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

FORM S-8

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

NICE SYSTEMS LTD.

(Exact Name of Registrant as Specified in Its Charter)

ISRAEL
(State or Other Jurisdiction of Incorporation)

N/A
(I.R.S. Employer Identification Number)

**22 Zarchin Street
P.O. Box 690
43107 Ra'anana
Israel**
(Address of Principal Executive Offices) (Zip Code)

**The Causata Inc. Executive Share Option Scheme
and Causata Inc. 2010 Stock Plan**
(Full Title of the Plans)

**NICE Systems Inc.
461 From Road
Paramus 07652
United States**
(Name and Address of Agent For Service)

(201) 549-1735
(Telephone Number, Including Area Code, of Agent for Service)

Copies to:

**Adam M. Klein, Adv.
Goldfarb Seligman & Co.
98 Yigal Alon Street
Tel Aviv 67891 Israel
+972-3-608-9999**

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered	Amount To Be Registered (2)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Ordinary Shares, par value NIS 1.00 per share (1)	78,500 (3)	\$ 0.28 (4)	\$ 21,980	\$ 3.00
Ordinary Shares, par value NIS 1.00 per share (1)	52,816 (5)	\$ 0.28 (6)	\$ 14,789	\$ 2.02
TOTAL:	131,316		\$ 36,769	\$ 5.02

- (1) American Depositary Shares (“ADSs”), evidenced by American Depositary Receipts (“ADRs”), issuable upon deposit of Ordinary Shares, par value NIS 1.00 per share, of NICE Systems Ltd. are registered on a separate registration statement. Each ADS represents one Ordinary Share.
- (2) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the “Securities Act”), this Registration Statement also covers such indeterminate number of Ordinary Shares as may be offered or issued to prevent dilution resulting from stock splits, stock dividends, or similar transactions pursuant to the terms of The Causata Inc. Executive Share Option Scheme (the “Executive Scheme”) and the Causata Inc. 2010 Stock Plan (the “2010 Plan”).
- (3) Represents Ordinary Shares subject to issuance upon the exercise of stock options outstanding under the Executive Scheme and replaced by the Registrant pursuant to the Agreement (as defined below).
- (4) Computed in accordance with Rule 457(h) promulgated under the Securities Act. Such computation is based on the exercise price of NIS 1.00 per share, which according to the representative rate of exchange published by the Bank of Israel on September 12, 2013, is approximately \$0.28 per share.
- (5) Represents Ordinary Shares subject to issuance upon the vesting of restricted share units outstanding under the 2010 Plan and replaced by the Registrant pursuant to the Agreement.
- (6) Computed in accordance with Rule 457(h) promulgated under the Securities Act. Such computation is based on the exercise price of NIS 1.00 per share, which according to the representative rate of exchange published by the Bank of Israel on September 12, 2013, is approximately \$0.28 per share.

EXPLANATORY NOTE

This Registration Statement on Form S-8 is filed by NICE Systems Ltd. (the “Registrant”) and relates to an aggregate of 131,316 ordinary shares, par value NIS 1.00 per share (the “Ordinary Shares”), issued or issuable to participants in the Executive Scheme and the 2010 Plan (together, the “Plans”). Pursuant to an Agreement and Plan of Merger dated as of August 5, 2013, by and among NICE Systems, Inc., Canada Acquisition Corporation, a wholly owned subsidiary of the Registrant, Causata Inc. (“Causata”) and Shareholder Representative Services LLC (the “Agreement”), the options and restricted share units originally granted under the Plans to officers and employees of Causata and its subsidiaries were replaced by the Registrant with options to purchase Ordinary Shares and restricted share units of the Registrant, respectively.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The Securities and Exchange Commission (the "Commission") allows us to "incorporate by reference" information into this prospectus. This means that we can disclose important information to you by referring you to another document filed by us with the Commission. Any information referenced this way is considered part of this prospectus, and any information that we file after the date of this prospectus with the Commission will automatically update and supersede this information. We incorporate by reference into this prospectus the following documents:

- (i) The Registrant's Report on Form 20-F for the fiscal year ended December 31, 2012, filed with the Commission on March 25, 2013;
- (ii) The GAAP financial information contained in Exhibit 99.1 of the Registrant's Current Report on Form 6-K submitted to the Commission on May 8, 2013;
- (iii) The Registrant's Report on Form 6-K submitted to the Commission on July 23, 2013;
- (iv) The first sentence of the press release entitled "NICE to Acquire Causata to Enable a Seamless Customer Experience across the Web and Contact Center" attached as Exhibit 99.1 of the Registrant's Current Report on The Registrant's Report on Form 6-K submitted to the Commission on August 7, 2013;
- (v) The GAAP financial information contained in Exhibit 99.1 of the Registrant's Current Report on Form 6-K submitted to the Commission on August 7, 2013;
- (vi) The Registrant's Report on Form 6-K submitted to the Commission on August 27, 2013; and
- (x) The descriptions of our ADSs, ADRs and our Ordinary Shares contained in the Company's Registration Statement on Form F-3 filed with the Commission on September 18, 2007 and including any subsequent amendment or report filed for the purpose of updating such description.

In addition, any future filings made by us with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the date of this prospectus and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, and any future reports on Form 6-K submitted by us to the Commission during such period (or portions thereof) that are identified in such forms as being incorporated into this Registration Statement, shall be considered to be incorporated in this Registration Statement by reference, shall be considered a part of this Registration Statement from the date of filing or submission of such documents and shall update and supersede the information in this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Not Applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Exemption of Office Holders

Under the Israeli Companies Law, an Israeli company may not exempt an office holder from liability for breach of his duty of loyalty, but may exempt in advance an office holder from liability to the company, in whole or in part, for a breach of his duty of care (except in connection with distributions), provided the articles of association of the company allow it to do so. Our articles of association do not allow us to do so.

Office Holder Insurance

Our articles of association provide that, subject to the provisions of the Israeli Companies Law, including the receipt of all approvals as required therein or under any applicable law, we may enter into an agreement to insure an office holder for any responsibility or liability that may be imposed on such office holder in connection with an act performed by such office holder in such office holder's capacity as an office holder of us with respect to each of the following:

- a violation of his duty of care to us or to another person,
- a breach of his duty of loyalty to us, provided that the office holder acted in good faith and had reasonable grounds to assume that his act would not prejudice our interests,
- a financial obligation imposed upon him for the benefit of another person,
- a payment which the office holder is obligated to make to an injured party as set forth in Section 52(54)(a)(1)(a) of the Israeli Securities Law, 5728-1968, as amended (the "Securities Law") and Litigation Expenses (as defined below) that the office holder incurred in connection with a proceeding under Chapters H'3, H'4 or I'1 of the Securities Law, and
- any other event, occurrence or circumstance in respect of which we may lawfully insure an office holder.

Indemnification of Office Holders

Our articles of association provide that, subject to the provisions of the Israeli Companies Law, including the receipt of all approvals as required therein or under any applicable law we may indemnify an office holder with respect to any liability or expense for which indemnification may be provided under the Companies Law, including the following liabilities and expenses, provided that such liabilities or expenses were imposed upon or incurred by such office holder in such office holder's capacity as an office holder of us:

- a monetary liability imposed on or incurred by an office holder pursuant to a judgment in favor of another person, including a judgment imposed on such office holder in a settlement or in an arbitration decision that was approved by a court of law;

- reasonable Litigation Expenses, expended by the office holder as a result of an investigation or proceeding instituted against him by a competent authority, provided that such investigation or proceeding concluded without the filing of an indictment against him and either (A) concluded without the imposition of any financial liability in lieu of criminal proceedings or (B) concluded with the imposition of a financial liability in lieu of criminal proceedings but relates to a criminal offense that does not require proof of criminal intent (mens rea) or in connection with a financial sanction;
- “conclusion of a proceeding without filing an indictment” in a matter in which a criminal investigation has been instigated and “financial liability in lieu of a criminal proceeding,” have the respective meaning ascribed to each of them under the Israeli Companies Law. The term “Litigation Expenses” shall include, without limitation, attorneys’ fees and all other costs, expenses and obligations paid or incurred by an office holder in connection with investigating, defending, being a witness or participating in (including on appeal), or preparing to defend, be a witness or participate in any claim or proceeding relating to any matter for which indemnification may be provided;
- reasonable Litigation Expenses, which the office holder incurred or with which the office holder was charged by a court of law, in a proceeding brought against the office holder, by the Company, on its behalf or by another person, or in a criminal prosecution in which the office holder was acquitted, or in a criminal prosecution in which the office holder was convicted of an offense that does not require proof of criminal intent (mens rea);
- a payment which the office holder is obligated to make to an injured party as set forth in Section 52(54)(a)(1)(a) of the Securities Law, and Litigation Expenses that the office holder incurred in connection with a proceeding under Chapters H’3, H’4 or I’1 of the Securities Law; and
- any other event, occurrence or circumstance in respect of which we may lawfully indemnify an office holder.

The foregoing indemnification may be procured by us (a) retroactively and (b) as a commitment in advance to indemnify an office holder, provided that, in respect of the first bullet above, such commitment shall be limited to (A) such events that in the opinion of the Board of Directors are foreseeable in light of our actual operations at the time the undertaking to indemnify is provided, and (B) to the amounts or criterion that the Board of Directors deems reasonable under the circumstances, and further provided that such events and amounts or criterion are set forth in the undertaking to indemnify, and which shall in no event exceed, in the aggregate, the greater of: (i) twenty five percent (25%) of our shareholder’s equity at the time of the indemnification, or (ii) twenty five percent (25%) of our shareholder’s equity at the end of fiscal year of 2010.

We have undertaken to indemnify our directors and officers pursuant to applicable law. We have obtained directors’ and officers’ liability insurance for the benefit of our directors and officers.

Limitations on Exemption, Insurance and Indemnification

The Israeli Companies Law provides that a company may not exempt or indemnify an office holder, or enter into an insurance contract, which would provide coverage for any monetary liability incurred as a result of any of the following:

- a breach by the office holder of his duty of loyalty unless, with respect to insurance coverage or indemnification, the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company;

- a breach by the office holder of his duty of care if the breach was done intentionally or recklessly (other than if solely done in negligence);
- any act or omission done with the intent to derive an illegal personal benefit; or
- a fine, civil fine or ransom levied on an Office Holder, or a financial sanction imposed upon an Office Holder under Israeli Law.

Required Approvals

In addition, under the Israeli Companies Law, any exemption of, indemnification of, or procurement of insurance coverage for, our office holders must be approved by our audit committee and our board of directors and, if the beneficiary is a director, by our shareholders. We have obtained such approvals for the procurement of liability insurance covering our officers and directors and for the grant of indemnification letters to our officers and directors.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Not Applicable.

ITEM 8. EXHIBITS

The following exhibits are filed with or incorporated by reference into this Registration Statement (numbering corresponds to Exhibit Table in Item 601 of Regulation S-K):

- 4.1 Amended and Restated Memorandum of Association of NICE Systems Ltd. (an English translation), as amended through December 21, 2006 (previously filed as Exhibit 1.1 to, and incorporated by reference from, NICE's Annual Report on Form 20-F filed with the Commission on June 13, 2007).
- 4.2 Amended and Restated Articles of Association of NICE Systems Ltd., as amended through September 19, 2011 (previously filed as Exhibit 4.2 to, and incorporated by reference from, NICE's Registration Statement on Form S-8 filed with the Commission on October 26, 2011).
- 4.3 Form of Share Certificate (previously filed as Exhibit 4.1 to, and incorporated by reference from, NICE's Amendment No. 1 to Registration Statement on Form F-1 (Registration No. 333-99640) filed with the Commission on December 29, 1995).
- 4.4 The Causata Inc. Executive Share Option Scheme.
- 4.5 Causata Inc. 2010 Stock Plan.
- 5.1 Opinion of Goldfarb Seligman & Co.
- 23.1 Consent of Kost, Forer, Gabbay & Kasierer, a member of Ernst & Young Global.
- 23.2 Consent of Goldfarb Seligman & Co. (included in Exhibit 5).
- 24.1 Power of Attorney (included in signature page of this Registration Statement).

ITEM 9. UNDERTAKINGS

- (a) The undersigned Registrant hereby undertakes:
- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the registration information is on Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.
 - (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
 - (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act), that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8, and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Ra'anana, State of Israel, on the 16 day of September, 2013.

NICE SYSTEMS LTD.

By: /s/ Zeev Bregman
Zeev Bregman
President and CEO

/s/ Dafna Gruber
Dafna Gruber
CFO

POWER OF ATTORNEY

Know all men by these present, that each individual whose signature appears below constitutes and appoints Zeev Bregman, Dafna Gruber, and each of them, his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him or her and in his or her place and stead, in any and all capacities, to sign any all amendments (including post-effective amendments) to this Registration Statement and to file the same will all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby rectifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following person in the capacities and on the dates identified:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ David Kostman</u> David Kostman	Chairman of the Board of Directors	September 16, 2013
<u>/s/ Joseph Atsmon</u> Joseph Atsmon	Vice-Chairman of the Board of Directors	September 16, 2013
<u>/s/ Zeev Bregman</u> Zeev Bregman	President and Chief Executive Officer (Principal Executive Officer) and Director	September 16, 2013
<u>/s/ Dafna Gruber</u> Dafna Gruber	Chief Financial Officer (Principal Financial Officer)	September 16, 2013
<u>/s/ Rimon Ben-Shaoul</u> Rimon Ben-Shaoul	Director	September 16, 2013
<u>/s/ Yochi Dvir</u> Yochi Dvir	Director	September 16, 2013

/s/ Dan Falk
Dan Falk

Director

September 16, 2013

/s/ Yehoshua (Shuki) Ehrlich
Yehoshua (Shuki) Ehrlich

Director

September 16, 2013

/s/ Leo Apotheker
Leo Apotheker

Director

September 16, 2013

/s/ Joseph (Joe) Cowan
Joseph (Joe) Cowan

Director

September 16, 2013

Authorized Representative in the
United States:

NICE SYSTEMS INC.

By: /s/ Jeff Levenberg

September 16, 2013

Name: Jeff Levenberg

Title: Corporate Secretary

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
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24.1	Power of Attorney (included in signature page of this Registration Statement).

THE RULES OF THE
CAUSATA INC. EXECUTIVE SHARE OPTION SCHEME

Adopted by the board of directors of the Company on 2013

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RULES OF THE CAPE CLEAR EXECUTIVE SHARE OPTION SCHEME

1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Scheme, the following words and expressions shall have the following meanings:-

“Acquiring Company”	has the meaning given to it in Rule 4.1;
“Admission”	the admission to listing of any of the Company’s issued share capital on the Official List or the Alternative Investment Market of the London Stock Exchange plc, any other Recognised Investment Exchange or any investment exchange designated by the Financial Services Authority under FSMA;
“Admission Date”	the date on which Admission takes place;
“associate”	shall be construed in accordance with section 449 of the Corporation Tax Act 2010;
“Associated Companies”	at any time, the Company and any company which is an associated company (as that expression is construed in accordance with section 449 of the Corporation Tax Act 2010 except in that section the words “or at any time within the preceding 12 months” shall be excluded) of the Company at that time, and “Associated Company” means any of the Associated Companies individually;
“Board”	the board of directors of the Company (or a duly authorised committee of that board);
“Cessation”	in relation to an Option, the Participant to whom that Option is granted ceasing to be an employee or director of an Associated Company (without being or becoming an employee or director of any other Associated Company), or, if earlier, the date on which notice is given by the Participant to an Associated Company or vice versa that he will cease to be such an employee or director;
“Company”	Causata Inc. (registered in [Delaware] under number ●);
“Companies Act”	the Companies Act 2006;
“Control”	control within the meaning of section 995 of the Income Tax Act 2007;
“Date of Grant”	in relation to any Option, the date on which that Option is granted by the Company;
“Eligible Employee”	a director or employee of any Participating Company;

“EMI Option”	an Option granted under Schedule 5;
“Exercise”	in relation to an Option, the exercise of that Option as permitted by the Rules in accordance with Rule 5, and “Exercised” shall be construed accordingly;
“Exercise Notice”	in relation to the Exercise of an Option, the notice given by, or on behalf of, the Participant in accordance with Rule 5 in order to Exercise that Option, being in such form as the Board may, from time to time, determine;
“Exercise Price”	in relation to the Exercise of any Option or any part of an Option, the total amount payable to Exercise that Option or that part of the Option, being an amount equal to the Option Price multiplied by the number of Shares in relation to which that Option or that part of the Option is Exercised;
“FSMA”	the Financial Services and Markets Act 2000;
“HMRC”	HM Revenue & Customs;
“ITEPA”	the Income Tax (Earnings and Pensions) Act 2003;
“Listing Rules”	the Listing Rules of the UK Listing Authority under FSMA and/or the listing rules or equivalent of any other Recognised Investment Exchange;
“Material Disposal”	the disposal by the Company of the whole or substantially the whole of its business to a company that is not a subsidiary of the Company;
“Material Disposal Date”	in relation to a Material Disposal, the date of completion of the Material Disposal;
“New Shares”	has the meaning given to it in Rule 4.1;
“Option”	a right to acquire Shares under this Scheme which either is proposed to be granted to an Eligible Employee or has been granted to an Eligible Employee and has not lapsed in accordance with Rules 3.2 or 3.2.9;
“Option Certificate”	in relation to an Option, the certificate (in such form as the Board may, from time to time, prescribe) given to an Eligible Employee pursuant to Rule 2.2.3 evidencing the grant of that Option;
“Option Letter”	in relation to an Option, the letter issued in accordance with Rule 2.2 pursuant to which that Option is granted;
“Option Price”	in relation to an Option, such price per Share (being not less than its nominal value) as the Board shall determine is payable to acquire the Shares the subject of that Option;

“Participant”	a director or an employee to whom an Option has been granted, or to whom an Option is to be granted;
“Participating Companies”	(a) the Company; and (b) any other company which is a Subsidiary of, and under the Control of, the Company, and “Participating Company” means any of the Participating Companies individually;
“Performance Conditions”	in relation to any Option, the conditions set out in its Option Letter (as referred to at Rule 2.2.3) that are required to be fulfilled in order that (subject to the satisfaction of any other requirements set out in these Rules) that Option may be exercised;
“Recognised Investment Exchange”	has the same meaning as in section 285 of FSMA;
“Record Date”	in relation to the making of any distribution in respect of shares, the date on which a holder of such shares must appear as a member in the register of members of the Company in order to have the right to receive such distribution;
“Relevant Exercise Dates”	The dates specified in an Option Letter from which point the Option or any part thereof becomes exercisable, and Relevant Exercise Date shall mean any one of such dates.
“Rules”	the Rules of this Scheme, and “Rule” shall be construed accordingly;
“Sale”	the transfer of any interest in shares to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise an interest (as defined in sections 820 to 825 of the Companies Act) in shares in the Company conferring in aggregate more than 75% of the total voting rights normally exercisable at a general meeting of the Company;
“Sale Date”	in relation to a Sale, the time of completion of the Sale;
“Schedule 5”	schedule 5 to ITEPA;
“this Scheme”	the Causata Executive Share Option Scheme, in its present form, or as, from time to time, amended;
“Shares”	ordinary shares of [\$●] each in the capital of the Company;

“Subsidiary”	has the meaning given to it in section 1159 of the Companies Act;
“Unapproved Option”	an Option that is not an EMI Option;
“Variation of Share Capital”	any capitalisation issue (other than an issue of shares pursuant to the exercise of a right given to shareholders of the Company to receive shares in lieu of a dividend) or any rights issue or any other pre-emptive offer to shareholders or any consolidation, sub-division or reduction of capital affecting the equity share capital of the Company (within the meaning of the Companies Act); and
“Winding-up Date”	the date on which a resolution for the winding-up of the Company is passed.

1.2 In these Rules, unless the context otherwise provides:-

- 1.2.1 references to any statutory provisions are to those provisions as amended or re-enacted from time to time, and include any regulations made under such provisions;
- 1.2.2 any gender includes any other gender;
- 1.2.3 the singular includes the plural and vice versa;
- 1.2.4 headings are for convenience only and shall not affect the interpretation of these Rules;
- 1.2.5 the *eiusdem generis* rule shall not apply, so that general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things; and
- 1.2.6 references to writing include any method of reproducing words in a legible and non-transitory form.

2. **GRANT OF OPTIONS**

- 2.1 Subject to these Rules, the Company may grant Options at any time to Eligible Employees nominated by it in such number and in such manner as it may determine. The maximum number of Shares over which Options may be granted under this Scheme shall not exceed [●] Shares (save that, for the purposes of this limit, there shall be excluded any Shares the subject of Options that have lapsed pursuant to Rules 3.2 or 3.2.9).
- 2.2 An Option shall be granted under a letter or in such manner as shall be considered appropriate to give effect to such grant and shall set out details as to:-
 - 2.2.1 the number of Shares that may be acquired on exercise of the Option;
 - 2.2.2 the Option Price;

2.2.3 the conditions (if any) that are required to be fulfilled in order that the Option may be exercised; and

2.2.4 whether the Option is an EMI Option or an Unapproved Option.

2.3 The Participant shall be given an Option Certificate as soon as practicable following the grant of an Option.

2.4 Exercise of Options shall be subject to obtaining any approval or consent required under the Listing Rules or the City Code on Take-overs and Mergers (if applicable), or any relevant regulations or enactment relating to the Shares at such time.

2.5 Every Option shall be personal to the Participant to whom it is granted and neither it, nor any interest in it, shall be:-

2.5.1 transferable;

2.5.2 made subject to any trust; or

2.5.3 in any way alienable.

2.6 The Company and the Participant shall give, in accordance with paragraph 44 of Schedule 5, notice to HMRC of the grant of any EMI Options within the time limits prescribed by Schedule 5.

2.7 A Participant shall enter into a joint election with the Company pursuant to section 431(1) of ITEPA and, where it is so requested, the grant of the Option will be conditional upon the entering into of such joint election.

3. **RIGHTS OF EXERCISE AND LAPSE OF OPTIONS**

3.1 Subject to Rule 3.3, an Option (or, as the case may be, any part of an Option) may be Exercised (in accordance with Rule 5) by a Participant on or after the Relevant Exercise Dates provided that both the following conditions are met at the time of exercise:-

(i) the Participant is a director or an employee of any Associated Company at that time; and

(ii) where the Option Letter pursuant to which the Option is granted makes provision for any Performance Conditions, those conditions are fulfilled at that time;

(iii) where applicable, the Options have vested in accordance with the terms of the Option Letter.

3.2 An Option shall lapse (and, accordingly, shall immediately thereupon cease to be capable of Exercise) on the earliest of the following to occur:-

3.2.1 save where Rules 3.3 or 4.1 applies, four days after the Sale Date;

3.2.2 save where Rule 3.3 applies, ten days after the Admission Date;

3.2.3 where Rule 3.3 applies, the Sale Date or the Admission Date (as the case may be) but only where the Participant has been given at least (in the case of a Sale) four days' notice prior to the Sale or (in the case of an Admission) ten days' notice of the Admission (as the case may be);

- 3.2.4 a Cessation;
- 3.2.5 31 July 2023;
- 3.2.6 the winding-up of the Company;
- 3.2.7 the Participant being deprived of the legal or beneficial ownership of the Option, or doing or omitting to do anything which causes him to be so deprived or becoming bankrupt;
- 3.2.8 the death of the Participant and.
- 3.2.9 the date on which the Option shall lapse in accordance with the terms of the Option Letter.

3.3 If the Company becomes aware that a Sale or Admission may occur then the Company may, in its absolute discretion (provided that, for the avoidance of doubt, the Company shall not be obliged to exercise such discretion in favour of the Participants), notify the Participants of any prospective Sale or, as the case may be, any prospective Admission and give the Participants the opportunity to Exercise their Options at any time during the period commencing on the date of such notice and expiring on the Sale Date or the Admission Date (as the case may be). Any Options Exercised in accordance with this Rule 3.3 shall (provided that both the conditions set out at Rule 3.1 are met at that time) be Exercised with effect immediately before the Sale Date or, as the case may be, the Admission Date (and, accordingly, such purported Exercise shall not be effective if such Sale Date or, as the case may be, Admission Date does not occur).

4. ALTERATION OF OPTIONS

4.1 Notwithstanding the terms of any Option Letter, if any company (the "**Acquiring Company**") acquires all the issued Shares as a result of a Sale, if the Board so determines, each Participant shall permit the Board to act on its behalf to agree any alteration to the terms of the Participant's Option within the period of six months following such Sale whereby the Option shall relate to shares in the Acquiring Company or in a company affiliated with it (the "**New Shares**") with an Exercise Price determined by agreement between the Board and the Acquiring Company or a company affiliated with it. The Participant shall further permit the novation of the rights and obligations of the Company under this Scheme to the Acquiring Company or in a company affiliated with it. Where an Option is amended under the terms of Rule 4.1, the provisions of this Scheme shall apply and be construed as if:-

- 4.1.1 the Option were an option granted under this Scheme on the original date; and
- 4.1.2 except for the purposes of the definition of "Participating Company" in Rule 1, references to the Company and to Shares were references to the Acquiring Company and to New Shares, respectively.

5. MANNER OF EXERCISE

5.1 An Option may, subject to Rule 5.2, be Exercised, in whole or in part, by the delivery to the Company of:-

- 5.1.1 an Option Certificate covering at least all the Shares over which the Option is then to be Exercised, with the notice of exercise endorsed thereon duly completed and signed by, or on behalf of, the Participant; and

5.1.2 the remittance for, or undertaking to pay, the Exercise Price payable in respect of the Shares over which the Option is to be exercised, or otherwise in such form and manner as the Board may, from time to time, prescribe.

5.2 No Option shall be capable of Exercise unless, prior to such Exercise, the Participant shall have made such arrangements (if any) that are satisfactory to the Company for the reimbursement or, as the case may be, the payment by the Participant to the Company and/or any company which is, or has at any time been, a Subsidiary of the Company of any income tax under the PAYE system, employee's National Insurance Contributions and employer's National Insurance Contributions or its equivalent outside the United Kingdom which the Company and/or such company is, or will be, required to deduct and/or account for to HMRC or any other taxation authority in consequence of any such Exercise. By accepting a grant of an Option, a Participant agrees under Paragraph 3A sub-paragraph 2 of Schedule 1 Social Security Contributions and Benefit Act 1992 for the Company or any Associated Company to recover employers' national insurance arising as a result of the Exercise of the Option, in whole or in part.

5.3 The Board may make such regulations as it considers desirable to ensure the receipt of such amounts referred to in Rule 5.2 including, but not limited to, retaining the power to sell or procure the sale of sufficient of the relevant shares which would otherwise have been received by the Participant in order to discharge the relevant liability (after deduction of the relevant expenses).

5.4 Each Participant shall, at the request of the Company at any time, enter into an election with that Participant's employer (using a form approved by HMRC) to transfer from that Participant's employer to that Participant the whole or any part of any liability to employer's national insurance contributions which that Participant has agreed to reimburse or pay pursuant to Rule 5.2.

6. **ISSUE OF SHARES**

6.1 Shares shall, following the Exercise of an Option, be allotted by the Company to the Participant within 30 days following the date on which the Option is Exercised.

6.2 Shares allotted following the Exercise of an Option will not rank for any rights attaching to Shares where the relevant Record Date precedes the date of Exercise of that Option.

6.3 Any reference in these Rules to the allotment of Shares to a Participant shall include their allotment to a nominee (including any attorney) of that Participant.

7. **ADJUSTMENTS**

7.1 In the event of any Variation of Share Capital, the number of Shares over which an Option is granted and its Option Price shall be adjusted in such manner as the Board shall determine to the intent that (as nearly as may be without involving fractions of a Share or an Option Price involving fractions of one penny) the Exercise Price payable in respect of an Option shall remain unchanged.

7.2 The Company may take such steps as it may consider necessary to notify Participants of any adjustment made under Rule 7.1 and to call in, cancel, endorse, issue or reissue any Option Certificate consequent upon such adjustment.

8. **ADMINISTRATION**

8.1 Notices or documents required to be given to any person shall be in writing and shall be treated as sufficiently given if:-

8.1.1 delivered to that person personally; or

8.1.2 sent to that person by first class pre-paid post to that person's home address according to the information provided by that person or attorney.

Notices sent by first class post shall be deemed to have been given on the day following the date of posting, except that an Exercise Notice is deemed to have been given on the day it is received.

8.2 If any Option Certificate shall be worn out, defaced or lost, it may be replaced on such evidence being provided as the Company may require.

8.3 The decision of the Board in any dispute relating to an Option or any other matter in respect of this Scheme shall be final and conclusive.

9. **ALTERATIONS**

9.1 The Company may, at any time, alter or add to all or any of the provisions of this Scheme in any respect.

9.2 As soon as reasonably practicable after making any alteration or addition under Rule 9.1, notice in writing thereof shall be given to any Participant affected thereby (including, without limitation, if the Participating Company is in breach of contract).

10. **GENERAL**

10.1 The rights and obligations of any individual under the terms of his office or employment with the Company or a Subsidiary shall not be affected by his participation in this Scheme or any right which he may have to participate therein, and an individual who participates therein shall waive all and any rights to compensation or damages in consequence of the termination of his office or employment with a Participating Company for any reason whatsoever (including, without limitation, if the Participating Company is in breach of contract) insofar as those rights arise or may arise from his ceasing to have rights under, or be entitled to exercise any Option under, this Scheme as a result of such termination or from the loss or diminution in value of such rights or entitlements.

10.2 The Company shall be under no obligation to ensure that EMI Options are, or remain, qualifying options pursuant to Schedule 5, and Participants acknowledge that they shall have no cause of action against the Company arising as a result of, or in connection with, such EMI Options not being, or ceasing to be, qualifying options pursuant to Schedule 5.

10.3 Awards granted under this Scheme are not pensionable.

11. **GOVERNING LAW AND JURISDICTION**

- 11.1 These Rules shall be governed and construed in accordance with the laws of England and Wales.
- 11.2 Each Participant agrees that the courts of England and Wales shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Scheme (or any documents entered into in accordance with its provisions) (in this Rule 11, "**Proceedings**") and, for such purposes, irrevocably submits to the exclusive jurisdiction of the courts of England and Wales.
- 11.3 Each Participant irrevocably waives any objection which he or she might at any time have to the courts referred to in this Rule 11 being nominated as a forum to hear, determine and settle any Proceedings and agrees not to claim that any such courts are not a convenient or appropriate forum.
- 11.4 Each Participant agrees that the process by which any Proceedings in England and Wales are begun or any document relating to such Proceedings may be served in accordance with Rule 8.1. Each Participant undertakes to maintain an address for service at all times in England and Wales and to notify the Company in advance of any change from time to time of the details of such address in accordance with Rule 8.1. Nothing contained in this Rule 11 shall affect the right to serve process in any other manner permitted by law.
- 11.5 The submission to the jurisdiction of the courts of England and Wales shall not limit the right of the Company to take Proceedings against any Participant in any other court of competent jurisdiction and the taking of Proceedings in one or more jurisdictions shall not preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

12. **DATA PROTECTION**

By participating in this Scheme, each Participant consents to and authorises the holding and processing of personal data provided by that Participant to the Company for all purposes relating to the operation of this Scheme, including but not limited to:-

- 12.1 administering and maintaining records relating to that and other Participants;
- 12.2 providing information to HMRC relating to that and other Participants in connection with the operation of this Scheme; and
- 12.3 providing information to potential purchasers of the Company or of the business employing that and other Participants.

CAUSATA INC
2010 STOCK PLAN
ADOPTED ON OCTOBER 19, 2010

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CAUSATA INC 2010 STOCK PLAN

SECTION 1. ESTABLISHMENT AND PURPOSE.

The purpose of the Plan is to offer selected persons an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by acquiring Shares of the Company's Stock. The Plan provides both for the direct award or sale of Shares and for the grant of Options to purchase Shares. Options granted under the Plan may include Nonstatutory Options as well as ISOs intended to qualify under Section 422 of the Code.

Capitalized terms are defined in Section 12.

SECTION 2. ADMINISTRATION.

(a) **Committees of the Board of Directors.** The Plan may be administered by one or more Committees. Each Committee shall consist of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

(b) **Authority of the Board of Directors.** Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Purchasers, all Optionees and all persons deriving their rights from a Purchaser or Optionee.

SECTION 3. ELIGIBILITY.

(a) **General Rule.** Only Employees, Outside Directors and Consultants shall be eligible for the grant of Nonstatutory Options or the direct award or sale of Shares. Only Employees shall be eligible for the grant of ISOs.

(b) **Ten-Percent Stockholders.** A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

SECTION 4. STOCK SUBJECT TO PLAN.

(a) **Basic Limitation.** Not more than _____ Shares may be issued under the Plan, subject to Subsection (b) below and Section 8(a).¹ All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Options or other rights outstanding at any time under the Plan shall not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

(b) **Additional Shares.** In the event that Shares previously issued under the Plan are reacquired by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option or other right for any reason expires or is canceled, the Shares allocable to the unexercised portion of such Option or other right shall be added to the number of Shares then available for issuance under the Plan.

SECTION 5. TERMS AND CONDITIONS OF AWARDS OR SALES.

(a) **Stock Grant or Purchase Agreement.** Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

(b) **Duration of Offers and Nontransferability of Rights.** Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days after the grant of such right was communicated to the Purchaser by the Company. Such right shall not be transferable and shall be exercisable only by the Purchaser to whom such right was granted.

(c) **Purchase Price.** The Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

(d) **Withholding Taxes.** As a condition to the award, purchase, vesting or transfer of Shares, the Grantee or Purchaser shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

¹ Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

(e) **Transfer Restrictions and Forfeiture Conditions.** Any Shares awarded or sold under the Plan shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Stock Grant Agreement or Stock Purchase Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

SECTION 6. TERMS AND CONDITIONS OF OPTIONS.

(a) **Stock Option Agreement.** Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

(b) **Number of Shares.** Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8. The Stock Option Agreement shall also specify whether the Option is an ISO or a Nonstatutory Option.

(c) **Exercise Price.** Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and in the case of an ISO a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7. This Subsection (c) shall not apply to an Option granted pursuant to an assumption of, or substitution for, another option in a manner that complies with Section 424(a) of the Code (whether or not the Option is an ISO).

(d) **Exercisability.** Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the exercisability provisions of the Stock Option Agreement at its sole discretion. All of an Optionee's Options shall become exercisable in full if Section 8(b)(iv) applies.

(e) **Basic Term.** The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

(f) **Termination of Service (Except by Death).** If an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

- (i) The expiration date determined pursuant to Subsection (e) above;
- (ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or
- (iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). The balance of such Options shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination).

(g) Leaves of Absence. For purposes of Subsection (f) above, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company).

(h) Death of Optionee. If an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

- (i) The expiration date determined pursuant to Subsection (e) above; or
- (ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). The balance of such Options shall lapse when the Optionee dies.

(i) **Post-Exercise Restrictions on Transfer of Shares.** Any Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Board of Directors may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

(j) **Pre-Exercise Restrictions on Transfer of Options or Shares.** An Option shall be transferable by the Optionee only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Stock Option Agreement so provides, a Nonstatutory Option shall also be transferable by gift or domestic relations order to a Family Member of the Optionee. An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative. In addition, an Option shall comply with all conditions of Rule 12h-1(f)(1) under the Exchange Act until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. Such conditions include, without limitation, the transferability restrictions set forth in Rule 12h-1(f)(1)(iv) and (v) under the Exchange Act, which shall apply to an Option and, prior to exercise, to the Shares to be issued upon exercise of such Option during the period commencing on the Date of Grant and ending on the earlier of (i) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or (ii) the date when the Company makes a determination that it will cease to rely on the exemption afforded by Rule 12h-1(f)(1) under the Exchange Act. During such period, an Option and, prior to exercise, the Shares to be issued upon exercise of such Option shall be restricted as to any pledge, hypothecation or other transfer by the Optionee, including any short position, any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) or any "call equivalent position" (as defined in Rule 16a-1(b) under the Exchange Act).

(k) **Withholding Taxes.** As a condition to the grant or exercise of an Option, the Optionee shall make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such grant or exercise. The Optionee shall also make such arrangements as the Board of Directors may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the vesting or transfer of Shares acquired by exercising an Option or any similar event.

(l) **No Rights as a Stockholder.** An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person becomes entitled to receive such Shares by filing a notice of exercise and paying the Exercise Price pursuant to the terms of such Option.

(m) **Modification, Extension and Assumption of Options.** Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option.

(n) **Company's Right to Cancel Certain Options.** Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate Fair Market Value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

SECTION 7. PAYMENT FOR SHARES.

(a) **General Rule.** The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 7.

(b) **Services Rendered.** At the discretion of the Board of Directors, Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award.

(c) **Promissory Note.** At the discretion of the Board of Directors, all or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

(d) **Surrender of Stock.** At the discretion of the Board of Directors, all or any part of the Exercise Price may be paid by surrendering, or attesting to the ownership of, Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

(e) **Exercise/Sale.** To the extent that a Stock Option Agreement so provides, and if Stock is publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

(f) **Other Forms of Payment.** To the extent that a Stock Purchase Agreement or Stock Option Agreement so provides, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended.

SECTION 8. ADJUSTMENT OF SHARES.

(a) **General.** In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of (i) the number of Shares available for future grants under Section 4, (ii) the number of Shares covered by each outstanding Option and (iii) the Exercise Price under each outstanding Option. In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of (i) the number of Shares available for future grants under Section 4, (ii) the number of Shares covered by each outstanding Option or (iii) the Exercise Price under each outstanding Option; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

(b) **Corporate Transactions** In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, all Shares acquired under the Plan and all Options shall be subject to the definitive transaction agreement. Such agreement need not treat all Options in an identical manner, and it shall provide for one or more of the following with respect to each Option:

(i) The continuation of such outstanding Options by the Company (if the Company is the surviving corporation).

(ii) The assumption of such outstanding Options by the surviving corporation or its parent in a manner that complies with Section 424(a) of the Code (whether or not such Options are ISOs).

(iii) The substitution by the surviving corporation or its parent of new options for such outstanding Options in a manner that complies with Section 424(a) of the Code (whether or not such Options are ISOs).

(iv) Full exercisability of such outstanding Options and full vesting of the Shares subject to such Options, followed by the cancellation of such Options. The full exercisability of such Options and full vesting of the Shares subject to such Options may be contingent on the closing of such transaction. The Optionees shall be able to exercise such Options during a period of not less than five full business days preceding the effective date of such transaction, unless (A) a shorter period is required to permit a timely closing of such transaction and (B) such shorter period still offers the Optionees a reasonable opportunity to exercise such Options. Any exercise of such Options during such period may be contingent on the closing of such transaction.

(v) The cancellation of such outstanding Options and a payment to the Optionees equal to the excess of (A) the Fair Market Value of the Shares subject to such Options as of the effective date of such transaction over (B) their Exercise Price. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Subject to the requirements of Section 409A of the Code, such payment may be made in installments and may be deferred until the date or dates when such Options would have become exercisable or such Shares would have vested. The amount of such payment initially shall be calculated without regard to whether or not such Options are then exercisable or such Shares are then vested. However, such payment may be subject to vesting based on the Optionee's continuing Service, provided that the vesting schedule shall not be less favorable to the Optionees than the schedule under which such Options would have become exercisable or such Shares would have vested. In addition, any escrow, holdback, earnout or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Shares. If the Exercise Price of the Shares subject to such Options exceeds the Fair Market Value of such Shares, then such Options may be cancelled without making a payment to the Optionees. For purposes of this Paragraph (v), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(c) **Reservation of Rights.** Except as provided in this Section 8, a Grantee, Purchaser or Optionee shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Option. The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

SECTION 9. PRE-EXERCISE INFORMATION REQUIREMENT.

(a) **Application of Requirement.** This Section 9 shall apply only during a period that (i) commences when the Company begins to rely on the exemption described in Rule 12h-1(f)(1) under the Exchange Act, as determined by the Company in its sole discretion, and (ii) ends on the earlier of (A) the date when the Company ceases to rely on such exemption, as determined by the Company in its sole discretion, or (B) the date when the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act. In addition, this Section 9 shall in no event apply to an Optionee after he or she has fully exercised all of his or her Options.

(b) **Scope of Requirement.** The Company shall provide to each Optionee the information described in Rule 701(e)(3), (4) and (5) under the Securities Act. Such information shall be provided at six-month intervals, and the financial statements included in such information shall not be more than 180 days old. The foregoing notwithstanding, the Company shall not be required to provide such information unless the Optionee has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION 10. MISCELLANEOUS PROVISIONS.

(a) **Securities Law Requirements.** Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares that is attributable to such requirements.

(b) **No Retention Rights.** Nothing in the Plan or in any right or Option granted under the Plan shall confer upon the Grantee, Purchaser or Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Grantee, Purchaser or Optionee) or of the Grantee, Purchaser or Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Treatment as Compensation.** Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

(d) **Governing Law.** The Plan and all awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

SECTION 11. DURATION AND AMENDMENTS.

(a) **Term of the Plan.** The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to the approval of the Company's stockholders. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any grants, exercises or sales that have already occurred under the Plan shall be rescinded and no additional grants, exercises or sales shall thereafter be made under the Plan. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

(b) **Right to Amend or Terminate the Plan.** The Board of Directors may amend, suspend or terminate the Plan at any time and for any reason; provided, however, that any amendment of the Plan shall be subject to the approval of the Company's stockholders if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 8) or (ii) materially changes the class of persons who are eligible for the grant of ISOs. Stockholder approval shall not be required for any other amendment of the Plan. If the stockholders fail to approve an increase in the number of Shares reserved under Section 4 within 12 months after its adoption by the Board of Directors, then any grants, exercises or sales that have already occurred in reliance on such increase shall be rescinded and no additional grants, exercises or sales shall thereafter be made in reliance on such increase.

(c) **Effect of Amendment or Termination.** No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Option (or any other right to purchase Shares) granted under the Plan prior to such termination. The termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Option previously granted under the Plan.

SECTION 12. DEFINITIONS.

- (a) **"Board of Directors"** shall mean the Board of Directors of the Company, as constituted from time to time.
- (b) **"Code"** shall mean the Internal Revenue Code of 1986, as amended.
- (c) **"Committee"** shall mean a committee of the Board of Directors, as described in Section 2(a).
- (d) **"Company"** shall mean Causata Inc, a Delaware corporation.
- (e) **"Consultant"** shall mean a person who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor, excluding Employees and Outside Directors.
- (f) **"Date of Grant"** shall mean the date of grant specified in the applicable Stock Option Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Option or (ii) the first day of the Optionee's Service.
- (g) **"Disability"** shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.
- (h) **"Employee"** shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

- (i) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.
- (j) “**Exercise Price**” shall mean the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.
- (k) “**Fair Market Value**” shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.
- (l) “**Family Member**” shall mean (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (ii) any person sharing the Optionee’s household (other than a tenant or employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Optionee control the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Optionee own more than 50% of the voting interests.
- (m) “**Grantee**” shall mean a person to whom the Board of Directors has awarded Shares under the Plan.
- (n) “**ISO**” shall mean an employee incentive stock option described in Section 422(b) of the Code.
- (o) “**Nonstatutory Option**” shall mean a stock option not described in Sections 422(b) or 423(b) of the Code.
- (p) “**Option**” shall mean an ISO or Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.
- (q) “**Optionee**” shall mean a person who holds an Option.
- (r) “**Outside Director**” shall mean a member of the Board of Directors who is not an Employee.
- (s) “**Parent**” shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.
- (t) “**Plan**” shall mean this Causata Inc 2010 Stock Plan.

- (u) **“Purchase Price”** shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.
 - (v) **“Purchaser”** shall mean a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).
 - (w) **“Securities Act”** shall mean the Securities Act of 1933, as amended.
 - (x) **“Service”** shall mean service as an Employee, Outside Director or Consultant.
 - (y) **“Share”** shall mean one share of Stock, as adjusted in accordance with Section 8 (if applicable).
 - (z) **“Stock”** shall mean the Class A Common Stock of the Company.
 - (aa) **“Stock Grant Agreement”** shall mean the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.
 - (bb) **“Stock Option Agreement”** shall mean the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee’s Option.
 - (cc) **“Stock Purchase Agreement”** shall mean the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.
 - (dd) **“Subsidiary”** shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.
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CAUSATA INC
2010 STOCK PLAN (the "PLAN")

APPENDIX 1

APPENDIX FOR THE GRANT OF RESTRICTED STOCK UNITS

1.1 TERMS

- 1.1.1 This appendix (the "**RSU Appendix**") to the Plan governs the grant of RSUs (as defined below) under the Plan and has been adopted in accordance with Section 11 of the Plan. All other terms and conditions of the Plan applicable to Options (including but not limited to Section 8 of the Plan), shall apply to RSUs, *mutatis mutandis*, except as modified in accordance with the provisions of the RSU Appendix.
- 1.1.2 Capitalized terms not otherwise defined in this RSU Appendix have the same meaning as defined in the Plan.

1.2 GRANT OF RESTRICTED STOCK UNITS:

- 1.2.1 Subject to the sole and absolute discretion and determination of the Board of Directors, the Board of Directors, may decide to grant under the Plan, Restricted Stock Unit(s) ("**RSU(s)**"). A RSU is a right to receive a Share (or Shares) of the Company, under certain terms and conditions, for a consideration of no more than the underlying Share's nominal value (the "**Consideration**"). Upon the lapse of the vesting schedule of a RSU, such RSU shall automatically vest into a Share (subject to adjustments under Section 8 of the Plan) and the Grantee shall pay to the Company the Consideration.

1.3 RSU AGREEMENT

- 1.3.1 Each grant of RSUs shall be evidenced by an agreement that shall specify any vesting conditions, performance objectives, the number of RSUs granted, the Consideration payable therefor, and such other terms and conditions as the Board of Directors, in its sole discretion, shall determine (the "**RSU Agreement**").

1.4 VESTING, PERFORMANCE OBJECTIVES AND SETTLEMENT

- 1.4.1 The Board of Directors, in its discretion, shall set vesting criteria or performance objectives which, depending on the extent to which they are met, will determine the number of RSUs that will vest, all as specified in the applicable RSU Agreement.
- 1.4.2 After the grant of a RSU, the Board of Directors, in its sole discretion, may reduce or waive any vesting condition that must be met for vesting of such RSU and may accelerate the time at which any restrictions will lapse or be removed.
- 1.4.3 Settlement of vested RSUs may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as determined by the Board of Directors at the time of grant of the RSUs, in its sole discretion. Methods of converting RSUs into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. Vested RSUs may be settled in a lump sum or in installments, provided, however, that any settlement of vested RSUs in installments shall be exempt from or otherwise comply with the provisions regarding deferred compensation set forth in Section 409A of the Code. The distribution may occur or commence when the vesting conditions applicable to the RSUs have been satisfied or have lapsed, in accordance with applicable law, to any later date. Until an award of RSUs is settled, the number of such RSUs shall be subject to adjustment pursuant to Section 8 of the Plan.
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1.5 TAX WITHHOLDING

- 1.5.1 Withholding Requirements. Prior to the delivery of any Shares pursuant to an RSU, or at such earlier time as tax is due, the Company shall have the power and the right to deduct or withhold, or require a recipient to remit to the Company, an amount sufficient to satisfy all tax and social insurance liability obligations ("**Tax(es)**").
- 1.5.2 Withholding Arrangements. The Board of Directors, in its sole discretion and pursuant to such procedures as it may specify from time to time, may designate the method or methods by which a holder of RSUs may satisfy such Tax obligations. As determined by the Board of Directors in its discretion from time to time, these methods may include one or more of the following: (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value equal to the amount required to be withheld, (c) selling a sufficient number of otherwise deliverable Shares through such means as the Board of Directors may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld, or (d) any other means which the Board of Directors, in its sole discretion, determines to both comply with applicable laws, and to be consistent with the purposes of the Plan. The amount of Tax will be deemed to include any amount that the Board of Directors agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income Tax rates applicable to the recipient or the Company, as applicable, with respect to the RSU on the date that the amount of Tax to be withheld or remitted is to be determined. The Fair Market Value of the Shares to be withheld or delivered shall be determined as of the date that the Tax is required to be withheld.

1.6 MISCELLANEOUS

- 1.6.1 The holders of RSUs shall have no voting rights.
- 1.6.2 A holder of RSUs shall have no rights other than those of a general creditor of the Company. RSUs represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable RSU Agreement.

- 1.6.2 Within the limitations of the Plan, the Board of Directors may modify or assume outstanding RSUs or may accept the cancellation of outstanding RSUs (including stock units granted by another issuer) in return for the grant of new RSUs for the same or a different number of Shares and with the same or different vesting provisions. Notwithstanding the preceding sentence or anything to the contrary herein, no modification of an RSU shall, without the consent of the holder thereof, impair his or her rights or obligations under such RSU Agreement.
- 1.6.3 Except as otherwise provided in the applicable RSU Agreement and then only to the extent permitted by applicable law, RSUs shall not be anticipated, assigned, attached, garnished, optioned, transferred or made subject to any creditor's process, whether voluntarily, involuntarily or by operation of law. Any act in violation of this Subsection shall be void. However, this Subsection shall not preclude the holder of an RSU from designating a beneficiary who will receive any outstanding vested RSUs in the event of such holder's death, nor shall it preclude a transfer of vested RSUs by will or by the laws of descent and distribution.

Goldfarb Seligman & Co.
Electra Tower
98 Yigal Alon Street
Tel Aviv 6789141, Israel

September 16, 2013

NICE Systems Ltd.
22 Zarchin Street
P.O. Box 690
43107 Ra'anana
Israel

Ladies and Gentlemen:

We refer to the Registration Statement on Form S-8 (the "Registration Statement") to be filed on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), on behalf of NICE Systems Ltd. (the "Company"), relating to 131,316 of the Company's Ordinary Shares, NIS 1.00 nominal value per share (the "Shares"), issuable upon the exercise of options and conversion of restricted share units under The Causata Inc. Executive Share Option Scheme and Causata Inc. 2010 Stock Plan (the "Plans"), which will be issued pursuant to an Agreement and Plan of Merger dated as of August 5, 2013, by and among the Company, . Canada Acquisition Corporation, a wholly owned subsidiary of the Company, Causata Inc. and Shareholder Representative Services LLC (the "Agreement"), following the closing of the transactions contemplated by the Agreement.

We are members of the Israel Bar and we express no opinion as to any matter relating to the laws of any jurisdiction other than the laws of Israel.

In connection with this opinion, we have examined such corporate records, other documents, and such questions of Israeli law as we have considered necessary or appropriate for the purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of copies submitted to us, the authenticity of the originals of such copies and, as to matters of fact, the accuracy of all statements and representations made by officers of the Company. We have also assumed that each individual grant under the Plans has been duly authorized by all necessary corporate action.

Based on the foregoing and subject to the qualifications stated herein, we advise you that in our opinion the Shares, when issued upon the exercise of options and conversion of restricted share units in accordance with the Plans, will be duly authorized, validly issued, fully paid and non-assessable.

This opinion is rendered as of the date hereof, and we undertake no obligation to advise you of any changes in applicable law or any other matters that may come to our attention after the date hereof that may affect this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. This consent is not to be construed as an admission that we are a person whose consent is required to be filed with the Registration Statement under the provisions of the Act.

Sincerely,

/s/ Goldfarb Seligman & Co.
Goldfarb Seligman & Co.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-8) of NICE Systems Ltd. for the registration of 131,316 of its ordinary shares under the Causata Inc. Executive Share Option Scheme and 2010 Stock Plan of our report dated March 25, 2013, with respect to the consolidated financial statements of NICE Systems Ltd. for the year ended December 31, 2012, and the effectiveness of internal control over financial reporting of NICE-Systems Ltd., which is included in its Annual Report (Form 20-F) for the year ended December 31, 2012., filed with the Securities and Exchange Commission.

/s/ KOST FORER, GABBAY & KASIERER

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

Tel-Aviv, Israel
September 16, 2013
