

BRAINSTORM CELL THERAPEUTICS INC.
SHAREHOLDER NOMINATIONS AND COMMUNICATIONS POLICY

General

The Board of Directors (the “Board”) of BrainStorm Cell Therapeutics Inc. (the “Company”) has adopted policies with respect to (i) the consideration of candidates for director nominees recommended by shareholders and (ii) shareholder communications with the Board. These policies are subject to modification from time to time by the Board as the Board may deem appropriate in the best interests of the Company or as required by applicable laws.

Nomination of Directors

Directors may be nominated for election by the Board or by shareholders in accordance with the by-laws of the Company. This policy addresses the consideration of candidates recommended by shareholders for nomination by the Board. Direct shareholders nominations must be made in accordance with the advance notice requirements contained in the Company’s by-laws.

As indicated in the Company’s Corporate Governance Guidelines, the Governance, Nominating and Compensation Committee reviews all nominees, including those recommended by shareholders, for nomination by the Board in accordance with the requirements and qualifications contained in the guidelines to determine whether they possess attributes the committee believes would be most beneficial to the Company. The Governance, Nominating and Compensation Committee will select qualified candidates and makes its recommendations to the Board, which will formally decide whether to nominate the recommended candidates for election to the Board.

Shareholders may recommend nominees for consideration by the Governance, Nominating and Compensation Committee by submitting the names and the following supporting information to the Company’s Secretary: Secretary, BrainStorm Cell Therapeutics Inc., 605 Third Avenue, 34th Floor, New York, New York 10158. The submissions should include a current resume and curriculum vitae of the candidate and statement describing the candidate’s qualifications and contact information for personal and professional references. The submission should also include the name and address of the shareholder who is submitting the nominee, the number of shares which are owned of record or beneficially by the submitting shareholder and a description of all arrangements or understandings between the submitting shareholder and the candidate.

Shareholder-Board Communications

The Board provides to every shareholder the ability to communicate with the Board, as a whole, and with individual directors on the Board through an established process as follows:

1. For communication directed to the Board as a whole, shareholders may send such communication to the attention of the Secretary of the Company via U.S. Mail, courier or expedited delivery services to the address below:

Board of Directors of BrainStorm Cell Therapeutics Inc.
605 Third Avenue, 34th Floor
New York, New York 10158
Attn: Secretary

The Secretary will promptly forward copies to all the directors of the Board of any such communication received except for mass mailings, job inquiries, surveys, business solicitations or advertisements, personal grievances, matters as to which the Company tends to receive repetitive or duplicates communications, or patently offensive or otherwise inappropriate material.

2. For communication directed to an individual director in his or her capacity as member of the Board, shareholders may send such communication to the individual director in his or her capacity as member of the Board, to the individual director via U.S. Mail, courier or expedited delivery service to the address below:

[Name of Individual Director]
c/o BrainStorm Cell Therapeutics Inc.
605 Third Avenue, 34th Floor
New York, New York 10158
Attn: Secretary

The Secretary will promptly forward any such communication received to the director or directors to whom such communication is addressed, except for mass mailings, job inquiries, surveys, business solicitations or advertisements, personal grievances, matters as to which the Company tends to receive repetitive or duplicates communications, or patently offensive or otherwise inappropriate material.

Communications from an officer or director of the Company and proposals submitted by shareholders to be included in the Company's definitive proxy statement pursuant to Rule 14a-8 of the Exchange Act of 1934 (and related communications) will not be viewed as a shareholder communication. Communications from an employee or agent of the Company will be viewed as shareholder communication only if such communications are made solely in such employee's or agent's capacity as a shareholder.

Approved by the Board of Directors of Brainstorm Cell Therapeutics Inc. on June 27, 2011.