

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

**FORM S-8
REGISTRATION STATEMENT**
UNDER
THE SECURITIES ACT OF 1933

KALVISTA PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

20-0915291
(I.R.S. Employer
Identification No.)

**One Kendall Square
Bld 200, Ste 2203
Cambridge, MA 02139**
(Address of Principal Executive Offices) (Zip Code)

**2017 Equity Incentive Plan
2017 Employee Stock Purchase Plan
Non-Plan Inducement Options**
(Full Title of the Plans)

**Thomas Andrew Crockett
Chief Executive Officer
KalVista Pharmaceuticals, Inc.
One Kendall Square
Bld 200, Ste 2203
Cambridge, MA 02139**
(Name and Address of Agent For Service)

(857) 999-0075
(Telephone Number, including area code, of agent for service)

Copies to:

**Robert A. Freedman, Esq.
Fenwick & West LLP
Silicon Valley Center
801 California Street
Mountain View, California 94041
(650) 988-8500**

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 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 (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered	Amount To Be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$0.001 par value per share				
— Non-Plan Inducement Stock Option Grant	65,000(2)	\$7.91(3)	\$514,150	\$59.59
— To be issued under the 2017 Equity Incentive Plan	1,284,702(4)	\$7.49(5)	\$9,616,058.71	\$1,114.50

— To be issued under the 2017 Employee Stock Purchase Plan	100,000	\$6.36(6)	\$636,229.25	\$73.74
Total	1,449,702		\$10,766,437.96	\$1,247.83

- (1) Pursuant to Rule 416(a) under the Securities Act of 1933, as amended (the “**Securities Act**”), this Registration Statement shall also cover any additional shares of the Registrant’s Common Stock that become issuable in respect of the securities identified in the above table by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without receipt of consideration that increases the number of the Registrant’s outstanding shares of Common Stock.
- (2) Represents shares of Common Stock reserved for issuance upon the exercise of a stock option grant by the Registrant to Dr. Andreas Maetzel as a material inducement to his acceptance of employment with the Registrant in accordance with NASDAQ Listing Rule 5635(c)(4).
- (3) Such shares are issuable upon exercise of an outstanding option with a fixed exercise price. Pursuant to Rule 457(h) of the Securities Act, the aggregate offering price and the fee have been computed upon the basis of the price at which the option may be exercised, which was the closing price of a share of Registrant’s Common Stock on March 8, 2017, the date of grant of such option, as reported on The NASDAQ Stock Market.
- (4) Shares of Common Stock reserved for issuance under the 2017 Equity Incentive Plan consists of (a) 1,000,000 shares subject to an outstanding award under the 2017 Equity Incentive Plan, (b) 115,554 shares of Common Stock previously reserved but unissued under the 2015 Incentive Plan on the effective date of the 2017 Equity Incentive Plan that are now available for issuance under the 2017 Equity Incentive Plan and (c) 169,148 shares of Common Stock previously reserved and issued under the 2015 Incentive Plan, but which the Registrant believes could become available for issuance under the 2017 Equity Incentive Plan upon the forfeiture, expiration, termination, cancellation or settlement of awards under the 2015 Incentive Plan.
- (5) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) and (h) under the Securities Act, based on the average of the high and low prices of the Registrant’s Common Stock as reported by The NASDAQ Stock Market on March 27, 2017.
- (6) Estimated solely for the purpose of calculating the registration fee in accordance with Rules 457(c) and 457(h) under the Securities Act and based upon the average of the high and low prices of the Registrant’s Common Stock as reported by The NASDAQ Stock Market on March 27, 2017, multiplied by 85%. The purchase price of a share for purchasers under the Registrant’s 2017 Employee Stock Purchase Plan is 85% of the fair market value of the Registrant’s Common Stock.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the information required by Part I of Form S-8 will be sent or given to employees as specified by Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act"). Such documents need not be filed with the Securities and Exchange Commission (the "Commission") either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 of the Securities Act. These documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

KalVista Pharmaceuticals, Inc. (the "Registrant") hereby incorporates by reference into this Registration Statement the following documents previously filed with the Commission:

- (a) The Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the Commission on March 30, 2016 pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act");
- (b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Registrant's Annual Report referred to in (a) above; and
- (c) The description of the Registrant's Common Stock contained in the Registrant's Registration Statement on Form 8-A (No. 001-36830) filed with the Commission on February 2, 2015, and including any other amendments or reports filed for the purpose of updating such description.

All reports and definitive proxy or information statements filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the filing of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which de-registers all securities then remaining unsold shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of filing such documents, except as to specific sections of such statements as set forth therein. Unless expressly incorporated into this Registration Statement, a report furnished on Form 8-K prior or subsequent to the date hereof shall not be incorporated by reference into this Registration Statement. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in any subsequently filed document which also is deemed to be incorporated by reference herein modifies or supersedes such 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.

Section 102 of the Delaware General Corporation Law permits a corporation to eliminate the personal liability of its directors or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. The Registrant's Amended and Restated Certificate of Incorporation provides that no director shall be personally liable to them or their stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the Delaware General Corporation Law prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

The Registrant's Amended and Restated Certificate of Incorporation provides that the Registrant will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Registrant) by reason of the fact that he or she is or was, or has agreed to become, the Registrant's director or officer, or is or was serving, or has agreed to serve, at the Registrant's request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the Registrant's best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. The Registrant's Amended and Restated Certificate of Incorporation also provides that the Registrant will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of the Registrant to procure a judgment in the Registrant's favor by reason of the fact that the Indemnitee is or was, or has agreed to become, the Registrant's director or officer, or is or was serving, or has agreed to serve, at the Registrant's request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the Registrant's best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the Registrant, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses.

Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by the Registrant against all expenses (including attorneys' fees) actually and reasonably incurred by him or her or on his or her behalf in connection therewith. If Registrant does not assume the defense, expenses must be advanced to an Indemnitee under certain circumstances.

The Registrant has entered into indemnification agreements with the Registrant's directors and executive officers. In general, these agreements provide that the Registrant will indemnify the director or executive officer to the fullest extent permitted by law for claims arising in his or her capacity as a director or officer of the Registrant's company or in connection with their service at the Registrant's request for another corporation or entity. The Registrant maintain a general liability insurance policy which covers certain liabilities of the Registrant's directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

For a list of exhibits, see the Exhibit Index to this Registration Statement, which is incorporated into this Item by reference.

Item 9. Undertakings

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 a 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 (1)(i), (1)(ii) and (1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act, that are incorporated by reference in this Registration Statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of this Registration Statement.

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

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 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 this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

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 indemnification provisions described herein, 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, 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 Cambridge, State of Massachusetts, on March 29th, 2017.

KALVISTA PHARMACEUTICALS, INC.

By: /s/ Thomas Andrew Crockett
Thomas Andrew Crockett
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below does hereby constitute and appoint Thomas Andrew Crockett and Benjamin L. Palleiko, and each of them, with full power of substitution, such person's true and lawful attorneys-in-fact and agents for such person, with full power and authority to do any and all acts and things and to execute any and all instruments which said attorneys and agents, and any one of them, determine may be necessary or advisable or required to enable said corporation to comply with the Securities Act of 1933, as amended, and any rules or regulations or requirements of the Securities and Exchange Commission in connection with this Registration Statement. Without limiting the generality of the foregoing power and authority, the powers granted include the power and authority to sign the names of the undersigned officers and directors in the capacities indicated below to this Registration Statement, to any and all amendments, both pre-effective and post-effective, and supplements to this Registration Statement, and to any and all instruments or documents filed as part of or in conjunction with this Registration Statement or amendments or supplements thereof, and each of the undersigned hereby ratifies and confirms that all said attorneys and agents, or any one of them, shall do or cause to be done by virtue hereof. This Power of Attorney may be signed in several counterparts.

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Thomas Andrew Crockett</u> Thomas Andrew Crockett	Chief Executive Officer and Director (Principal Executive Officer)	March 29, 2017
<u>/s/ Benjamin L. Palleiko</u> Benjamin L. Palleiko	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 29, 2017
<u>/s/ Rajeev Shah</u> Rajeev Shah	Director	March 29, 2017

<u>/s/ Joshua Resnick, M.D.</u> Joshua Resnick, M.D.	Director	March 29, 2017
<u>/s/ Richard Aldrich</u> Richard Aldrich	Director	March 29, 2017
<u>/s/ Edward W. Unkart</u> Edward W. Unkart	Director	March 29, 2017
<u>/s/ Albert Cha, M.D., Ph.D.</u> Albert Cha, M.D., Ph.D.	Director	March 29, 2017
<u>/s/ Arnold L. Oronsky, Ph.D.</u> Arnold L. Oronsky, Ph.D.	Director	March 29, 2017

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>				<u>Filed Herewith</u>
		<u>Form</u>	<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>	
4.1	Registrants Amended and Restated Certificate of Incorporation.	S-1	333-201278	3.2	January 23, 2015	
4.2	Certificate of Amendment of Registrant's Amended and Restated Certificate of Incorporation.	8-K	001-36830	3.1	November 23, 2016	
4.3	Certificate of Amendment of Registrant's Amended and Restated Certificate of Incorporation.	8-K	001-36830	3.2	November 23, 2016	
4.4	Amended and Restated Bylaws of KalVista Pharmaceuticals, Inc., as currently in effect.	8-K	001-36830	3.2	April 16, 2015	
5.1	Opinion and Consent of Fenwick & West LLP.					X
23.1	Consent of Deloitte LLP.					X
23.2	Consent of PricewaterhouseCoopers LLP.					X
23.3	Consent of Fenwick & West LLP (contained in Exhibit 5.1).					X
24	Power of Attorney (included on signature page).					X
99.1	Inducement Stock Option Agreement.					X
99.2	2017 Equity Incentive Plan.	DEF 14A	001-36830	Appendix A	March 2, 2017	
99.3	2017 Employee Stock Purchase Plan.	DEF 14A	001-36830	Appendix B	March 2, 2017	



SILICON VALLEY CENTER 801 CALIFORNIA STREET MOUNTAIN VIEW, CA 94041
TEL 650.988.8500 FAX 650.938.5200 WWW.FENWICK.COM

March 29, 2017

KalVista Pharmaceuticals, Inc.
One Kendall Square
Bld 200, Ste 2203
Cambridge, MA 02139

Ladies and Gentlemen:

At your request, we have examined the Registration Statement on Form S-8 filed by KalVista Pharmaceuticals, Inc., a Delaware corporation (the "**Company**"), with the Securities and Exchange Commission (the "**Commission**") on March 29, 2017 (the "**Registration Statement**") in connection with the registration under the Securities Act of 1933, as amended, of (i) an aggregate of 1,284,702 shares of the Company's Common Stock, \$0.001 par value per share (the "**Stock**"), that are subject to issuance by the Company upon the exercise of equity awards granted or to be granted under the Company's 2017 Equity Incentive Plan (the "**2017 EIP**"), (ii) an aggregate of 100,000 shares of Stock that are subject to issuance by the Company upon the exercise of equity awards to be granted under the 2017 Employee Stock Purchase Plan (the "**2017 ESPP**") and (iii) an aggregate of 65,000 shares of Stock that are subject to issuance by the Company upon the exercise of stock options granted to Dr. Andreas Maetzel as a material inducement to accept his employment with the Company (the "**Inducement Grant**").

In rendering this opinion, we have examined such matters of fact as we have deemed necessary in order to render the opinion set forth herein, which included examination of the following:

1. The Company's Amended and Restated Certificate of Incorporation, certified by the Delaware Secretary of State on December 14, 2016 (the "**Restated Certificate**").
2. The Company's Amended and Restated Bylaws, as certified to us as of the date hereof by an officer of the Company as being complete and in full force and effect as of the date hereof (the "**Bylaws**").
3. The Registration Statement, together with the Exhibits filed as a part thereof or incorporated therein by reference.
4. The prospectus prepared in connection with the Registration Statement (the "**Prospectus**").
5. Copies of minutes of meetings and actions by written consent of the Company's Board of Directors and the Company's stockholders provided to us by the Company relating to the adoption, approval, authorization and/or ratification of (i) the Restated Certificate, (ii) the Bylaws, (iii) the adoption of the 2017 EIP and 2017 ESPP, (iv) the issuance of the Inducement Grant and (v) the filing of the Registration Statement and the issuance of the Stock by the Company pursuant to the Registration Statement.

6. The stock records for the Company that the Company has provided to us (consisting of a list of stockholders and a list of option holders respecting the Company's capital and of any rights to purchase capital stock that was prepared by the Company and provided to us as of March 24, 2017 and a certificate of the Company's transfer agent, dated March 27, 2017 regarding the Company's outstanding shares of common stock as of March 24, 2017).
7. A Certificate of Good Standing issued by the Secretary of State of the State of Delaware dated March 27, 2017, stating that the Company is qualified to do business and in good standing under the laws of the State of Delaware.
8. An Opinion Certificate addressed to us and dated of even date herewith executed by the Company containing certain factual representations (the "*Opinion Certificate*").

In our examination of documents for purposes of this opinion, we have relied on the accuracy of representations to us by officers of the Company with respect to the genuineness of all signatures on original documents, the authenticity and completeness of all documents submitted to us as originals, the conformity to originals and completeness of all documents submitted to us as copies, the legal capacity of all persons or entities executing the same, and the lack of any undisclosed termination, modification, waiver or amendment to any document referenced in clause (5) above to us.

We render this opinion only with respect to, and we express no opinion herein concerning the application or effect of the laws of any jurisdiction other than, the existing laws of the United States of America and the existing Delaware General Corporation Law and reported judicial decisions relating thereto.

Based upon, and subject to, the foregoing, it is our opinion that:

1. the 1,284,702 shares of Stock that may be issued and sold by the Company upon the exercise or settlement of awards granted or to be granted under the 2017 EIP, when issued, sold and delivered in accordance with the 2017 EIP and purchase agreements to be entered into thereunder and in the manner and for the consideration stated in the Registration Statement and the relevant Prospectus, will be validly issued, fully paid and nonassessable.
2. the 100,000 shares of Stock that may be issued and sold by the Company upon the exercise or settlement of awards to be granted under the 2017 ESPP, when issued, sold and delivered in accordance with the 2017 ESPP and purchase agreements to be entered into thereunder and in the manner and for the consideration stated in the Registration Statement and the relevant Prospectus, will be validly issued, fully paid and nonassessable.
3. the 65,000 shares of Stock that may be issued and sold by the Company upon the exercise of options granted pursuant to the Inducement Grant, when issued, sold and delivered in accordance with the applicable stock option award agreement and in the manner and for the consideration stated in the Registration Statement and relevant Prospectus, will be validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to all references to us, if any, in the Registration Statement, the Prospectus constituting a part thereof and any amendments thereto. This opinion is intended solely for use in connection with issuance and sale of shares of Stock subject to the Registration Statement and is not to be relied upon for any other purpose. In providing this letter, we are opining only as to the specific legal issues expressly set forth above, and no opinion shall be inferred as to any other matter or matters. This opinion is rendered on, and speaks only as of, the date of this letter first written above, is based solely on our understanding of facts in existence as of such date and does not address any potential changes in facts, circumstance or law that may occur after the date of this opinion letter. We assume no obligation to advise you of any fact, circumstance, event or change in the law or the facts that may hereafter be brought to our attention, whether or not such occurrence would affect or modify any of the opinions expressed herein.

Sincerely,

/s/ Fenwick & West LLP

FENWICK & WEST LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated August 22, 2016 (November 23, 2016 as to the net loss per share attributable to common shareholders included in note 2 and as to the disclosure of subsequent events included in note 13) relating to the financial statements of KalVista Pharmaceuticals Limited (which expresses an unqualified opinion and includes an explanatory paragraph related to KalVista Pharmaceuticals Limited's ability to continue as a going concern) appearing in the Current Report on Form 8-K of KalVista Pharmaceuticals, Inc. dated November 21, 2016.

/s/ DELOITTE LLP

Reading, United Kingdom
March 29, 2017

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of KalVista Pharmaceuticals, Inc. of our report dated March 30, 2016 relating to the financial statements, which appears in Carbylan Therapeutics, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015.

/s/ PricewaterhouseCoopers LLP

San Jose, California

March 29, 2017

**KALVISTA PHARMACEUTICALS, INC.
NOTICE OF INDUCEMENT OPTION GRANT**

KalVista Pharmaceuticals, Inc. (the “**Company**”) has granted you, Andreas Maetzel, M.D., (“**Participant**”) an Option to purchase shares of Common Stock of the Company (“**Shares**”), subject to the terms and conditions of this Notice of Inducement Option Grant (the “**Notice**”) and the Inducement Option Award Agreement (the Notice and the Inducement Option Agreement, collectively, the “**Agreement**”).

Participant: Andreas Maetzel, M.D.

Date of Grant: March 8, 2017

Vesting Commencement Date: March 8, 2017

Exercise Price per Share: \$7.91

Total Number of Shares: 65,000

Type of Option: Non-Qualified Stock Option

Expiration Date: 10 Years from Date of Grant

Post-Termination Exercise Period:

Voluntary Termination = 3 Months
Termination other than for Cause = 3 Months
Termination for Cause = 0 Months
Disability = 12 Months
Death = 12 Months

Vesting Schedule: Subject to the limitations set forth in the Agreement (inclusive of the Notice), the Shares subject to the Option will vest and may be exercised, in whole or in part, in accordance with the following schedule:

1/4th of the Shares subject to the Option will vest and become exercisable on the one (1) year anniversary of the Vesting Commencement Date with an additional 1/48th of the Shares subject to the Option vesting when Participant completes each month of continuous service following the first one (1) year anniversary of the Vesting Commencement Date, with 100% vested on the four-year anniversary of the Vesting Commencement Date.

Participant acknowledges that the vesting pursuant to this Notice is earned only by continuing service as a Company employee, director or consultant. Participant also understands that this Notice is subject to the terms and conditions of the Agreement, which is incorporated herein by reference. By signing below or electronically accepting the Agreement, Participant confirms that he has read and agreed to the terms and conditions of this Agreement (inclusive of the Notice). Participant has had an opportunity to obtain the advice of counsel prior to executing the Notice and fully understands all provisions of this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated on the Notice.

PARTICIPANT:**KALVISTA PHARMACEUTICALS, INC.**

Signature: _____

By: _____

Print Name: Andreas Maetzel, M.D.

Its: _____

Date: _____

Date: _____

KALVISTA PHARMACEUTICALS, INC.
INDUCEMENT STOCK OPTION PLAN AND AGREEMENT

Participant has been granted an option to purchase Shares (the “**Option**”), subject to the terms and conditions of the Notice and this Agreement.

1. Vesting Rights. Subject to the applicable provisions of this Agreement, this Option may be exercised, in whole or in part, in accordance with the schedule set forth in the Notice. In the event Participant’s Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any), Participant’s right to vest in the Shares subject to the Option will terminate effective as of the date that Participant is no longer actively providing services and will not be extended by any notice period (e.g., active services would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant’s employment agreement, if any); the Committee shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his Option grant (including whether Participant may still be considered to be providing services while on an approved leave of absence).

2. Termination Period.

(a) **General Rule.** Except as provided below, this Option may be exercised for three months after Participant’s Termination with the Company or any Parent or Subsidiary. In no event shall this Option be exercised later than the expiration date set forth in the Notice.

(b) **Death; Disability.** Unless provided otherwise in the Notice, upon Participant’s Termination by reason of his Disability or death, or if a Participant dies within three months of the Termination Date, this Option may be exercised for twelve months, provided that in no event shall this Option be exercised later than the expiration date set forth in the Notice.

(c) **Cause.** Unless provided otherwise in the Notice, upon Participant’s Termination for Cause or upon Participant’s Termination in circumstances that in the sole determination of the Committee would have constituted grounds for Participant’s termination for Cause, this Option will immediately terminate and will no longer be exercisable.

(d) **Measurement Date.** In the event of Participant’s Termination (whether or not in breach of local labor laws), Participant’s right to exercise the Option after Termination, if any, will be measured by the date of termination of Participant’s active services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant’s employment agreement, if any).

3. Grant of Option.

(a) **Basic Terms.** The Participant named in the Notice has been granted an Option for the number of Shares set forth in the Notice at the exercise price per Share set forth in the Notice (the “**Exercise Price**”).

(b) **Adjustment of Shares.** In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization, reclassification or other distribution of the Company’s equity securities without the receipt of consideration by the Company, or other change in the Company’s capital structure that constitutes an equity restructuring within the meaning of ASC Topic 718, the Committee will make appropriate adjustments to the number and kind of shares subject to this Option, the Exercise Price and other provision of this Options affected by such change.

(c) **Modification, Extension or Renewal.** The Committee may modify, extend or renew the Option and authorize the grant of new options in substitution therefor, provided that any such action may not, without the written consent of the Participant, impair the Participant’s rights under this Agreement.

4. Exercise of Option.

(a) Right to Exercise. This Option is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice and the applicable provisions of this Agreement. In the event of Participant's death, Disability, Termination for Cause or other Termination, the exercisability of the Option is governed by the applicable provisions of this Agreement (inclusive of the Notice).

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice (the "**Exercise Notice**"), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "**Exercised Shares**"). The Exercise Notice shall be delivered in person, by mail, via electronic mail or facsimile or by other authorized method to the Secretary of the Company or other person designated by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.

(c) Securities Law. No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with all relevant provisions of securities law and the requirements of any stock exchange or quotation service upon which the Shares are then listed. Assuming such compliance, for tax purposes the Exercised Shares shall be considered transferred to the Participant on the date the Option is exercised with respect to such Exercised Shares.

(d) Limitations on Exercise. The Committee may specify a minimum number of Shares that may be purchased on any exercise of the Option, provided that such minimum number will not prevent the Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5. Method of Payment. Unless provided otherwise by the Company, in its sole discretion, or in the Appendix, payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

- (a) cash;
- (b) check;
- (c) by consideration received by the Company pursuant to a broker-assisted or other cashless exercise program implemented by the Company; or
- (d) other method authorized by the Company.

6. Restrictions.

(a) Non-Transferability. This Option may not be transferred in any manner other than by will or by the laws of descent or distribution or court order and may be exercised during the lifetime of Participant only by the Participant unless otherwise permitted by the Committee on a case-by-case basis. The terms of this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.

(b) Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares.

(c) Certificates. All certificates for Shares will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

(d) Escrow; Pledge of Shares. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent

designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. If Participant is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Agreement, he will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

(e) Insider Trading Policy. Participant shall comply with any policy adopted by the Company from time to time covering transactions in the Company's securities by employees, officers and/or directors of the Company.

7. Term of Option. This Option shall in any event expire on the expiration date set forth in the Notice, which date is 10 years after the Date of Grant.

8. Tax Obligations. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "**Employer**"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to Participant's Option and legally applicable to Participant ("**Tax-Related Items**"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to exercise of the Option, Participant shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, Participant authorizes the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by Participant from Participant's wages or other cash compensation paid to Participant by the Company and/or the Employer. With the Company's consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to Participant when Participant exercises this Option, provided that the Company only withholds the amount of Shares necessary to satisfy the applicable withholding amount, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf and Participant hereby authorizes such sales by this authorization), (c) Participant's payment by cash, check, wire transfer, bank draft or money order payable to the Company, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if Participant is a Section 16 officer of the Company under the Exchange Act of 1934 (the "**Exchange Act**"), then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares, determined as of the effective date of the Option exercise, will be applied as a credit against the withholding taxes. Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of Participant's purchase of Shares that cannot be satisfied by the means previously described. Finally, Participant acknowledges that the Company has no obligation to deliver Shares to Participant until Participant has satisfied the obligations in connection with the Tax-Related Items as described in this Section.

9. Acknowledgement of Nature of the Grant. The Company and Participant agree that the Option is granted under and governed by this Agreement. Participant acknowledges receipt of a copy of the Option prospectus, represents that Participant has carefully read and is familiar with the Option and hereby accepts the Option subject to all of the terms and conditions set forth in this Agreement. Participant further acknowledges, understands and agrees that:

(a) the grant of the Option is voluntary and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options;

(b) the Option grant shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer or any Parent, Subsidiary or affiliate of the Company, and shall not interfere with the ability of the Company, the Employer or any Parent, Subsidiary or affiliate of the Company, as applicable, to terminate Participant's employment or service relationship (if any);

(c) Participant is voluntarily accepting this Option;

(d) the Option and any Shares acquired hereunder are not intended to replace any pension rights or compensation;

(e) the Option and any Shares acquired hereunder and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(g) if the underlying Shares do not increase in value, the Option will have no value;

(h) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any), and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, its Parent, or any of its Subsidiaries or affiliates or the Employer, waives his ability, if any, to bring any such claim, and releases the Company, its Parent, Subsidiaries and affiliates and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; and

(j) unless otherwise provided by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Corporate Transaction affecting the Shares;

10. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding this Option or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his own personal tax, legal and financial advisors regarding this Option before taking any action.

11. Data Privacy. *Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and its Parent, Subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing this Agreement and Participant's Option.*

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing this Agreement.

Participant understands that Data will be transferred to a designated broker or such other stock administrator as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Option and this Agreement. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. Participant authorizes the Company, its designed broker and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Option to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing Participant's Option and this Agreement. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's Option and this Agreement. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his consent, his employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant or maintain the Option. Therefore, Participant understands that refusing or withdrawing his consent may affect Participant's Option. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact his local human resources representative.

12. Entire Agreement; Enforcement of Rights. This Agreement (inclusive of the Notice) constitutes the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior discussions between the parties. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. The Committee may at any time amend this Agreement in any respect, provided, however, that the Committee will not, without the approval of the Participant, amend this Agreement in any manner that impairs the rights of Participant. Other than modifications or amendments to this Agreement covered by the foregoing sentence, no modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach by Participant.

13. Compliance with Laws and Regulations. Notwithstanding any other provision hereunder, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon exercise of the Option prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. SEC or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. Participant understands that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. Further, Participant agrees that the Company shall have unilateral authority to amend the Agreement without Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of Shares.

14. Governing Law and Venue; Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that

the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law. For purposes of any action, lawsuit or other proceedings brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the jurisdiction of the federal and state courts located within the geographic boundaries of the United States District Court for the district of Delaware, and no other courts, where this grant is made and/or to be performed.

15. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver by electronic means any documents, including prospectuses required by the SEC, U.S. financial reports of the Company, other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) and other communications or information, related to this Agreement. Participant hereby consents to receive such documents by electronic delivery and agrees to the administration of this Agreement on-line or on an electronic system established and maintained by the Company or a third party designated by the Company. Participant acknowledges that Participant may receive from the Company a paper copy of any documents delivered electronically at no cost if Participant contacts the Company. Participant further acknowledges that Participant will be provided with a paper copy of any documents delivered electronically if electronic delivery fails. Participant understands that Participant must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Participant understands that Participant's consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if Participant has provided an electronic mail address) at any time by notifying the Company of such revised or revoked consent. Finally, Participant understands that Participant has consented to electronic delivery under this Section 15 even though Participant is not required to consent to electronic delivery.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Option and on any Shares acquired upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

17. Administration. Subject to the general purposes, terms and conditions of this Agreement, and to the direction of the Board, the Committee will have full power to implement and carry out this Agreement, and will have the authority to (a) construe and interpret this Agreement, (b) prescribe, amend and rescind rules and regulations relating to this Agreement, (c) determine the Fair Market Value in good faith, if necessary, (d) determine whether this Option will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other awards or incentive or compensation plans of the Company or any Parent or Subsidiary of the Company, (e) grant waivers of conditions hereunder, (f) correct any defect, supply any omission or reconcile any inconsistency hereunder, (g) determine whether the Option is vested, (h) determine the terms and conditions of any, and to institute any Exchange Program, and (i) make all other determinations necessary or advisable for the administration of this Agreement. Any determination made by the Committee with respect to this Option or Agreement shall be made in its sole discretion on the Date of Grant or, unless in contravention of any express term of this Agreement, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in the Option. Any dispute regarding the interpretation of this Agreement shall be submitted by the Participant or Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and the Participant.

18. Covered Transactions. The following provisions will apply in the event of a Covered Transaction:

(a) If the Covered Transaction is one in which there is an acquiring or surviving entity, the Committee may (but, for the avoidance of doubt, need not) provide (i) for the assumption or continuation of the Option or any portion thereof or (ii) for the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

(b) Subject to Section 18(e) below, the Committee may (but, for the avoidance of doubt, need not) provide for payment (a "cash-out") of the Option or any portion thereof, equal to the excess, if any, of (A) the fair market value of one Share (as determined by the Committee in its reasonable discretion) times the number of Shares subject to the

Option or such portion, over (B) the aggregate Exercise Price of the Option or such portion, in each case on such payment terms (which need not be the same as the terms of payment to holders of Shares) and other terms, and subject to such conditions, as the Committee determines, it being understood that if the Exercise Price is equal to or greater than the fair market value of one Share (as determined in accordance with this Section 18(b)), this Option may be cancelled with no payment due hereunder.

(c) Subject to Section 18(e) below, the Committee may (but, for the avoidance of doubt, need not) provide that the Option will become exercisable, in full or in part, on a basis that gives the Participant a reasonable opportunity, as determined by the Committee, following exercise of the Option, to participate as a stockholder in the Covered Transaction.

(d) Except as the Committee may otherwise determine in any case, this Option will automatically terminate upon consummation of the Covered Transaction, unless this Option is assumed pursuant to Section 18(a) above.

(e) Any Share and any cash or other property delivered pursuant to Section 18(b) or Section 18(c) above may, in the discretion of the Committee, contain such restrictions, if any, as the Committee deems appropriate to reflect any vesting conditions to which this Option was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 18(b) above or acceleration under Section 18(c) above will not, in and of itself, be treated as the lapsing (or satisfaction) of a vesting condition.

19. Definitions. In addition to the terms defined elsewhere in the Agreement (inclusive of the Notice), the following definitions shall apply:

(a) “**Board**” means the Board of Directors of the Company.

(b) “**Common Stock**” means the common stock of the Company.

(c) “**Cause**” means, unless defined in any employment agreement between Participant and the Company, as determined by the Committee in its reasonable judgment, (i) a substantial failure of Participant to perform Participant’s duties and responsibilities to the Company or its Subsidiaries or substantial negligence in the performance of such duties and responsibilities; (ii) the commission by Participant of a felony or a crime involving moral turpitude; (iii) the commission by Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or its Subsidiaries; (iv) a significant violation by Participant of the code of conduct of the Company or its Subsidiaries, of any material policy of the Company or its Subsidiaries, or of any statutory or common law duty of loyalty to the Company or its Subsidiaries; (v) material breach of any of the terms of this Option, or of the terms of any other agreement between the Company or its Subsidiaries and Participant; or (vi) other conduct by Participant that could be expected to be harmful to the business, interests or reputation of the Company.

(d) “**Committee**” means the Compensation Committee of the Board or those persons to whom administration of this Agreement, or part of this Agreement, has been delegated as permitted by law.

(e) “**Code**” means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(f) “**Covered Transaction**” means any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company’s then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company’s assets, or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Committee), the Covered Transaction will be deemed to have occurred upon consummation of the tender offer.

(g) “**Disability**” means, unless defined in any employment agreement between Participant and the Company, a disability that would entitle Participant to long-term disability benefits under the Company’s long-term disability plan to which Participant participates. Notwithstanding the foregoing, in any case in which a benefit that constitutes or includes “nonqualified deferred compensation” subject to Section 409A would be payable by reason of Disability, the term “Disability” will mean a disability described in Treas. Regs. Section 1.409A-3(i)(4)(i)(A).

(h) “**Exchange Program**” means a program pursuant to which outstanding awards are surrendered, cancelled or exchanged for cash, the same type of awards or a different award (or combination thereof).

(i) “**Fair Market Value**” means, as of any date, the value of a share of the Company’s Common Stock determined as follows: (i) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable; (ii) if such Common Stock is publicly traded but is neither listed nor admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable; or (iii) if none of the foregoing is applicable, by the Board or the Committee in good faith.

(j) “**Parent**” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(k) “**SEC**” means the United States Securities and Exchange Commission.

(l) “**Subsidiary**” means 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 fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(m) “**Termination**” or “**Terminated**” means that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. Participant will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee; provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Shares subject to the Option while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the Notice. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the “**Termination Date**”).