referenced entity.

(4) Includes [_____] shares of common stock issuable upon the exercise of warrants beneficially owned by the referenced entity.
(5) Consists of [_____] shares of common stock issuable upon the exercise of outstanding stock options.
(6) Consists of [_____] shares of common stock issuable upon the exercise of outstanding stock options.
(7) Includes [_____] shares of common stock issuable upon the exercise of outstanding stock options.

PROPOSAL 1:
RE-ELECTION OF DIRECTORS

The number of directors comprising our Board of Directors is currently set at five and our Board is presently composed of five members. Vacancies on our Board of Directors may be filled by persons elected by a majority of our remaining directors. A director elected by our Board of Directors to fill a vacancy (including any vacancy created by an increase in the number of directors) shall serve until the next meeting of stockholders at which the election of directors is considered and until such director's successor is elected and qualified.

Each nominee is currently a director of the Company. If re-elected at the Annual Meeting, each of the nominees below would serve until our 2012 Annual Meeting of Stockholders, and until his or her successor is elected and has qualified, or until such director's earlier death, resignation or removal.

Biographical Summaries of Nominees for the Board of Directors

The following is a brief account of the education and business experience during at least the past five years of each director nominee, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Mr. Nadav Kidron, 36, was appointed President, Chief Executive Officer and director in March 2006. From 2003 to 2006, he was the managing director at the Institute of Advanced Jewish Studies – Bar Ilan University. From 2001 to 2003, he was a legal intern at Wine Mishaiker and Erenstof Law Offices in Jerusalem, Israel. Mr. Kidron holds an LLB from Bar – Ilan University and is currently enrolled in the International MBA program at Bar – Ilan University.

Dr. Miriam Kidron, 69, was appointed Chief Medical and Technology Officer and director in March 2006. Dr. Kidron is a pharmacologist and a biochemist with a PhD in biochemistry. From 1990 to 2007, Dr. Kidron has been a senior researcher in the Diabetes Unit at Hadassah University Hospital in Jerusalem, Israel. During 2003 and 2004, Dr. Kidron served as a consultant to Emisphere Technologies Inc., a company that specializes in developing broad-based proprietary drug delivery platforms. Dr. Kidron was formerly a visiting professor at the Medical School at the University of Toronto (Canada), and is a member of the American, European and Israeli Diabetes Associations. Dr. Kidron is a recipient of the Bern Schlanger Award.

Mr. Leonard Sank, 45, was appointed a director in October 2007. Mr. Sank is a South African entrepreneur and businessman who is devoted to entrepreneurial endeavors and initiatives. He has over 20 years of experience playing important leadership roles in developing businesses. He was a director in Eastvaal Motor Group, a diversified retail motor business. He was also a director in Vecto Finance, a credit lending business. He has also served as a director of Macsteel Service Centres SA Pty Ltd., South Africa's largest private company. He also serves on the board of local non-profit charity organizations in Cape Town, where he resides.

Dr. Harold Jacob, 57, was appointed a director in July 2008. Since 1998, Dr. Jacob has served as the president of Medical Instrument, a company which provides a range of support and consulting services to start-up and early stage companies as well as patenting its own proprietary medical devices. Dr. Jacob has advised a spectrum of companies in the past and he served as a consultant and then as the Director of Medical Affairs at Given Imaging Ltd., during the years 1997 to 2003, a company that developed the first swallowable wireless pill camera for inspection of the intestine. He has licensed patents to a number of companies including Kimberly Clark Ballard. Since 2003, Dr. Jacob has served as the CEO of NanoVibronix, a medical device company using surface acoustics to prevent catheter acquired infection as well as other applications. He practiced clinical gastroenterology in New York and served as Chief of Gastroenterology at St. Johns Episcopal Hospital and South Nassau Communities Hospital in the years 1986-1995, and was a Clinical Assistant Professor of Medicine at SUNY during the years 1983-1990. Dr. Jacob founded and served as Editor in Chief of Endoscopy Review and has authored numerous publications in the field of gastroenterology.

Dr. Michael Berelowitz, 66, was appointed a director in June 2010. Since 2009, Dr. Berelowitz has served as Senior Vice President and Head of Clinical Development and Medical Affairs in the Specialty Care Business Unit at Pfizer, Inc. From 1996 to 2009 he served in various roles at Pfizer, Inc., beginning as a Medical Director in the Diabetes Clinical Research team and then assuming positions of increasing responsibility until being appointed to his present role. Prior to that, Dr. Berelowitz spent a number of years in academia. Among his public activities, Dr. Berelowitz has served on the board of directors of the American Diabetes Association, the Clinical Initiatives Committee of the Endocrine Society, and has chaired the Task Force on Research of the New York State Council on Diabetes. He has also served on several editorial boards, including the Journal of Clinical Endocrinology and Metabolism and Endocrinology, Reviews in Endocrine and Metabolic Disorders and Clinical Diabetes. Dr. Berelowitz has authored and co-authored more than 100 peer-reviewed journal articles and book chapters in the areas of pituitary growth hormone regulation, diabetes and metabolic disorders.

Vote Required

The affirmative vote of the holders of a majority of shares of common stock present, in person or by proxy, and voting on the matter is required for the approval thereof.

The Board of Directors unanimously recommends that you vote "FOR" all of the nominees listed above.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The name and age of each of the five director nominees and of our executive officers, his or her position with us and the period during which such person has served as a director or officer of the Company are set forth below.

Name	Age	Position	Serving Since
Nadav Kidron	36	President, Chief Executive Officer and Director	2006
Miriam Kidron	69	Chief Medical and Technology Officer and Director	2006
Leonard Sank	45	Director	2007
Harold Jacob	56	Director and member of the Scientific Advisory Board	2008
Michael Berelowitz	66	Director	2010
Yifat Zommer	37	Chief Financial Officer, Treasurer and Secretary	2009

Dr. Miriam Kidron is Mr. Nadav Kidron’s mother. There are no other directors or officers of the Company who are related by blood or marriage.

Biographical summaries for our directors are set forth under "Proposal 1: Re-election of Directors - Biographical Summaries of Nominees for the Board of Directors" above. The following is a brief account of the education and business experience of our executive officers who are not directors, indicating principal occupation and the name and principal business of the organization in which such occupation and employment were carried out.

Ms. Yifat Zommer, 37, was appointed as Chief Financial Officer, Treasurer and Secretary in April 2009. From April 2007 to October 2008, Ms. Zommer served as Chief Financial Officer of Witech Communications Ltd., a subsidiary of IIS Intelligence Information Systems Ltd, a company operating in the field of video transmission using wireless communications. From April 2006 to April 2007, Ms. Zommer acted as Chief Financial Officer for CTWARE Ltd, a telecommunication company. Prior to that she was an audit manager in PricewaterhouseCoopers (PwC), where she served for five years. Ms. Zommer holds a Bachelor of Accounting and Economics degree from the Hebrew University and Business Administration (MBA) from Tel-Aviv University. Ms. Zommer is a certified public accountant in Israel.

Board of Directors

There are no agreements with respect to the election of directors. Each director is elected for a period of one year at our annual meeting of stockholders and serves until the next such meeting and until his or her successor is duly elected. The Board may also appoint additional directors up to a maximum of fifteen directors. A director so chosen or appointed will hold office until the next annual meeting of stockholders. The Board has determined that Leonard Sank, Harold Jacob and Michael Berelowitz are independent as defined under the rules promulgated by the NASDAQ Stock Market. For the past three years, we have not held an annual meeting of stockholders.

There have been no events under any bankruptcy act, no criminal proceedings and no judgments, injunctions, orders or decrees material to the evaluation of the ability and integrity of any director, executive officer, or control person of the Company during the past ten years.

Board Meeting Attendance

During the year ended August 31, 2010, our Board held six meetings and took actions by written consent on 13 occasions. No incumbent director of the meeting attended fewer than 75% of the aggregate of: (i) the total number of meetings of the Board (during the period for which such director served as a director); and (ii) the total number of meetings held by all committees of the Board on which such director served (during the period for which such director served on such committees). Board members are encouraged to attend our annual meetings of stockholders.

Committees

To date, the Board has not established any committees. The Board has not established a nominating committee or an audit committee because it believes that the Board, of which three of its five members are independent directors, is qualified to fulfill these functions.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely upon a review of Forms 3, 4 and 5, and amendments thereto, furnished to us during fiscal year 2010, we believe that during fiscal year 2010, our executive officers, directors and all persons who own more than ten percent of a registered class of our equity securities complied with all Section 16(a) filing requirements.

Code of Ethics

We have adopted a Code of Ethics for our officers, directors and employees. A copy of the Code of Ethics is available on our website at www.oramed.com.

Board Leadership Structure and Role in Risk Oversight

Mr. Nadav Kidron serves as our President, Chief Executive Officer and on our Board of Directors. None of our independent directors serves as the lead independent director. We believe that this leadership structure is appropriate to our Company given the current size and operations of the Company. Our Board of Directors' role in risk oversight includes risk analysis and assessment in connection with each financial and business review, update and decision-making proposal and is an integral part of all Board deliberations. The Board's role in our risk oversight is consistent with our leadership structure, with our President and Chief Executive Officer and other members of senior management having responsibility for assessing and managing our risk exposure, and the Board of Directors providing oversight in connection with those efforts.

Stockholder Communications

Although we have not adopted a formal process for stockholder communications with our Board of Directors, we believe stockholders should have the ability to communicate directly with the Board so that their views can be heard by the Board or individual directors, as applicable, and that appropriate and timely responses are provided to stockholders. All communications regarding general matters should be directed to the Secretary of the Company at the address below and should prominently indicate on the outside of the envelope that it is intended for the complete Board of Directors or for any particular director(s). If no designation is made, the communication will be forwarded to the entire Board. Stockholder communications to the Board should be sent to:

Corporate Secretary
Oramed Pharmaceuticals Inc.
Hi-Tech Park 2/5 Givat Ram
PO Box 39098
Jerusalem, Israel 9139

Certain Relationships and Related Transactions and Director Independence

Except as otherwise indicated below, during the fiscal year 2010 we have not been a party to any transaction, proposed transaction, or series of transactions in which the amount involved exceeds the lesser of $120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which, to our

knowledge, any of our directors, officers, five percent beneficial security holder, or any member of the immediate family of the foregoing persons has had or will have a direct or indirect material interest.

Our policy is to enter into transactions with related parties on terms that, on the whole, are no less favorable than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred. All related parties transactions are approved by our board of directors.

On March 8, 2006, and July 8, 2009, we entered into two agreements with Hadasit to provide consulting and clinical trial services for total consideration of $400,000. The clinical trials to be conducted by Hadasit are managed by Dr. Kidron, our Chief Medical and Technology Officer and Director, through its research fund in Hadasit. The fees paid by the Company to Hadasit are deposited into a Hadasit research account in the name of Dr. Kidron. Pursuant to the general policy of Hadasit with respect to its research funds, Dr. Kidron is entitled to receive a management fee in the rate of 10% of all the funds deposited into this research fund, including the funds paid by the Company under the said agreements. Since March 2006, only the funds paid by the Company are deposited in this account.

On June 1, 2010, our subsidiary Oramed Ltd., entered into an agreement with D.N.A Biomedical Solutions Ltd (formerly, Laser Detect Systems Ltd.) ("D.N.A"), for the establishment of a new company to be called Entera Bio Ltd. ("Entera"). Under the terms of a license agreement that was entered into between Oramed and Entera, Oramed will out-license technology to Entera, on an exclusive basis, for the development of oral delivery drugs for certain indications to be agreed upon between the parties. The out-licensed technology differs from our main delivery technology that is used for oral insulin and GLP-1 Analog and is subject to a different patent application. Entera's initial development effort will be an oral formulation for the treatment of osteoporosis. Mr. Zeev Bronfeld, who is one of D.N.A's controlling shareholders, holds approximately 10.71% of our outstanding common stock.

The Board has determined that Leonard Sank, Harold Jacob and Michael Berelowitz are independent as defined under the rules promulgated by the NASDAQ Stock Market.

See "Compensation of Executive Officers and Directors - Employment and Consulting Agreements" below for information as to agreements with our employees and consultants.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Summary Compensation Table

The following table sets forth the compensation earned during the years ended August 31 2009 and 2010 by our President and Chief Executive Officer, our Chief Medical and Technology Officer, our Chief Financial Officer and former Chief Financial Officer (the "Named Executive Officers"):

Name and Principal Position	Year (1)	Salary ($)	Option Awards ($) (2)	All Other Compensation ($) (3)	Total ($)
Nadav Kidron	2010	159,919	236,344	10,783	407,046
President and CEO and director (4)	2009	155,359	153,855	15,474	324,688
Miriam Kidron	2010	160,092	236,344	7,727	404,163
Chief Medical and Technology Officer and director (5)(6)	2009	154,983	153,855	11,539	320,377
Yifat Zommer	2010	76,896	81,803	26,979	185,678
CFO, Treasurer and Secretary (7)	2009	20,468	19,946	11,245	51,659
Chaime Orlev					
CFO and Secretary (8)	2009	59,300	Nil	25,544	84,844

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1 The information is provided for each fiscal year which begins on September 1 and ends on August 31.

2 The amounts reflect the compensation expense in accordance with FAS 123(R) of these option awards. The assumptions used to determine the fair value of the option awards for fiscal years ended August 31, 2010 and 2009 are set forth in the notes to our audited consolidated financial statements included in our annual report on Form 10-K for fiscal year ended August 31, 2010. Our Named Executive Officers will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.

3 See All Other Compensation Table below.

4 Mr. Kidron was appointed as our President, CEO and Director on March 8, 2006 and receives compensation from our subsidiary through KNRY, an Israeli entity owned by Mr. Kidron. See "Employment and Consulting Agreements."

5 Dr. Kidron was appointed as our Chief Medical and Technology Officer and Director on March 8, 2006 and receives compensation from our subsidiary through KNRY, an Israeli entity owned by Mr. Kidron. See "Employment and Consulting Agreements."

6 See "Certain Relationships and Related Transactions and Director Independence" for a description of management fees received by Dr. Kidron from Hadasit.

7 Ms. Zommer was appointed as our CFO, Treasurer and Secretary on April 19, 2009

8 Mr. Orlev served as our CFO and Secretary from May 1, 2008 through March 31, 2009.

All Other Compensation Table

All Other Compensation amounts in the Summary Compensation Table consist of the following:

Name	Year	Automobile Related Expenses ($)	Manager's Insurance * ($)	Education Fund* ($)	Total ($)
Nadav Kidron	2010	10,783	Nil	Nil	10,783
Miriam Kidron	2010	7,727	Nil	Nil	7,727
Yifat Zommer	2010	9,814	11,466	5,699	26,979

*Manager's insurance and education funds are customary benefits provided to employees based in Israel. Manager's insurance is a combination of severance savings (in accordance with Israeli law), defined contribution tax-qualified pension savings and disability insurance premiums. An Education fund is a savings fund of pre-tax contributions to be used after a specified period of time for educational or other permitted purposes.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning stock options and stock awards held by the Named Executive Officers as of August 31, 2010.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Nadav Kidron	850,000(1)	-	0.45	08/01/12
	720,000(2)	144,000(2)	0.54	05/06/18
	864,000(5)	612,000(2)	0.49	04/20/20
Miriam Kidron	3,361,360(3)	-	0.001	08/13/12
	850,000(1)	-	0.45	08/01/12
	720,000(2)	144,000(2)	0.54	05/06/18
	864,000(5)	612,000(2)	0.49	04/20/20
Yifat Zommer	-	400,000(4)	0.47	10/19/19

(1) On August 2, 2007, 850,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2006 Stock Option Plan at an exercise price of $0.45 per share; the options vested immediately and have an expiration date of August 2, 2012.

(2) On May 7, 2008, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Stock Option Plan at an exercise price of $0.54 per share, 144,000 of such options vested immediately on the date of grant and the remainder will vest in twenty equal monthly installments, commencing on June 7, 2008. The options have an expiration date of May 7, 2018.

(3) On August 14, 2007 3,361,630 stock options were granted to Miriam Kidron, at an exercise price of $0.001 per share; the options vested immediately and have an expiration date of August 14, 2012. These options were not issued pursuant to any outstanding award plans.

(4) On June 3, 2009, 400,000 options were granted to Yifat Zommer under the 2008 Stock Option Plan at an exercise price of $0.47 per share. The options vest in three equal annual installments, commencing October 19, 2010, and

expire on October 19, 2019.

(5) On April 21, 2010, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Stock Option Plan at an exercise price of $0.49 per share, 108,000 of such options vested immediately on the date of grant and the remainder will vest in twenty one equal monthly installments, commencing on May 31, 2010. The options have an expiration date of April 20, 2020.

Stock Option Plans

2006 Stock Option Plan

On October 15, 2006, the Board adopted the 2006 Stock Option Plan (the "2006 Plan") in order to attract and retain quality personnel. Under the 2006 Plan, 3,000,000 shares have been reserved for the grant of options by the Board. In addition, under the terms of the 2006 Plan, options that have expired or been terminated for any reason prior to being exercised may be reissued. As of August 31, 2010, options with respect to1,700,000 shares were outstanding under the 2006 Plan, which amount reflects the aggregate grant of options with respect to 3,350,000 shares, of which 1,650,000 expired through August 31, 2010.

2008 Stock Incentive Plan

On May 5, 2008, the Board adopted the 2008 Stock Incentive Plan (the "2008 Plan") in order to attract and retain quality personnel. The 2008 Plan provides for the grant of stock options, restricted stock, restricted stock units and stock appreciation rights, collectively referred to as "awards." Stock options granted under the Plan may be either incentive stock options under the provisions of Section 422 of the Internal Revenue Code, or non-qualified stock options. Incentive stock options may be granted only to our employees or to our parent or subsidiary. Awards other than incentive stock options may be granted to employees, directors and consultants. Under the 2008 Plan, 8,000,000 shares have been reserved for the grant of options, which may be issued at the discretion of our Board from time to time. As of August 31, 2010, options with respect to 6,739,200 shares have been granted under the 2008 Plan, 978,000 of which have been forfeited.

Other

On August 14, 2007, we granted Dr. Miriam Kidron options to purchase up to 3,361,360 shares at an exercise price of $0.001; the options vested immediately and have an expiration date of August 14, 2012. These options are not governed by any of the plans detailed above.

Stock Options Grants

We made the following stock options grants to the Named Executive Officers and directors during the year ending August 31, 2010:

- On April 21, 2010, 864,000 options were granted to each of Nadav Kidron and Miriam Kidron under the 2008 Stock Option Plan at an exercise price of $0.49 per share, 108,000 of such options vested immediately on the date of grant and the remainder will vest in twenty equal monthly installments, commencing on May 31, 2010. The options have an expiration date of April 20, 2020.

- On July 8, 2010, 300,000 options were granted to a director at an exercise price of $0.48 per share. The options vest in three equal annual installments commencing on July 8, 2011 and will expire on July 7, 2020.

Employment and Consulting Agreements

Effective August 1, 2007, we entered into employment agreements with KNRY Ltd. ("KRNY"), pursuant to which Nadav Kidron and Dr. Miriam Kidron provided employment services to our company. Based on the agreements, Nadav Kidron served as the President and Chief Executive officer and Miriam Kidron served as the Chief Medical and Technology Officer of the Company. As remuneration for such services, KNRY was paid $20,000 per month, commencing on August 1, 2007.

On July 1, 2008, Oramed Ltd., our Israeli subsidiary, entered into a consulting agreement with KNRY, whereby Mr. Nadav Kidron, through KNRY, provides services as President and Chief Executive Officer of both the Company and Oramed Ltd. (the "Nadav Kidron Consulting Agreement"). Additionally, on July 1, 2008, Oramed Ltd. entered into a consulting agreement with KNRY whereby Dr. Miriam Kidron, through KNRY, provides services as Chief Medical and Technology Officer of both the Company and Oramed Ltd. (the "Miriam Kidron Consulting Agreement" and together with the Nadav Kidron Consulting Agreement, the "Consulting Agreements"). The Consulting Agreements replace the employment agreements entered into between the Company and KNRY, dated as of August 1, 2007 referenced above.

The Consulting Agreements are both terminable by either party upon 60 days prior written notice. The Consulting Agreements provide that KNRY (i) will be paid, under each of the Consulting Agreements, in New Israeli Shekels a gross amount of NIS 50,400 per month and (ii) will be reimbursed for reasonable expenses incurred in connection with performance of the Consulting Agreements.

Pursuant to the Consulting Agreements, KNRY, Nadav Kidron and Miriam Kidron each agree that during the term of the Consulting Agreements and for a 12 month period thereafter, none of them will compete with Oramed Ltd. nor solicit employees of Oramed Ltd.

On November 2, 2008, we entered into indemnification agreements with our directors and executive officers pursuant to which we agreed to indemnify each director and executive officer for any liability he or she may incur by reason of the fact that he or she serves as our director or executive officer, to the maximum extent permitted by law.

The Company, through its Israeli subsidiary, Oramed Ltd., has entered into an employment agreement with Yifat Zommer as of April 19, 2009, pursuant to which Ms. Zommer was appointed as Chief Financial Officer, Treasurer and Secretary of Oramed. On August 31, 2009, the agreement was amended, pursuant to which Ms. Zommer's gross monthly salary will be NIS 22,000 ($5,764). In accordance with the employment agreement, as amended, as of October 19, 2009, Ms. Zommer’s gross monthly salary was increased to NIS 24,200 ($6,340).

On April 19, 2009, Oramed and Ms. Zommer also entered into an indemnification agreement, pursuant to which Oramed agrees to indemnify Ms. Zommer for any liability she may incur by reason of the fact that she serves as Oramed’s CFO, to the maximum extent permitted by law.

Director Compensation

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our Board. Effective June 1, 2010, each independent director is entitled to receive as remuneration for his or her service as a member of the Board a sum equal to $10,000 per annum, to be paid quarterly and shortly after the close of each quarter (for the period from September 1, 2008 to May 31, 2010 - $8,000 per annum). The Board may award special remuneration to any director undertaking any special services on behalf of us other than services ordinarily required of a director.

Other than indicated in this proxy statement, no director received and/or accrued any compensation for his or her services as a director, including committee participation and/or special assignments.

The following table sets forth director compensation for the year ended August 31, 2010.

Name of Director	Fees Earned or Paid in Cash ($)	Option Awards (1) ($)	Total ($)
Nadav Kidron (2)			
Miriam Kidron (2)			
Leonard Sank	8,500	45,218	53,718
Harold Jacob	8,500	45,218	53,718
Michael Berelowitz	2,500	11,201	13,701

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(1) The amounts reflect the compensation expense in accordance with FAS 123(R) of these option awards. The assumptions used to determine the fair value of the option awards are set forth in Note 8 of our audited consolidated financial statements included in our annual report on Form 10-K for the fiscal year ended August 31, 2010. Our directors will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.

(2) Please refer to the summary compensation table for executive compensation with respect to the named individual.

PROPOSAL 2:
RATIFICATION OF AUDITORS

At the Annual Meeting, the stockholders will be asked to ratify the reappointment of Kesselman & Kesselman, certified public accountants in Israel, a member of PricewaterhouseCoopers International Limited, as our auditors for the fiscal year ending August 31, 2011. Kesselman & Kesselman serves as the auditor of our controlled subsidiaries, as well. Kesselman & Kesselman have no other relationship to us or with any of our affiliates, except as auditors and tax consultants. A representative of the auditors will not be present at the Annual Meeting.

We incurred the following fees to Kesselman & Kesselman for services rendered during the fiscal years ended August 31, 2010 and 2009:

Summary:	2010	2009
Audit fees(1)	$ 65,880	$ 60,000
Tax fees(2)		$ 15,000

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(1) Amount represents fees paid for professional services for the audit of our consolidated annual financial statements and review of our interim consolidated financial statements included in quarterly reports and services that are normally provided by our accountants in connection with statutory and regulatory filings or engagements.

(2) Amount represents fees paid for professional services for tax compliance and tax advice.

We do not have an Audit Committee. As such, our entire Board of Directors acts as our audit committee. No formal pre-approval process has been adopted.

Vote Required

The affirmative vote of the holders of a majority of shares of common stock present, in person or by proxy, and voting on the matter is required for the approval thereof.

The Board of Directors unanimously recommends that you vote "FOR" re-appointment of our auditors.

PROPOSAL 3:
REVERSE STOCK SPLIT

Our shares of common stock are quoted on the OTC Bulletin Board. In order for our shares of common stock to be listed on the Nasdaq Capital Market, the NYSE Amex or on another recognized stock exchange, we must satisfy various listing standards. For instance, Nasdaq requires, among other things, to have shareholders' equity of at least $5 million and there must be at least one million shares of common stock held by persons other than officers, directors and beneficial owners of greater than 10% of our total outstanding shares, often referred to as the public float, that have an aggregate market value of at least $15 million. Additionally, there must be at least three market makers for our shares of common stock and at least 300 persons must each own at least 100 shares of common stock. We would also be subject to various corporate governance requirements under stock exchange rules for listed companies.

We would also be required to maintain a market price for our shares of common stock in compliance with the stock exchange rules. Nasdaq's minimum bid price requirement is $1.00 per share.

If we do not meet the initial listing requirements, our shares of common stock will continue to trade on the OTC Bulletin Board or in the "pink sheets" maintained by the National Quotation Bureau, Inc. These alternatives are generally considered to be less efficient and less broad-based than the Nasdaq Capital Market or NYSE Amex.

Purpose of the Reverse Share Split

The purpose of the reverse share split is to increase the market price per share of our common stock. The Board intends to effect a reverse share split only if it believes that a decrease in the number of shares outstanding is likely to improve the trading price of our common stock and is necessary to facilitate our listing on a recognized stock exchange. If the reverse stock split is authorized by our shareholders, our Board of Directors will have the discretion to implement the reverse stock split once during the next 12 months, or effect no reverse share split at all.

Our Board of Directors has requested that shareholders approve an exchange ratio range, as opposed to approval of a specified exchange ratio, in order to give the Board of Directors maximum discretion and flexibility to determine the exchange ratio based, among other factors, upon prevailing market, business and economic conditions at the time. No further action on the part of the shareholders will be required to either effect or abandon the reverse share split.

If shareholders approve the reverse share split but no reverse share split is effected within 12 months after the Annual Meeting, the Board of Director's authority to effect the reverse share split will terminate.

Board of Directors Determination

Our Board of Directors has unanimously recommended that our shareholders authorize an amendment to our Articles of Incorporation and Bylaws effecting a reverse share split of our common stock at a ratio, to be established by the Board in its sole discretion, not to exceed one-for-eighteen, or to abandon the reverse share split. The amendments to the Articles of Incorporation and Bylaws would effect the reverse share split by (i) reducing the number of our issued and outstanding shares of common stock, as well as the number of our authorized but unissued shares, by the ratio to be determined by the Board of Directors, not to exceed one-for-eighteen, and (ii) effecting a proportionate increase in the par value based on the ratio to be determined by the Board of Directors.

Our Board of Directors has determined that the listing of our shares of common stock on a recognized stock exchange, such as Nasdaq or NYSE Amex, is in the best interests of our shareholders. If our shares of common stock were not listed on a stock exchange because of failure to satisfy the minimum $1.00 price per share requirement, trading in our shares of common stock would continue on the OTC Bulletin Board. Our Board of Directors believes that the liquidity in the trading market for our shares of common stock would be increased by listing on a stock exchange, which could increase the trading price and decrease the transaction costs of trading our shares of common stock.

The Board of Directors also believes that a higher share price may help generate investor interest in the Company. Some brokerage firms may be reluctant to recommend lower priced securities to their clients. Investors may also be dissuaded from purchasing lower priced stocks because brokerage commissions, as a percentage of the total transaction cost, tend to be higher for these stocks. Our Board of Directors further believes that a higher share price would help us attract and retain employees and other strategic partners since some potential employees and strategic partners may be less likely to work for or with a company with a low share price.

Risks of a Reverse Share Split

While our Board of Directors believes that the potential advantages of a reverse share split outweigh the risks, if the Board does effect a reverse share split there can be no assurance that:

- our shares of common stock will trade at a price in proportion to the reduction in the number of outstanding shares resulting from the reverse shares split;
- the reverse share split will result in a per share price high enough to attract and retain employees and strategic partners;
- the bid price of our shares of common stock after a reverse share split can be maintained at or above $1.00;
- our shares of common stock will not be rejected from listing on a stock exchange for other reasons;
- the liquidity of our shares of common stock will not be adversely affected by the reduced number of shares that would be outstanding after the reverse share split;
- engaging in a reverse share split will not be perceived in a negative manner by investors, analysts or other stock market participants; or
- the reverse share split will not result in some shareholders owning "odd-lots" of less than 100 shares of common stock, potentially resulting in higher brokerage commissions and other transaction costs than the commissions and costs of transactions in "round-lots" of even multiples of 100 shares.

Effects of the Reverse Share Split on our Shares of Common Stock

A reverse share split will reduce the number of shares of common stock issued and outstanding and the number of shares authorized but unissued, into a proportionately fewer number of shares of common stock. It will also result in an adjustment of the par value of our shares of common stock. For example, if our Board of Directors implements a one-for-five reverse share split of our shares of common stock, then a stockholder holding 500 shares of common stock $0.001 par value, before the reverse share split would hold 100 shares of common stock, $0.005 par value, after the reverse share split, and the number of our authorized shares of common stock will decrease from 200,000,000 to 40,000,000 shares of common stock and the number of shares of common stock outstanding would decrease from [_____] to [_____]. However, each stockholder's proportionate ownership of the issued and outstanding shares of common stock immediately following the effectiveness of the reverse share split would remain the same.

The reverse share split will also affect the outstanding options under our equity incentive plans and outstanding warrants. Generally, such securities include provisions providing for adjustments to the number of shares of common stock in the event of a reverse share split in order to maintain the same economic effect. For example, if our Board of Directors implements a one-for-five reverse share split, each of the outstanding options to purchase our shares of common stock would represent the right to purchase that number of shares of common stock equal to 20% of the shares of common stock previously covered by the options and the exercise price per share would be five times the previous exercise price. The same applies to our outstanding warrants to purchase common stock.

Certain U.S. Federal Income Tax Consequences

The following discussion summarizing certain federal income tax consequences is based on the Internal Revenue Code of 1986, as amended, and is for general information only. It does not discuss consequences that may apply to special classes of taxpayers (e.g., non-resident aliens or broker-dealers). It also does not discuss state and local tax issues. Stockholders are urged to consult their own tax advisors to determine the particular consequences to them.

Generally, a reverse share split will not result in the recognition of gain or loss for U.S. federal income tax purposes. The adjusted tax basis of the aggregate number of new shares of common stock will be the same as the adjusted basis of the aggregate number of shares of common stock held by a shareholder immediately prior to the reverse share split and the holding period of the shares of common stock after the reverse share split will include the holding period of the shares of common stock held prior to the reverse share split. No gain or loss will be recognized by the Company as a result of the reverse share split.

Certain Israeli Tax Consequences

The following discussion summarizing certain Israeli income tax consequences for Israeli stockholders is based on the Israeli Income Tax Ordinance [New Version], 1961, as amended (the "Tax Ordinance"), and is for general information only. Stockholders are urged to consult their own tax advisors to determine the particular consequences to them.

Generally, a reverse share split will not result in the recognition of gain or loss for Israeli income tax purposes. The adjusted tax basis of the aggregate number of new shares of common stock will be the same as the adjusted tax basis of the aggregate number of shares of common stock held by a shareholder immediately prior to the reverse share split and the holding period of the shares of common stock after the reverse share split will include the holding period of the shares of common stock held prior to the reverse share split. No gain or loss will be recognized by the Company as a result of the reverse share split.

Fractional Shares

In order to avoid the expense and inconvenience of issuing fractional shares in connection with the reverse share split, we will round any fractional share that results from the reverse share split to the nearest whole share, with any half share being rounded down.

Exchange of Share Certificates

Shortly after the reverse share split becomes effective, stockholders will be notified and offered the opportunity at their own expense to surrender their current certificates to our stock transfer agent in exchange for the issuance of new certificates reflecting the reverse share split. Commencing on the effective date of the reverse share split, each certificate representing pre-reverse share split shares of common stock will be deemed for all purposes to evidence ownership of post-reverse share split shares of common stock, as the case may be.

Appraisal Rights

No appraisal rights are available under Nevada Law to any shareholder who dissents from the proposals to approve the reverse share split. If the reverse share split is effected after the reincorporation contemplated by Proposal No. 4, no appraisal rights are available under Delaware Law to any shareholder who dissents from the proposals to approve the reverse share split.

Vote Required

The affirmative vote of the holders of a majority of shares of common stock present, in person or by proxy, and voting on the matter is required for approval of the reverse share split under Nevada corporate statutes.

The Board of Directors unanimously recommends that you vote "FOR" approval of the reverse share split.

PROPOSAL 4:
REINCORPORATION OF THE COMPANY FROM THE STATE OF NEVADA TO THE STATE OF DELAWARE

In this section of the proxy statement, we sometimes refer to the Company as a Nevada corporation before reincorporation as "Oramed Nevada" and the Company as a Delaware corporation after reincorporation as "Oramed Delaware."

Our Board has unanimously approved and recommends to our stockholders this Proposal No. 4 to change the Company’s state of incorporation from the State of Nevada to the State of Delaware (the "Reincorporation"). If our stockholders approve this Proposal No. 4, we will accomplish the Reincorporation by domesticating in Delaware as provided in the Delaware General Corporation Law, as amended (the "DGCL"), and the Nevada Revised Statutes, as amended (the "NRS").

Summary

Assuming that stockholder approval of this Proposal No. 4 is obtained and the Reincorporation becomes effective:

- the affairs of the Company will cease to be governed by Nevada corporation laws, the Company’s existing Articles of Incorporation and the Company’s existing Bylaws, and the affairs of the Company will become subject to Delaware corporation laws, a new Certificate of Incorporation and new Bylaws, as more fully described below;

- the resulting Delaware corporation (i.e., Oramed Delaware) will (i) be deemed to be the same entity as Oramed Nevada for all purposes under the laws of Delaware, (ii) continue to have all of the rights, privileges and powers of Oramed Nevada, (iii) continue to possess all of the properties of Oramed Nevada, and (iv) continue to have all of the debts, liabilities and obligations of Oramed Nevada;

- each outstanding share of Oramed Nevada common stock will continue to be an outstanding share of Oramed Delaware common stock, and each outstanding option, warrant or other right to acquire shares of Oramed Nevada common stock will continue to be an outstanding option, warrant or other right to acquire shares of Oramed Delaware common stock;

- each employee benefit plan, incentive compensation plan or other similar plan of Oramed Nevada will continue to be an employee benefit plan, incentive compensation plan or other similar plan of Oramed Delaware; and

- each director and officer of Oramed Nevada will continue to hold their respective offices with Oramed Delaware.

General Information

Our Board has adopted a plan of conversion substantially in the form attached as Appendix A to this proxy statement (the "Plan of Conversion") to accomplish the Reincorporation. Assuming the presence of a quorum at the Annual Meeting, this Proposal No. 4 will be approved by stockholders by the affirmative vote of a majority of the shares, present in person or represented by proxy and voting on the matter, representing common stock outstanding at the close of business on the record date. Assuming that stockholder approval of this Proposal No. 4 is obtained, the Company will file with the Nevada Secretary of State articles of conversion in form reasonably acceptable to the Secretary of the Company (the "Nevada Articles of Conversion") and will file with the Delaware Secretary of State (i) a certificate of conversion in form reasonably acceptable to the Secretary of the Company (the "Delaware Certificate of Conversion") and (ii) a certificate of incorporation, which will govern the Company as a Delaware corporation, substantially in the form attached as Exhibit A to the Plan of Conversion (the "Delaware Certificate of Incorporation"). In addition, assuming that stockholder approval of this Proposal No. 4 is obtained, our Board will adopt Bylaws for Oramed Delaware substantially in the form attached as Exhibit B to the Plan of Conversion (the "Delaware Bylaws"), and the Company will enter into a new indemnification agreement with each director and officer of Oramed Delaware based upon provisions of Delaware law substantially in the form attached as Exhibit C to the Plan of Conversion (the "Delaware Indemnification Agreement"). Approval of this Proposal No. 4 by our stockholders will constitute approval of the Plan of Conversion, the Delaware Certificate of Incorporation and the Delaware Bylaws.

The Reincorporation will not affect the trading of the shares of the Company’s common stock on the OTC Bulletin Board under the same symbol "ORMP.OB." Oramed Delaware will continue to file periodic reports and other documents as and to the extent required by the rules and regulations of the Securities and Exchange Commission (the "SEC"). Stockholders who own shares of Oramed Nevada common stock that are freely tradable prior to the Reincorporation will continue to have freely tradable shares in Oramed Delaware after the Reincorporation, and stockholders holding restricted shares of Oramed Nevada common stock prior to the Reincorporation will continue to hold their shares in Oramed Delaware after the Reincorporation subject to the same restrictions on transfer to which their shares are presently subject. In summary, the Reincorporation will not change the respective positions under federal securities laws of the Company or its stockholders.

Reasons for the Reincorporation

Delaware is a nationally recognized leader in adopting and implementing comprehensive and flexible corporate laws. The DGCL is frequently revised and updated to accommodate changing legal and business needs and is more comprehensive, widely used and interpreted than other state corporate laws, including the NRS.

In addition, Delaware courts (such as the Court of Chancery and the Delaware Supreme Court) are highly regarded for their considerable expertise in dealing with corporate legal issues and for producing a substantial body of case law construing the DGCL, with multiple cases concerning areas that Nevada courts have not considered. Because the judicial system is based largely on legal precedents, the abundance of Delaware case law should serve to enhance the relative clarity and predictability of many areas of corporate law, which should offer added advantages to the Company by allowing our Board and management to make corporate decisions and take corporate actions with greater assurance as to the validity and consequences of those decisions and actions.

The Reincorporation may also make it easier to attract future candidates willing to serve on our Board because many such candidates are already familiar with Delaware corporate law, including provisions relating to director indemnification, from their past business experience.

In addition, in the opinion of our Board, underwriters and other members of the financial services industry may be more willing and better able to assist in capital-raising programs for corporations having the greater flexibility afforded by the DGCL. Based on publicly available data, over half of publicly-traded corporations in the United States and more than 60% of the Fortune 500 companies are incorporated in Delaware.

Changes as a Result of Reincorporation

If this Proposal No. 4 is approved, the Reincorporation will effect a change in the legal domicile of the Company and other changes of a legal nature, the most significant of which are described below in the section entitled "Comparison of the Company's Stockholders' Rights Before and After the Reincorporation." The Reincorporation is not expected to affect any of the Company's material contracts with any third parties, and the Company's rights and obligations under such material contractual arrangements will continue as rights and obligations of Oramed Delaware. The Reincorporation itself will not result in any change in headquarters, business, jobs, management, location of any of the Company's offices or facilities, number of employees, assets, liabilities or net worth (other than as a result of the costs incident to the Reincorporation) of the Company. Further, the directors and officers of Oramed Nevada immediately prior to the Reincorporation will be the directors and officers of Oramed Delaware immediately after the Reincorporation, and the subsidiaries of Oramed Nevada immediately prior to the Reincorporation will be the subsidiaries of Oramed Delaware immediately after the Reincorporation.

The Plan of Conversion

The Reincorporation will be effected pursuant to the Plan of Conversion to be adopted by Oramed Nevada. The Plan of Conversion provides that the Company will convert into a Delaware corporation and will be subject to all of the provisions of the DGCL. By virtue of the conversion, all of the rights, privileges and powers of Oramed Nevada, all property owned by Oramed Nevada, all debts due to Oramed Nevada and all other causes of action belonging to Oramed Nevada immediately prior to the conversion will remain vested in Oramed Delaware following the conversion. In addition, by virtue of the conversion, all debts, liabilities and duties of the Company immediately prior to the conversion will remain attached to Oramed Delaware following the conversion. Each director and officer of Oramed Nevada will continue to hold their respective offices with Oramed Delaware. Oramed Delaware will remain as the same entity following the conversion.

If this Proposal No. 4 is approved, it is anticipated that our Board will cause the Reincorporation to be effected as soon as practicable thereafter. However, the Reincorporation may be delayed by our Board or the Plan of Conversion may be terminated and abandoned by action of our Board at any time prior to the effective time of the Reincorporation, whether before or after the approval by the Company's stockholders, if our Board determines for any reason that such delay or termination would be in the best interests of the Company and its stockholders. If this Proposal No. 4 is approved by our stockholders, the Reincorporation would become effective upon the filing (and acceptance thereof by the Nevada Secretary of State and the Delaware Secretary of State, as applicable) of the Nevada Articles of Conversion, the Delaware Certificate of Conversion and the Delaware Certificate of Incorporation.

Oramed Nevada stockholders will not be required to exchange their Oramed Nevada stock certificates Oramed Nevada for new Oramed Delaware stock certificates. Following the effective time of the Reincorporation, any Oramed Nevada stock certificates submitted to the Company for transfer, whether pursuant to a sale or otherwise, will automatically be exchanged for Oramed Delaware stock certificates. Oramed stockholders should not destroy any stock certificate(s) and should not submit any certificate(s) to the Company unless and until requested to do so.

Effect of Not Obtaining the Required Vote for Approval

If we fail to obtain the requisite vote of stockholders for approval of this Proposal No. 4, the Reincorporation will not be consummated and the Company will continue to be incorporated in Nevada and governed by Nevada corporation laws, the Company's existing Articles of Incorporation and the Company's existing Bylaws.

Description of the Company's Capital Stock Upon the Effectiveness of the Reincorporation

Assuming that stockholder approval of this Proposal No. 4 is obtained and the Reincorporation becomes effective, the Company will convert into Oramed Delaware, which is a corporation that is incorporated in the State of Delaware. The rights of stockholders of Oramed Delaware will generally be governed by Delaware law, the Delaware Certificate of Incorporation and the Delaware Bylaws. The following is a description of the capital stock of Oramed Delaware as of and upon the effectiveness of the Reincorporation. This description is not intended to be complete and is qualified in its entirety by reference to Delaware law, including the DGCL, and the full texts of the Delaware Certificate of Incorporation and the Delaware Bylaws, copies of which are attached hereto as Exhibits A and B, respectively, to the Plan of Conversion, which is attached as Appendix A to this proxy statement.

General

Upon the effectiveness of the Reincorporation, the authorized capital of Oramed Delaware will continue to be 200,000,000 shares of common stock, par value $0.001 per share, unless and until otherwise modified by the reverse share split which our stockholders are being asked to approve in Proposal No. 3 in this proxy statement.

Description of Common Stock

Upon the effectiveness of the Reincorporation, Oramed Delaware will continue to be authorized to issue 200,000,000 shares of common stock, [_____] shares of which will continue to be issued and outstanding (subject to the reverse share split contemplated in Proposal No. 3 to this proxy statement).

Upon the effectiveness of the Reincorporation, subject to preferences applicable to any shares of outstanding Oramed Delaware preferred stock, the holders of outstanding shares of Oramed Delaware common stock will continue to be entitled to receive dividends and other distributions out of assets legally available at times and in amounts as the Board may determine from time to time. All shares of Oramed Delaware common stock will be entitled to participate ratably with respect to dividends or other distributions.

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If Oramed Delaware is liquidated, dissolved or wound up, voluntarily or involuntarily, holders of Oramed Delaware common stock will be entitled to share ratably in all assets of Oramed Delaware available for distribution to the Oramed Delaware stockholders after the payment in full of any preferential amounts to which holders of any Oramed Delaware preferred stock may be entitled.

Holders of Oramed Delaware common stock will be entitled to one vote per share on all matters to be voted upon by stockholders. No holder of common stock will be entitled to cumulate votes in voting for directors.

There will be no preemption, redemption, sinking fund or conversion rights applicable to Oramed Delaware common stock under applicable law, the Delaware Certificate of Incorporation or the Delaware Bylaws.

Delaware Anti-Takeover Law

Upon the effectiveness of the Reincorporation, Oramed Delaware will not then be subject to the provisions of Section 203 of the DGCL because Oramed Delaware will not then have a class of voting stock that is: (i) listed on a national securities exchange or (ii) held of record by more than 2,000 stockholders. However, if Oramed Delaware in the future meets one of these tests, Oramed Delaware may become subject to the provisions of Section 203 of the DGCL. In general, the statute prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the stockholder became an interested stockholder unless:

- prior to such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned by persons who are directors and also officers, and employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or subsequent to such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

A "business combination" includes a merger, asset or stock sale or other transaction resulting in financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior, did own, 15% or more of a corporation’s outstanding voting stock. This provision may have the effect of delaying, deterring or preventing a change in control of the corporation without further action by its stockholders.

Limitation of Director Liability and Indemnification

The Delaware Certificate of Incorporation provides that, to the fullest extent permitted by Delaware law, no director of Oramed Delaware will be personally liable to Oramed Delaware or its stockholders for monetary damages for breach of fiduciary duty as a director. Delaware law currently provides that this waiver may not apply to liability:

- for any breach of the director's duty of loyalty to Oramed Delaware or its stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Section 174 of the DGCL (governing distributions to stockholders); or
- for any transaction from which the director derived any improper personal benefit.

However, in the event the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. The Delaware Certificate of Incorporation and the Delaware Bylaws further provide that Oramed Delaware will indemnify each of its directors and officers to the fullest extent authorized by the DGCL and may indemnify other persons as authorized by the DGCL. These provisions do not eliminate any monetary liability of directors under the federal securities laws. If this Proposal No. 4 is approved and the Reincorporation is consummated, Oramed Delaware expects to enter into customary indemnification agreements with its officers and directors based upon the provisions of Delaware law.

Comparison of the Company's Stockholders' Rights Before and After the Reincorporation

Because of differences between the NRS and the DGCL, as well as differences between the Company's governing documents before and after the Reincorporation, the Reincorporation will effect certain changes in the rights of the Company's stockholders. Summarized below are the most significant provisions of the NRS and DGCL, along with the differences between the rights of the stockholders of the Company immediately before and immediately after the Reincorporation that will be the result of the differences between the NRS and the DGCL and the differences between the Company's existing Articles of Incorporation and the Company's existing Bylaws, on the one hand, and the Delaware Certificate of Incorporation and the Delaware Bylaws, on the other hand. The summary below is not an exhaustive list of all differences or a complete description of the differences described, and is qualified in its entirety by reference to the NRS, the DGCL, the Company's existing Articles of Incorporation, the Company's existing Bylaws, the Delaware Certificate of Incorporation and the Delaware Bylaws. Copies of the Company's existing articles of incorporation and the Company's existing Bylaws have been filed or incorporated by reference as exhibits to certain of our filings with the SEC.

Provision	Nevada law	Delaware law
Elections; Voting; Procedural Matters		
Number of Directors	Nevada law provides that a corporation must have at least one director and may provide in its articles of incorporation or in its bylaws for a fixed number of directors or a variable number, and for the manner in which the number of directors may be increased or decreased.	Delaware law provides that a corporation must have at least one director and that the number of directors shall be fixed by, or in the manner provided in, the bylaws unless the certificate of incorporation fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the certificate of incorporation.

	The Company's existing Bylaws provide that the board of directors shall consist of not less than one nor more than fifteen directors. Subject to this limitation, the number of directors shall be set by a resolution of the board of directors.	The Delaware Bylaws will provide that the number of directors comprising the Board of Directors shall be such number as may be from time to time fixed by resolution of the Board of Directors. Subject to the foregoing provisions, the number of directors of Oramed Delaware will be initially fixed at five.

Classified Board of Directors	Nevada law permits corporations to classify their boards of directors. At least one-fourth of the total number of directors of a Nevada corporation must be elected annually.	Delaware law permits any Delaware corporation to classify its board of directors into as many as three classes with staggered terms of office. The certificate of incorporation may provide that one or more directors may have voting powers greater than or less than those of other directors. Further, the certificate of incorporation may provide that holders of any class or series of stock shall have the right to elect one or more directors.
	Oramed Nevada does not have a classified Board.	Oramed Delaware will not have a classified board of directors following the Reincorporation.
Removal of Directors	Under Nevada law, any one or all of the directors of a corporation may be removed by the holders of not less than two-thirds of the voting power of a corporation's issued and outstanding stock. Nevada law does not distinguish between removal of directors with or without cause.	With limited exceptions applicable to classified boards and cumulative voting provisions, under Delaware law, directors of a corporation without a classified board may be removed with or without cause, by the holders of a majority of shares then entitled to vote in an election of directors.
	The Bylaws provide that any director may be removed peremptorily by the holders of two-thirds of the outstanding shares of the Company then entitled to vote.	The Delaware Certificate of Incorporation and the Delaware Bylaws will not change this statutory rule.
Board Action by Written Consent	Nevada law provides that, unless the articles of incorporation or bylaws provide otherwise, any action required or permitted to be taken at a meeting of the board of directors or of a committee thereof may be taken without a meeting if, before or after the action, a written consent thereto is signed by all the members of the board or committee, except for a director that has a personal interest in the matter.	Delaware law provides that, unless the certificate of incorporation or bylaws provide otherwise, any action required or permitted to be taken at a meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee.
	The Company's existing Articles of Incorporation and the Company's existing Bylaws do not change this statutory rule.	The Delaware Bylaws will not change this statutory rule.

Interested Party Transactions	Under Nevada law, a contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, form or association in which one or more of its directors or officers are directors or officers, or have a financial interest, is not void or voidable solely for that reason, or solely because of such relationship or interest, or solely because the interested director or officer was present, participates or votes at the meeting of the board or committee that authorizes the contract or transaction, if the director's or officer's interest in the contract or transaction is known to the board of directors, committee or stockholders and the transaction is approved or ratified by the board, committee or stockholders in good faith by a vote sufficient for the purpose without counting the vote or votes of the interested director(s) or officer(s), the fact of the common interest is not known to the director(s) or officer(s) at the time the transaction is brought before the board, or the contract or transaction is fair to the corporation at the time it is authorized or approved.	Under Delaware law, a contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, is not void or voidable solely because of such relationship or interest, or solely because the director or officer is present at or participates or votes at the meeting of the board or committee that authorizes the contract or transaction, if one or more of the following is true: (i) the material facts of the contract or transaction and the director's or officer's relationship or interest are disclosed to or known by the board or committee, and the board or the committee in good faith authorizes the contract or transaction by an affirmative vote of the majority of the disinterested directors (even though these directors are less than a quorum); (ii) the material facts of the contract or transaction and the director's or officer's relationship or interest are disclosed to or known by the stockholders entitled to vote on the matter and they specifically approve in good faith the contract or transaction; or (iii) the contract or transaction is fair to the corporation as of the time it was authorized, approved or ratified.
	The Company's existing Articles of Incorporation and the Company's existing Bylaws are consistent with Nevada law.	The Delaware Certificate of Incorporation and the Delaware Bylaws will not change this statutory rule.
Special Meetings of Stockholders	Nevada law provides that unless otherwise provided in a corporation's articles of incorporation or bylaws, the entire board of directors, any two directors, or the president of the corporation may call a special meeting of the stockholders.	Delaware law permits special meetings of stockholders to be called by the board of directors or by any other persons authorized in the certificate of incorporation or bylaws to call a special stockholder meeting.
	The Company's existing Bylaws provide that special meetings of the stockholders may be called by the President or the Secretary by resolution of the Board of Directors, or at the request in writing of stockholders owning a majority of the issued and outstanding capital stock of the Company.	The Delaware Bylaws will provide that special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the majority of the Board of Directors at any time.

Failure to Hold an Annual Meeting of Stockholders	Nevada law provides that if a corporation fails to elect directors within 18 months after the last election, a Nevada district court may order an election upon the petition of one or more stockholders holding 15 percent of the corporation's voting power.	Delaware law provides that if a corporation fails to hold an annual meeting for the election of directors or there is no written consent to elect directors in lieu of an annual meeting taken, in both cases for a period of 30 days after the date designated for the annual meeting, or if no date has been designated, for a period of 13 months after the latest to occur of the latest to occur of the organization of the corporation, its last annual meeting or last action by written consent to elect directors in lieu of an annual meeting, a director or stockholder of the corporation may apply to the Court of Chancery of the State of Delaware to order that an annual meeting be held.

	The Company's existing Articles of Incorporation and the Company's existing Bylaws do not change this statutory rule.	The Delaware Certificate of Incorporation and the Delaware Bylaws will not change this statutory rule.
Cumulative Voting	Nevada law permits cumulative voting in the election of directors as long as the articles of incorporation provide for cumulative voting and certain procedures for the exercise of cumulative voting are followed.	A Delaware corporation may provide for cumulative voting in the corporation's certificate of incorporation.
	The Company does not currently have a provision granting cumulative voting rights in the election of its directors in its existing Nevada Articles of Incorporation or its existing Bylaws.	The Delaware Certificate of Incorporation will not have a provision granting cumulative voting rights in the election of its directors.
Vacancies	All vacancies on the board of directors of a Nevada corporation may be filled by a majority of the remaining directors, though less than a quorum, unless the articles of incorporation provide otherwise. Unless otherwise provided in the articles of incorporation, the board may fill the vacancies for the remainder of the term of office of the resigning director or directors.	All vacancies and newly created directorships on the board of directors of a Delaware corporation may be filled by a majority of the directors then in office, though less than a quorum, unless the certificate of incorporation or bylaws provide otherwise. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10 percent of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.
	The Company's existing Articles of Incorporation and the Company's existing Bylaws are consistent with Nevada law.	The Delaware Bylaws will provide that vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, and each director so elected shall hold office until the next annual meeting of stockholders and until such director's successor shall have been duly elected and qualified, or his earlier resignation or removal.

Stockholder Voting Provisions	Under Nevada law, a majority of the voting power, which includes the voting power that is present in person or by proxy, regardless of whether the proxy has authority to vote on all matters, generally constitutes a quorum for the transaction of business at a meeting of stockholders. Generally, action by the stockholders on a matter other than the election of directors is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action, unless otherwise provided in Nevada law or the articles of incorporation or bylaws of the corporation. Generally, directors are elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on election of directors. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the class or series that is present or by proxy, regardless of whether the proxy has authority to vote on all matters, generally constitutes a quorum for the transaction of business. Generally, an act by the stockholders of each class or series is approved if a majority of the voting power of a quorum of the class or series votes for the action.	Under Delaware law, a majority of the shares entitled to vote, present in person or represented by proxy, generally constitutes a quorum at a meeting of stockholders. Generally, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter constitutes the act of stockholders. Directors are generally elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, generally constitutes a quorum entitled to take action with respect to that vote on that matter and, generally, the affirmative vote of the majority of shares of such class or series or classes or series present in person or represented by proxy constitutes the act of such class or series or classes or series.
	The Company’s existing Articles of Incorporation and the Company’s existing Bylaws do not change these statutory rules, except that: (i) the quorum required for all meetings of stockholders is 10% of the stock issued and outstanding and entitled to vote at the meeting, present in person or by proxy; and (ii) the Company's directors are elected by a majority, not a plurality.	The Delaware Bylaws do not change these statutory rules, except that: (i) the quorum required for all meetings of stockholders is one third (1/3) of the stock issued and outstanding and entitled to vote at the meeting, present in person or by proxy; and (ii) the Company's directors are elected by a majority, not a plurality.
Stockholder Action by Written Consent	Nevada law provides that, unless the articles of incorporation or bylaws provides otherwise, any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if the holders of outstanding stock having at least the minimum number of votes that would be necessary to authorize or take such action at a meeting consent to the action in writing.	Unless the certificate of incorporation provides otherwise, any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if the holders of outstanding stock having at least the minimum number of votes that would be necessary to authorize or take such action at a meeting consent to the action in writing. In addition, Delaware law requires

	the corporation to give prompt notice of the taking of corporate action without a meeting by less than unanimous written consent to those stockholders who did not consent in writing.
The Company's existing Articles of Incorporation and the Company's existing Bylaws do not change this statutory rule.	The Delaware Certificate of Incorporation and the Delaware Bylaws will not change these statutory rules.

Stockholder Vote for Mergers and Other Corporate Reorganizations	In general, Nevada requires authorization by an absolute majority of outstanding shares entitled to vote, as well as approval by the board of directors, with respect to the terms of a merger or a sale of substantially all of the assets of the corporation. So long as the surviving corporation is organized in Nevada, Nevada law does not generally require a stockholder vote of the surviving corporation in a merger if: (a) the plan of merger does not amend the existing articles of incorporation; (b) each share of stock of the surviving corporation outstanding immediately before the effective date of the merger is an identical outstanding share after the merger; (c) the number of voting shares outstanding immediately after the merger, plus the number of voting shares issued as a result of the merger, either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 20 percent the total number of voting shares of the surviving domestic corporation outstanding immediately before the merger; and (d) the number of participating shares outstanding immediately after the merger, plus the number of participating shares issuable as a result of the merger, either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger, will not exceed by more than 20 percent the total number of participating shares outstanding immediately before the merger.	In general, Delaware requires authorization by an absolute majority of outstanding shares entitled to vote, as well as approval by the board of directors, with respect to the terms of a merger or a sale of substantially all of the assets of the corporation. Delaware law does not generally require a stockholder vote of the surviving corporation in a merger (unless the corporation provides otherwise in its certificate of incorporation) if: (a) the plan of merger does not amend the existing certificate of incorporation; (b) each share of stock of the surviving corporation outstanding immediately before the effective date of the merger is an identical outstanding share after the merger; and (c) either no shares of common stock of the surviving corporation and no shares, securities or obligations convertible into such stock are to be issued or delivered under the plan of merger, or the authorized unissued shares or shares of common stock of the surviving corporation to be issued or delivered under the plan of merger plus those initially issuable upon conversion of any other shares, securities or obligations to be issued or delivered under such plan do not exceed 20% of the shares of common stock of such constituent corporation outstanding immediately prior to the effective date of the merger.
	The Company’s existing Articles of Incorporation and the Company’s existing Bylaws do not change these statutory rules.	The Delaware Certificate of Incorporation and the Delaware Bylaws will not change these statutory rules.

Indemnification of Officers and Directors and Advancement of Expenses; Limitation on Personal Liability

Indemnification	A corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding, if (i) he is not liable under NRS 78.138, and (ii) acted in "good faith" and in a manner he reasonably believed to be in and not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. However, with respect to actions by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which	Through, among other means, a majority vote of disinterested directors, a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. With respect to actions by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit is brought shall determine upon application that, despite the

	such court shall deem proper. A director or officer who is successful, on the merits or otherwise, in defense of any proceeding subject to the Nevada corporate statutes' indemnification provisions must be indemnified by the corporation for reasonable expenses incurred in connection therewith, including attorneys' fees.	adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. A director or officer who is successful, on the merits or otherwise, in defense of any proceeding subject to the Delaware corporate statutes' indemnification provisions shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.
	The Company's existing Articles of Incorporation and the Company's existing Bylaws provide that the corporation shall, to the fullest extent permitted by applicable law, indemnify each person who is or was a director or officer of the Company and each other person who is or was acting as a representative of the Company at its request against expenses, liability and loss (including attorneys' fees, judgments, fines and settlements), reasonably incurred ore suffered in connection therewith.	The Delaware Bylaws will provide that Oramed Delaware shall indemnify its directors and officers to the fullest extent authorized by the DGCL.
Advancement of Expenses	Under Nevada law, the articles of incorporation, bylaws or an agreement made by the corporation may provide that the corporation must pay advancements of expenses in advance of the final disposition of the action, suit or proceedings upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the corporation.	Delaware law provides that expenses incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the corporation. A Delaware corporation has the discretion to

decide whether or not to advance expenses, unless provided otherwise in its certificate of incorporation or by-laws.

	The Company's existing Articles of Incorporation and the Company's existing Bylaws are consistent with Nevada law.	The Delaware Bylaws will provide that Oramed Delaware will advance expenses to any officer or director in advance of the final disposition of the proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the corporation..
Limitation on Personal Liability of Directors	Neither a director nor an officer of a Nevada corporation can be held personally liable to the corporation, its stockholders or its creditors unless the director or officer committed both a breach of fiduciary duty and such breach was accompanied by intentional misconduct, fraud, or knowing violation of law. Unlike Delaware law, Nevada law does not exclude breaches of the duty of loyalty or instances where the director has received an improper personal benefit.	A Delaware corporation is permitted to adopt provisions in its certificate of incorporation limiting or eliminating the liability of a director to a company and its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such liability does not arise from certain proscribed conduct, including breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law or liability to the corporation based on unlawful dividends or distributions or improper personal benefit.
	The Company's existing Articles of Incorporation and the Company's existing Bylaws are consistent with Nevada law.	The Delaware Certificate of Incorporation provides that, to the fullest extent permitted by Delaware law, no director of Oramed Delaware will be personally liable to Oramed Delaware or its stockholders for monetary damages for breach of fiduciary duty as a director.
Dividends		
Declaration and Payment of Dividends	Under Nevada law, a corporation may make distributions to its stockholders, including by the payment of dividends, provided that, after giving effect to the distribution, the corporation would be able to pay its debts as they become due in the usual course of business and the corporation's total assets would not be less than the sum of its total liabilities plus any amount needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights of stockholders whose rights are superior to those receiving the distribution.	Under Delaware law, unless further restricted in the certificate of incorporation, a corporation may declare and pay dividends, out of surplus (as defined in the DGCL), or if no surplus exists, out of net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year, only if the amount of capital of the corporation is greater than or equal to the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets. In addition, Delaware law sets forth certain restrictions on the purchase or redemption of its shares of capital stock, including that any such purchase or redemption may be made

only if the capital of the corporation is not impaired and such redemption or repurchase would not impair the capital of the corporation.

	The Company's existing Bylaws provide that the dividends shall be declared by the board of directors pursuant to law at any regular or special meeting of the shareholders. Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sum or sums as the board of directors it its absolute discretion thinks proper as a reserve for such purposes as the board of directors thinks conducive to the interests of the Company.	The Delaware Certificate of Incorporation and the Delaware Bylaws will not change these statutory rules.
Anti-Takeover Statutes		
Business Combination Statute	Sections 78.411 through 78.444 of the NRS prohibits an interested stockholder from engaging in a business combination with a corporation that has a class of voting shares registered with the Securities and Exchange Commission under section 12 of the Securities Exchange Act, for three years after the person first became an interested stockholder unless the combination or the transaction by which the person first became an interested stockholder is approved by the board of directors before the person first became an interested stockholder. If this approval is not obtained, then after the expiration of the three-year period, the business combination may be consummated if the combination is then approved by the affirmative vote of the holders of a majority of the outstanding voting power not beneficially owned by the interested stockholder or any affiliate or associate thereof. Alternatively, even without these approvals, a combination occurring more than three years after the person first became an interested stockholder may be permissible if specified requirements relating to the consideration to be received by	Under Delaware law, a corporation that is listed on a national securities exchange or held of record by more than 2,000 stockholders is not permitted to engage in a business combination with any interested stockholder for a three-year period following the time such stockholder became an interested stockholder, unless (i) the transaction resulting in a person becoming an interested stockholder, or the business combination, is approved by the board of directors of the corporation before the person becomes an interested stockholder; (ii) the interested stockholder acquires 85% or more of the outstanding voting stock of the corporation in the same transaction that makes it an interested stockholder (excluding shares owned by persons who are both officers and directors of the corporation, and shares held by certain employee stock ownership plans); or (iii) on or after the date the person becomes an interested stockholder, the business combination is approved by the corporation's board of directors and by the holders of at least 66 2/3% of the corporation's outstanding voting stock at an annual or special meeting (and not by written

	disinterested stockholders are met, and the interested stockholder has not, subject to limited exceptions, become the beneficial owner of additional voting shares of the corporation. An interested stockholder is (i) a person that beneficially owns, directly or indirectly, ten percent or more of the voting power of the outstanding voting shares of a corporation, or (ii) an "affiliate" or "associate" (as those terms are defined in the statute) of the corporation who, at any time within the past three years, was an interested stockholder of the corporation.	consent), excluding shares owned by the interested stockholder. Delaware law defines "interested stockholder" generally as a person who owns 15% or more of the outstanding shares of a corporation’s voting stock.

	A Nevada corporation may adopt an amendment to its articles of incorporation expressly electing not to be governed by these provisions of the NRS, if such amendment is approved by the affirmative vote of a majority of the disinterested shares entitled to vote; provided, however, such vote by disinterested stockholders is not required to the extent the Nevada corporation is not subject to such provisions. Such an amendment to the articles of incorporation does not become effective until 18 months after the vote of the disinterested stockholders and does not apply to any combination with an interested stockholder who first became an interested stockholder on or before the effective date of the amendment.	These provisions do not apply, among other exceptions, if (i) the corporation's original certificate of incorporation contains a provision expressly electing not to be governed by these provisions, or (ii) the corporation, by action of its stockholders, adopts an amendment to its certificate of incorporation or bylaws expressly electing not to be governed by these provisions. Oramed has not made such an election not to be governed by these provisions.
Control Share Acquisition Statute	The NRS also limits the rights of persons acquiring a controlling interest in a Nevada corporation with 200 or more stockholders of record, at least 100 of whom have Nevada addresses appearing on the stock ledger of the corporation, and that does business in Nevada directly or through an affiliated corporation. According to the NRS, an acquiring person who acquires a controlling interest in an issuing corporation may not exercise voting rights on any control shares unless such voting rights are conferred by a majority vote of the disinterested stockholders of the issuing corporation at a special or annual meeting of stockholders. In the event that the control shares are accorded full voting rights and the acquiring person acquires control shares with a majority or more of all the voting power, any stockholder, other than the acquiring person, who does not vote in favor of authorizing voting rights for the control shares is entitled to demand payment for the fair value of such person's shares. Under the NRS, a controlling interest means the ownership of outstanding voting shares of an issuing corporation sufficient to enable the acquiring person, individually or in association with others, directly or indirectly, to exercise (i) one-fifth or more but less than	Delaware does not have a control share acquisition statute. Thus, hostile bidders could acquire blocks of Oramed Delaware stock without the risk of voting disenfranchisement.

one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more of the voting power of the issuing corporation in the election of directors. Outstanding voting shares of an issuing corporation that an acquiring person acquires or offers to acquire in an acquisition and acquires within 90 days immediately preceding the date when the acquiring person became an acquiring person are referred to as control shares.

The effect of the control share acquisition statute is, generally, to require a hostile bidder to put its offer to a stockholder vote or risk voting disenfranchisement.

The control share acquisition statute of the NRS does not apply if the corporation opts-out of such provision in the articles of incorporation or bylaws of the corporation in effect on the tenth day following the acquisition of a controlling interest by an acquiring person.